



The Salvation Army Australia

Submission to the
Department of Social Services

Response to the
DSS Discussion Paper on
Redesign of Financial Wellbeing and
Capability Activity

31 March, 2017

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About The Salvation Army

The following submission from The Salvation Army Australia is informed by many years of experience and expertise, developed at the frontline of service delivery, as well as a wider view of social policy informed by the breadth of programs and levels of engagement in which The Salvation Army is involved.

Please see Appendix 1 for a more comprehensive overview of the social program delivery footprint of The Salvation Army.

Submission

The Salvation Army Australia wishes to acknowledge and thank the Department of Social Services for providing an opportunity for stakeholders to consider and respond to changes being proposed under a redesign of Financial Wellbeing and Capability (FWC) Activity, as detailed in the DSS Discussion Paper.

Introduction

Financial Wellbeing and Capability (FWC) activities represent a continuum of services to help people who are experiencing financial difficulties. It is important to remember that these financial challenges straddle cohorts of people across multiple social economic groupings and concurrently are strongly influenced by the complexity and impact of structural disadvantage and environmental factors.

In this response The Salvation Army (TSA) seeks to enrich the discussion on proposed redesign of FWC services by exploring the topics of social economic groupings, structural disadvantage and environmental impacts in unison with the concepts proposed in the DSS Discussion Paper.

Observations

Structural Barriers

The Salvation Army is conscious of the pressing needs experienced by FWC services, which reflect a range of historical developments, shifts in government policy and a changing social and economic environment. However, in seeking to gain the best outcomes and structure for future FWC activity, TSA suggests that an emphasis needs to be placed on a better understanding of the structural barriers and the “lived experience” of people accessing FWC services. These factors are reflective of the complexity faced by FWC providers who seek to support people presenting with the interrelated issues of physical and mental health

problems, addictions, trauma, negative histories with institutional systems, and low levels of educational attainment or vocational skills. In addition, the social/structural context presents challenges, including: housing affordability, intergenerational and regional socio-economic disadvantage, labour market changes (specifically casualisation of employment resulting, in increasing numbers of the "underemployed"), and an income support system that leaves people in poverty.

The DSS Discussion paper states that:

"The Australian Government's investment in financial wellbeing services dates back over 45 years, when it started funding ER. This was in response to the 1977 Commission of Inquiry into Poverty, which recognised the inadequacy of income in relation to expenditure."

The Salvation Army seeks to draw attention to the fact that the poverty scenario as identified in the 1977 Commission of Inquiry into Poverty still applies today.

The ACOSS Poverty in Australia 2016 Report¹ provides a graphic profile of the number of Australians living "**below the poverty line**". The report indicates that:

- **2,990,300 million people** (13.3% of the population), were living below the poverty line, after taking account of their housing costs.
- **731,300 children** under the age of 15 (17.4% of all children) were living **below the poverty line**.
- Child poverty in Australia **increased by 2 percentage points** over the decade 2003-04 to 2013-14.
- **36.1% of people receiving social security payments were living below the poverty line**, including 55% of those receiving Newstart Allowance, 51.5% receiving Parenting Payment, 36.2% of those receiving Disability Support Pension, 24.3% receiving Carer Payment, and 13.9% of those on the Age Pension.
- **57.3% of people below the poverty line relied upon social security as their main income** and 32.1% relied upon wages as their main income.
- Between 2012 and 2014, **poverty rates increased** for: **children in lone parent families** (36.8 to 40.6%), those receiving **Youth Allowance** (50.6 to 51.8%), and those receiving **Parenting Payment** (47.2 to 51.5%). They remained **very high** (61.4% to 59.9%) from 2007 to 2014 for **unemployed households**.

Accordingly, in this submission TSA seeks to highlight that the foundational need for emergency relief remains. However, more critically, ER plays a pivotal role as a first point of contact for marginalised Australians through which they can be connected to a continuum of support.

¹ <http://www.acoss.org.au/poverty-2/>

Other relevant considerations:

An extract from recent research, undertaken by RMIT University on behalf of the Brotherhood of St Laurence, *“Understanding financial wellbeing in times of insecurity”*², provides timely observations that support the current consideration of a re-design of FWC activity.

