The industry funding model is comprised of two key components:

**Unmet Demand - Feedback**

* To manage staff wellbeing waitlist are introduced. This is considered unmet demand as opposed to unmet need.
* Clients do not want to wait for services
* In the regions there is a lack of understanding and knowledge about financial counselling services. Until this is resolved, communities are not aware of the services available – we consider this an unmet need.
* Most clients do not understand they have a need for the service and it takes time to build trust with individual clients and communities before true engagement can begin.
* Demand will be based on educating the community about the service and this is where the work by Financial Capability Workers (FCW) is considered a high priority. Financial Literacy Education establishes trusting relationships with communities and clients.
* Takes many visit to community to build trust for clients to engage
* Concerns that funding will be channelled to metro services without understanding the service delivery to regional and remote areas. Very different servicing requirements in the Regional and Remote areas compared to the servicing requirements to the metro areas.
* There is no reference to the services from FCW’s which is a high priority to the Remote communities. A review of remote agencies and their FCW caseloads, has confirmed that FCW provides a layer of service delivery that is advantageous in remote areas.
* Challenges to assist the clients take a lot longer due to the body of work. Barriers to service delivery include the following; identification and ATO deceased estates. We cannot assist everyone due to these barriers which are not culturally supportive.
* A Financial Counsellor has limited access to client bases due to time and travel restrictions. This is also due to current funding which is not supportive of further recruitment and development of FCW and FC roles. The distances required to travel are vast and remote with many difficulties in reaching the communities most in need.
* We are continually trying to close the gap, but this structure does not support the work with this client group. Lack of funding to raise awareness in all the communities of services, they do not go into town for service, so demand is not demonstrated.
* Need face to face service – phone and email does not work or capture unmet demand.

**An Independent Body - Feedback**

* Governance, who sees the data, collection of data. Complex level of reporting – different layer of reporting?
* Confidentiality of information?
* Will the industry body understand remote and regional nuances and provision of services and who will be representing our states remote regions?
* We really want to understand what independent is?

**Principles – on page 6**

1 – *Industry funding helps address unmet demand and improves the predictability and stability of funding for financial counselling services.* Disagree as per above points on page 1.

2 – *Industries that contribute to the demand for, and benefit from, financial counselling, contribute to the funding of the services.*

We disagree because it is no longer involuntary and industry may not continue to consistently contribute. There is not any funding security for service delivery. Financial Capability needs to be incorporated into the service demand in the remote and regional areas. A large proportion of service caseload (70% in some remote communities), is financial capability work not financial counselling. The financial counselling caseloads are developed from the financial literacy and education programs, where an awareness is raised to individuals of the services available to them.

3 – *Quantum and split of suggested industry contributions are determined on a fair and transparent basis.*

This is important, but who determines what is fair and what is the governance around this? There needs to be a robust conflict resolution process.

4 – *Industry funding provides an additional funding stream to current funding sources.*

Disagree - then current funding needs to be maintained separately and increased with CPI and service delivery costs. There is a risk to having funding reduced or re-distributed if all funding is included in the one stream.

5 – *The operation and effectiveness of the model is supported by robust data and evidence collection and analysis.*

Disagree – we see the following challenges being

* Governance issues, who sees the data?
* Collection of data?
* Complex level of reporting – different layer of reporting?
* Confidentiality of information. With industry and government seeing funding levels it may impact the level of funding negatively in the future.
* Where will they get the robust data from? The current method of collection (2 week pilot) would not be suitable to understand the demand. We do not believe that was robust data and not enough information to do an analysis.

6- *The model contributes to improved coordination, innovation and capability building and enhanced service delivery across the financial counselling sector.*

This model does not increase capability in the regional and remote areas as it does not include the service delivery of FCW which is a primary component of “closing the gap” for first nations people in these areas.