Extract:

“As a component of overall wellbeing, financial wellbeing has the potential to contribute to a fuller understanding of economic security and social cohesion. Concurrent attempts to aggregate social and economic factors, particular policies (financial inclusion and literacy) and individual behaviours, attitudes and skills in one construct are, however theoretically and methodologically underdeveloped. We argue that the concepts underlying the design of financial wellbeing policies, programs and practices require more careful consideration if this potential is to be realised.

At stake is whether financial wellbeing policies and practices will improve financial wellbeing, will have no effect, or will have the unintended consequences of entrenching inequality and poverty.
(Bowman et al: 2017, p4).

Observations:

Figure 1: Financial wellbeing continuum (on Page 5 of the Discussion Paper)

As outlined above TSA, seeks to enrich the discussion on a proposed re-design of FWC services by exploring the topics of social economic groupings, structural disadvantage and environmental impacts, in unison with the concepts proposed in the DSS Discussion Paper.

In this context *Figure 1: Financial wellbeing continuum*, on page 5 of the Discussion Paper, has not captured a true representation of the complexity of client need when presenting for FWC services. A more realistic continuum would commence with the full list of FWC client “At Risk” factors: (e.g. the current three listed categories), plus clients who are impacted by intergenerational and regional socio-economic disadvantage, situational poverty and the underemployed (working poor). The context of those at risk would need to be further considered for those clients whose financial difficulty may be a combination of the above, and further exacerbated by physical and mental health problems, addictions, trauma and low levels of educational attainment or vocational skills.

By necessity, the “Crisis” and “Recovery” stages in the continuum would also need to be expanded to address these more complex issues. In a majority of cases the issue is not a simple financial management “fix”.

² Bowman, D., Banks, M., Fela, G, Russell, R and de Silva, A. *Understanding financial wellbeing in times of insecurity*, Prepublication Working Paper, Brotherhood of St Laurence and RMIT University.

At the intersection of these complex considerations, there continues to be people in financial crises who rely on The Salvation Army and other organisations to help them find a way out. Reviewing the design and delivery of services such as those that fall under the FWC banner is an important part of ensuring that these people receive the services they need. However, the success of these services is still largely dependent on acknowledging the environment in which they are delivered, and the resources that are available to meet the growing and diverse range of needs.

Complexity of funding models supporting FWC Activity in Australia (including ER, CFC, FC and Microfinance activity)

Complex Funding Models embedded in FWC Activity

It must be noted that the proposed changes to FWC activity may have a flow-on impact in relation to FWC providers who currently receive funding from multiple sources.

Many providers of FWC emergency relief, financial counselling and financial capability have expanded the depth and reach of their services through actively sourcing additional funding from State and Local Government, philanthropic and corporate funding, provider self-funding and community donations (food, material aid and cash).

The final redesign of FWC activity may create an environment wherein eligibility criteria, contractual delivery models and the respective reporting arrangements of multiple funding sources cannot be aligned. Alternatively, providers may elect to provide client support options which are funded externally to DSS funding. These scenarios could result in the need to separate client services aligned to funding streams – e.g. One stream for DSS funded FWC services held completely separately and a second stream for client services funded by all other funding sources, with each stream operating independently and having its own monitoring and reporting structure, in effect a “Two Tier” delivery structure.

This raises a complexity for the future as DSS may need to develop strategies to identify exactly how providers need to treat items such as “in-kind” food, if services are divided into two streams. If this food comes from Foodbank (also a DSS funded program) is this reportable as DSS ER funded activity? Similarly, food ‘in-kind’ is sourced by the provider, via donations from the broader community, should this be recorded as DSS support or assigned to internal assistance stream provided to clients of an ER service? Or would this be at the provider’s discretion?

Outcomes/Evaluation Impacts of Two Tier client support environment.

The Salvation Army wishes to highlight that the historical partnership between DSS and the community sector, underpinning the delivery of emergency relief, is something to be valued. This would appear not to be the case in the Discussion Paper and other recent communications from DSS, which appear to indicate that DSS are at risk of sacrificing recognition of the additional client support generated and incorporated into ER client support services, from the community sector in the interests of “simplifying data collection”.

TSA is concerned that the unintended consequence of such action could compromise the efficacy of any DSS client outcome data. If the impact of the redesign of FWC activity results in ER providers undertaking a shift to “Two Tiered” client support models, how will DSS validate the outcomes achieved? In a majority of cases, any outcomes achieved will be as a result of the combined assistance of DSS ER funding and community sector generated supports, “wrapped around” the client, in line with integrated service delivery models.

Increased Administrative burden for FWC Providers.

The proposed changes within the re-design Discussion Paper will increase the administrative burden for FWC services. It is anticipated that provision of services will see administrative and functional increases and increased financial impost to providers, through implementation of changes in policy, systems, training of staff, reporting, data management and change management strategies. In addition, the identified impost is doubled if providers are managing a “Two Tier” client services delivery structure.

Symbiotic Relationship – supporting Emergency Relief in Australia

Any changes in a program of long stature need to consider how programs have evolved to include additional features that are sometimes overlooked during a re-design process.

Emergency relief delivery is the product of a symbiotic relationship between the Commonwealth Government and the community sector. A robust and supportive relationship that is critical for both parties.

Over time, ER operating models have evolved where the community sector provides the infrastructure (premises, office space, power/utilities, computer equipment and staff) for ER

delivery. DSS offer FWC Grants that fund actual client assistance distributed by ER providers³.

This symbiotic relationship results in ER being an extremely cost effective program for the government. It is substantially subsidised by the “good will of the community sector”. The foundation of the community sector’s “good will” is a shared vision that Emergency Relief is there to support disadvantaged Australians, by providing a “safety net” for “anyone” who finds themselves in financial distress.

The infrastructure contribution of the community sector is significant for discussions in two areas.

1. Hubs Discussion Question 2.4:

In the response to Question 2.4 it is critical to note that suitable premises are a foundation element for the establishment of Hubs. TSA would highlight that the current model of funding services is a barrier to the establishment of Hubs. Grant funding is not able to be used to secure premises. Even if providers are keen to pursue the Hub option, there remains the problem of ability to access suitable premises.

2. Many community organisations providing DSS funded Emergency Relief operate out of “in-kind” accommodation, which is provided on the historical basis that ER is an open service available to all people within a local community (e.g. accommodation provided by a local government entity). If the future model of FWC does include restricted access to services, or the change of focus of FWC services does not align with the values and mission of the organisation providing “in-kind support”, there could be unintended consequences. For example, the willingness of institutions (like local government) to continue to provide “In-kind” accommodation support may be compromised, or withdrawn.

³ Notes: It is acknowledged that a small proportion of DSS Grant funds can be applied to admin costs – indicatively 15% and if negotiated up to 30% can be applied to fund Case Management Salaries.

Responding to Specific Questions

1. Strategies to improve the targeting of services

1.1 What impacts do you expect restricting eligibility criteria in the manner proposed above will have on your service?

The DSS introductory text to “Strategies to improve the targeting of services” notes the complexity of issues faced by FWC clients and the challenges for FWC providers in supporting these clients. However, without any evidentiary basis or analysis of benefits to be achieved, the paper jumps to “restricting access to FWC services” as the proposed response. It is suggested that changes of this significance would benefit from research into the efficacy and potential implications of any proposed changes, by testing the concept via a “sample” cohort and then evaluating results prior to a broad application.

The Salvation Army does not support the proposed restriction of eligibility, identified in the Discussion Paper. TSA maintains that imposing restricted access to services is counterproductive to early intervention strategies and restricts the ability to implement integrated service delivery models.

The Salvation Army’s rationale for not supporting restrictions to Emergency Relief (ER) and Commonwealth Financial Counselling (CFC) services (as described in the Discussion Paper) is outlined below:

The proposal to limit access to ER and CFC services to “those at imminent risk of not being able to pay their debts”, would increase the financial vulnerability and risk of people who are not yet in crisis and encourage people to wait until their situation is extremely critical.

The Salvation Army services promote open access models, supporting early intervention, integrated services and holistic approaches. This approach is focused on client capacity building. In this framework TSA (and other FWC providers) are currently striving to encourage families experiencing financial difficulty (i.e. impacted by situational poverty, the “working poor” underemployed - currently estimated to be 1.1 million Australians⁴, to access our services as early as possible. It is at this point that gains to individual families,

⁴ The Age: Article: *Underemployment rockets to 1.1 Million Australians* – Sunday 26 March 2017

community and the economy through stabilising a family unit, **before they enter a debt spiral**, have the most chance of making a significant difference. In this context there is an opportunity to link clients to appropriate integrated services options, thus reducing the number of people who may move into entrenched poverty and dependence on government benefits.

The Salvation Army's approach to Emergency Relief delivery is informed by its embedded Doorways philosophy, which reflects the principle that TSA Emergency Relief services are an entry point for clients or **the first doorway** to a continuum of wrap around services that are focussed on helping clients move to a more stable future. Under the Doorways approach, ER services address both the immediate crisis need of clients, and provide a pathway to a deeper engagement through the provision of case management, mentoring and referrals. These assist a client to tackle the underlying issues, plus build connections into the community and to other service providers.

The principles of early intervention and wrap around services are embedded in the TSA Emergency Relief delivery under Doorways. The TSA approach is validated by research⁵ undertaken in this sector such as - *I wish I'd known sooner* and *Time Trust Respect – Case Management in Emergency Relief*, and the Adelaide University research⁶ *Paying it forward Cost benefit analysis of the Wyatt Trust Funded Financial Counselling Services*. This research supports the principle that the delivery of ER in a relational, integrated services model, informed by a capacity building framework, are critical elements in assisting clients to achieve "long term" outcomes.

Broader rationale why TSA does not support proposed restricted access to Financial Capability (FC):

The Salvation Army welcomes a focus on the needs of people in receipt of Australian Government social welfare allowance, pension or benefit; people experiencing domestic and family violence; and immigrants/non-citizens. In particular it is pleasing to see an acknowledgement of the pressures faced by immigrants/non-citizens as this cohort includes extremely marginalised and highly vulnerable groups, such as asylum seekers, refugees and international students.

⁵ Brackertz, N. 2012 *I wish I'd known sooner!* The impact of Financial Counselling on Debt Resolution and Personal Wellbeing, Swinburne University of Technology and The Salvation Army;

Brackertz, N. 2014 *Time Trust, Respect. Case Management in Emergency Relief: The Doorways Model*. Swinburne University of Technology and The Salvation Army.

⁶ <http://wyatt.org.au/wp-content/uploads/2012/05/Wyatt-WISeR-Financial-Counselling-Cost-Benefit-FINAL.pdf>

In The Salvation Army's experience, Financial Capability (FC) services are a valuable support for all cohorts of clients accessing FWC services. The optimum benefit of FC services is realised when the service is promoted to clients as an element of wraparound service options.

While it is clear that the demand for FWC services often far exceeds the resources that these services have available, the solution is not to further limit the availability of these resources to a smaller group of clients. The reality for many of the people that come to The Salvation Army for help, is that their income support payments allow them to exist at subsistence levels, with no allowance for contingencies. A relatively small additional expense related to medical care, or a broken household item, has a disproportionate impact on already overstretched budgets. Increasing budgeting skills only goes so far to address this when external factors, such as the cost of housing and utilities, take up the majority of people's income. By necessity, many of the people we see have learned to manage incredibly tight budgets but are still highly exposed to potential financial crises.

Accordingly, The Salvation Army does not support any narrowing of access to FC services which could result in people on the verge of a more precarious financial situation missing out on assistance that would have previously been available. The removal of such support will increase their risk and vulnerability.

1.2 What strategies can be employed to ensure that services are accessible for those who need them the most?

The discussion paper states that "many clients of FWC services experience entrenched disadvantage and long-term financial stress", and that, "others present at services with a range of complex needs, including mental health issues, homelessness or housing stress, domestic and family violence". Both of these statements speak to the breadth and depth of the needs facing a diverse and highly disadvantaged client group. However, within this section of the Paper, the only option proposed is one of reducing access. In this context TSA would again reinforce that any move to restrict client eligibility, especially for critical services such as ER, will serve to exacerbate these existing disadvantages.

The summary of the FWC Policy Research Project conducted by KPMG reporting on the consultation with FWC providers is a considered reflection of both the issues providers face and the innovative approaches suggested by providers.

Strategies Options:

Triage

Applying a “triage” approach is a tool to streamline services and ensure fast and effective client responses, for the most disadvantaged clients, as it ensures they are identified, prioritised and offered timely, appropriate assistance.

Triage is particularly important for early intervention strategies, such as identifying clients who are impacted by situational poverty, and who need urgent Financial Counselling support. In the Financial Counselling sector, earlier intervention (contact) with clients generates the best outcomes from a debt management and advocacy perspective. In contrast, a longer delay (and debt spiral process) prior to referral severely limits the options for supporting the client (i.e. their debt situation cannot be easily addressed).

In considering the implementations of Triage options it is important to note that the best results are achieved if “an experienced” and capable ER Assessor provides this service. They need to have the skills to quickly identify the best “next step” in a range of available options. In this context TSA does not recommend that Triage be undertaken by inexperienced staff (whether paid worker or volunteer).

Handbook Guidance on Operation Practice for ER staff (paid and Volunteer)

Ensuring consistent and high quality delivery of ER services, across a broad delivery network, is critical for services such as The Salvation Army. Intrinsic to this capability is the ability to support staff to ensure that services are targeted to achieving the best possible results for all clients accessing TSA services.

The strategy TSA has employed to support this goal is the development of the Doorways CSS/ER Handbook, to guide delivery and support staff across the network of services. Ease of access to the Handbook, along with ensuring currency of contents, were key development criteria. The Salvation Army Doorways Handbook⁷ can be accessed via a web page or alternatively via downloading a PDF.

⁷ <http://www.sarmy.org.au/en/Social/Doorways-Handbook/>

2. Strategies to increase service integration

2.1 What would help you to strengthen cooperation with other services (e.g. family support services and job network providers) in your community? What additional support would you need to achieve this?

The best services benefit from a wide range of active partnerships in the community that form the basis for creating joined-up solutions to the specific needs of individuals and families. However, the development and maintenance of these kinds of partnerships requires significant and ongoing resourcing that is not generally included in the funding model for FWC services. In order to achieve the benefits of better service integration, FWC services need to be adequately resourced to invest in the relational and collaborative work that is foundational to good partnerships.

2.2 What effect will the requirement to formalise relationships with other organisations have on your service? How do you see these relationships working to maximise their effectiveness?

One of the reasons that many existing FWC services act in a stand-alone manner is that they do not have the capacity to do any more than this. While greater service integration provides clear benefits, it also comes at a cost. Where services are already experiencing extremely high levels of demand, the additional impost of managing a range of organisational relationships across the community is more than they can be expected to deliver. Good referrals require more than knowing the name and phone number of another service. Effective partnerships may be encapsulated in a document, such as a Memorandum of Understanding (MoU), but are built and maintained through consistent attention, regular communication, managing expectations and dealing with common problems.

One mechanism for better service integration that has been explored in Salvation Army services has been to utilise shared assessments with another community agency. The benefit to the client is that they don't have to share their story multiple times to different stakeholders and can access a range of assistance types through one provider. However, the success of this kind of approach relies on agencies establishing mutual agreement on

eligibility criteria, assessment processes, data capture, referral protocols, privacy and confidentiality of information, and follow up procedures. This agreement needs to be consistently maintained, reviewed and subject to revision as circumstances change or new learnings occur. Few services are currently sufficiently resourced to engage in such work.

2.3 Where is integration / collaboration of FWC microfinance services with other FWC services occurring across the country? Is there a way these relationships could be better supported?

The Salvation Army's main engagement with FWC microfinance services has been through the No Interest Loans Scheme (NILS). Depending on the area, this includes referrals to partner providers and The Salvation Army's own NILS operations. In The Salvation Army, there are strong connections between NILS, ER and Financial Counselling services so that, wherever possible, solutions to individual circumstances can be targeted to the most appropriate solution. The challenge faced by some services is that these complementary options are not equally available or equipped with sufficient capacity to be consistently applied. Therefore, the volume of clients seen at ER services represents only a fraction of those who can be seen by a financial counsellor. While not all ER clients need a NILS or Financial Counselling response, the option for a timely referral, when this need does arise, is highly valued.

2.4 What elements would need to be present to ensure a Hub model is successful in your community? What additional support would you need to establish a hub in your community?

The Hub model of integrated services can provide clear benefits to service providers and service users. However, there can be associated costs that are not currently taken into account in the funding model for most FWC services. For instance, where an FWC provider moves out of their own property to a shared service environment, they may face additional costs for rental, utilities, administrative services and other office costs that were previously covered in other ways.

Business Case to Establish a Hub

The establishment of a Hub requires significant investment in infrastructure. The elements that need to be considered in any business case to establish a Hub are, cost of a larger space, fitting out, provision of IT, utilities, security, parking, disability access, staffing and access to public transport options. Concurrently, the business case needs to prove the

viability and the sustainability of the business model. As DSS do not provide funding for “infrastructure” the capacity to prove viability is compromised. The potential for approval of a business case for a Hub model is also seriously compromised by the DSS practice of historically offering “short term” contracts (FWC funding agreements), i.e. 2.5 years in the case of the last round of ER, CFC and FC Agreements.

In response to “what additional support”, it is suggested that DSS offer separate Hub Infrastructure funding (on a per-annum basis) combined with increasing the length of FWC contracts to a minimum of 5 years, to provide ability to demonstrate viability and sustainability.

In addition to the physical infrastructure costs, Hubs require a different level of interagency engagement than stand-alone services. Issues around common clients, assessment and referral protocols, incident management and shared spaces must be continually reviewed. The advantage to the client makes confronting these challenges worthwhile but it does need to be noted that they come at a cost. As most FWC funded services direct the vast majority of their resources towards client-facing service delivery, the back end infrastructure and management costs required to sustain active partnerships are often unfunded and unsupported. FWC services that already exist within a suite of other programs may have an advantage here, especially where those programs or other income streams have subsidised the costs associated with partnership and relationship management. However, standalone services may lack the critical mass to invest in these higher level structures.

2.5 What elements and innovative practices would be particularly key in establishing a Hub model in a rural and/or remote service delivery context?

The development of Hubs in rural and remote areas can unintentionally create additional disadvantages, as the desire to maximise service capacity results in the withdrawal of smaller, locally responsive services from small widespread communities to larger towns. People who face geographic and social isolation often already have to travel long distances to access their nearest service. While the joining up of different service types creates many advantages, it is also more likely to pull resources away from smaller locations.

Clearly, not all services can be delivered directly from all locations; rural and remote services present a creative challenge to the principle of universal access. However, these challenges are not new to rural communities and there are a range of possible solutions including:

shared service delivery models, such as the example given in 2.2, with common protocols; shared resource pools, which are available to a range of services; technological solutions, including web-based portals, phone/video conferencing, and secure digital transactions; and combined outreach teams.

The notion of 'virtual hubs', which represent relational connections between organisational partners rather than physical infrastructure, is especially relevant in rural and/or remote instances. These kinds of solutions can be facilitated through centralised resourcing of technologies, such as app or website development, which would also avoid multiple agencies unnecessarily duplicating work and wasting resources that could otherwise be directed to frontline service delivery.

2.6 How could Australian Government funding be used differently to better support integration of FWC services?

As is the case with many other community services, FWC services rely on three core components: human resources, client brokerage and infrastructure costs (including resources to develop and maintain key partnerships). In many cases, FWC services rely on one of the first two of these options and their capacity to deliver on the others is significantly reduced. Financial counselling services focus on the human resource element but don't necessarily have much or any access to the brokerage funding that can make a big practical difference in some situations. ER services have a kind of brokerage resource but usually struggle to invest in the human resource side to the same professional level as Financial Counsellors rely. Good quality services require a balance between all three components to deliver the best outcomes, especially for clients with multiple and complex needs. This can be achieved through service integration, as described in other answers above, but this requires a level of critical mass that is beyond what is currently available at many sites.

3. Strategies to support client outcomes

3.1 What strategies can you utilise to support a client to improve their financial and/or employment outcomes?

In most cases, FWC services are extremely limited in their ability to contribute to employment outcomes for their clients. Neither is this something that they should be expected to do. In The Salvation Army's experience, the lack of financial resources facing our clients is not the result of an unwillingness to work. In many cases, a combination of circumstances, including labour market conditions, skills shortages and environmental factors, add to the personal barriers that people are facing that keep them from employment.

A 2016 survey⁸ of Salvation Army ER clients revealed that more than two thirds of those who were out of the labour force identified a physical and/or mental health condition as a key barrier that prevented them from gaining employment. In a market which already has limited opportunities, especially for low-skilled workers, there is little flexibility to accommodate workers with episodic mental illness or chronic health conditions.

Rather than adding unrealistic employment expectations to already overburdened FWC providers, a reassessment of the incentives available to employers and employees, especially around part-time work is required. For people who have been disengaged from the workforce for longer periods of time, part-time work can be a helpful bridge back into employment. However, if someone is hesitant or unsure of their capacity to reengage over the long term due to health concerns, the current disincentives related to the reduction or loss of regular income support payments further complicate matters. A pathway back into full time work may involve several attempts at reengaging on a part-time or casual basis. Therefore, the disruption to Centrelink payments that can be caused by these changes represents significant risks to people's ability to maintain health and housing, as well as putting additional stress on relationships.

Investing in the capacity of employers to better understand and support people who may have barriers to workforce participation, including mental and physical health conditions, would also create better environments and more sustainable outcomes. As an example,

⁸ Out of Reach – TSA National Economic and Social Impact Survey 2016

supports such as JobAccess illustrate the advantages for both employers and employees of incentivising systems for including people with disabilities.

In practical delivery terms the experience of TSA services would highlight that the clients accessing TSA ER services have many barriers to overcome prior to being in any way work ready. In the broader delivery of ER and ER case management services, the goal is to build the individual capacity of the client accessing the service. This activity is more likely to occur in an ER case management setting where the caseworker will concentrate on building a supportive relationship with the client, addressing issues (many of which fall into the more complex structural disadvantage category) and concurrently supporting the client to build confidence, increase self-esteem, understand and develop concepts of resilience and application of coping mechanisms. For a majority of clients accessing ER, making progress in any of the above goals is a substantial step in their journey. For the caseworker this significant achievement for the client may involve “many” hours of support and encouragement. Depending on the client, the next step may be to encourage them to do volunteer work, or a referral to a JobActive provider. This is the context of an ER experience in the journey of the client, it is a preparation phase only – very intensive - and as stated previously, due to funding limitations, case management services, can only be offered to a relatively small proportion of clients.

3.2 How does your service currently deal with clients who present to your service on multiple occasions? At what point should additional support and requirements apply to repeat ER clients? What form should this take? What barriers do you see in implementing these requirements with your clients? What support would you need to implement such a proposal?

The Salvation Army’s ‘Doorways’ approach, which is mentioned in the discussion paper, aims to deliver both joined-up responses to clients, who seek assistance with multiple issues simultaneously, as well as more intensive supports for repeat clients. Doorways recognises that while some clients only require a one-off, brief intervention, others need more attention over a longer period in order to stabilise their circumstances and get their lives back on track. While financial independence is the goal for all clients, the pathways is longer and more complicated for some.

TSA’s Doorways approach includes offering more intensive assistance to identified clients though offering case management options. Our experience, which is supported by research

in this field, identifies that a relational model of case management – where the client willingly engages in this process - will achieve the best outcomes. The experience of TSA in this area of delivery would recommend that “mandating” clients to enter a case management environment is a waste of valuable resources.

The Salvation Army do not see the benefits of a more punitive or sanction based model, as such an experience is detrimental to the client and compatibility with the capacity building framework of Doorways.

Increased focus on case management services would be welcomed by The Salvation Army. Case Management services that are supported by a range of specialist partnerships are proposed as the most effective model to support clients who repeatedly access ER services. However, effective case management services require higher levels of expertise in staff to deliver these frontline ER services.

3.3 How can DSS better support early intervention and prevention opportunities?

Placing onerous restrictions on client access or eligibility that push people further toward crisis undermines effective early intervention. (See 1.1) Services need the flexibility and capacity to tailor their responses to individual circumstances. For instance, sometimes an apparently expensive but decisive early intervention can prevent longer, drawn-out and ultimately more costly processes of engagement. One hundred dollars to clear a debt may be far more effective than four visits for \$25 food vouchers.

FWC services cannot simultaneously tighten eligibility towards people in crisis and support early intervention approaches. Early intervention means ‘spreading a wider net’ but produces better outcomes, because it avoids deeper and more intensive crisis periods.

4. Strategies to build a strong workforce

4.1 Do ER and CFC/FC workers need to build capacity? If so, how might this be done?

The discussion paper recognises the diversity in skills and professional qualifications across the FWC workforce. In addition, the expectations from both clients and governments are being continually raised. In every sector in which The Salvation Army works, there is a clear trend towards greater professionalisation and the development of skills that reflect the emerging needs and complexity of various client groups.

While the contribution of volunteers to the sector for many years has proved invaluable to government and the sector, it is becoming increasingly unrealistic to expect volunteers to deliver services at the professional level expected today. While training for volunteers has been welcomed, it is never a complete substitute for professional, qualified staff. This does not eliminate the need for volunteer contributions in community services but it should shift them away from role expectations that are unreasonable towards more sustainable and appropriate functions.

As volunteers have produced a substantial cost savings for so many years, the move towards more professionalised responses raises significant financial challenges. While these challenges cannot be ignored, they can be mitigated by a carefully planned transitions and better service integration, as described above.

4.2 What ‘tools’ do you see as integral to the further development of the FWC services in Australia?

Common assessment tools and systems that facilitate referrals could be beneficial, especially if they are adapted to varying levels of engagement. A short triaging tool may be more appropriate for brief interventions, while more detailed assessments could be used for case work. There are existing tools, such as the Common Risk Assessment Framework for family violence in Victoria, that require training but would be welcome additions to FWC responses.

5. Strategies to strengthen evidence, improve practice and measure outcomes

5.1 What do you see as the key issues involved in evaluating the FWC Activity?

Any evaluation of FWC activities must recognise the diversity of programs involved, which utilise different mechanisms to achieve specific outcomes. While there is an overlapping theme of financial insecurity, the pathways towards that state and the ways out of it are not necessarily directly comparable. For example, someone who sees a Financial Counsellor to help them deal with a one-off debt problem, but who otherwise is able to maintain financial independence, is in a very different situation to a person who has been out of the workforce for many years and visits an ER service because their income support payments are insufficient to meet basic needs. The outcomes for each of these clients reflect both their starting point and the capacity of the service to address their root problem. In the case of the Financial Counselling example, there is every reason to believe that a short-term intervention may be effective and result in a positive longer term outcome. In the case of the ER client, short-term relief is provided and may help to alleviate the immediate problems but the causal factors are largely systemic.

FWC activities take place within a wider personal and societal context, their evaluation needs to recognise the wider societal and economic environment that contributes to financial vulnerability. The evaluation should be scoped to include an acknowledgement of these factors, which include housing affordability, cost of living, labour market conditions and the adequacy of income support payments.

5.2 What would you like to see as the main focus of the evaluation?

For the reasons noted above (5.1), evaluation of FWC activities need to take specific service models into account. A program logic model is one option that can be used to test assumptions about service efficacy. However, this requires a good understanding of the factors that respond to engagement with a particular service and the structural issues that do not.

Appendix 1: About The Salvation Army

The Salvation Army is an international Christian movement with a presence in 128 countries and a reputation built on 150 years of compassionate care and advocacy. In Australia, the Salvos are widely known and relied upon to deliver practical responses to individuals, families and communities in crisis. While we interact on a daily basis with people from all walks of life, we recognise a particular calling to those who might otherwise fall through the gaps of our social security nets, those who find themselves on the margins of our communities, and those who struggle to have their voices heard.

Today, Salvation Army churches, community centres and social service networks provide social program activities in urban, regional and rural areas across Australia. These activities range from frontline emergency support services and targeted interventions, through to more generalist responses. Programs include:

- Youth, adult and aged homelessness and housing services;
- Family violence support and accommodation services;
- Drug and alcohol support and treatment services;
- Material aid and emergency relief;
- Financial counselling and assistance, including Gamblers' Help;
- Community managed mental health services;
- Personal counselling and support;
- Aged care services;
- Youth and children's services, including out-of-home care;
- Education, training and employment services;
- Disaster response and recovery services;
- Chaplaincy and support services in courts and prisons; and
- Services for asylum seekers and refugees.