

SAFCA Response to the DSS Discussion Paper Future Directions of the Financial Wellbeing and Capability Activity

Introduction

The South Australian Financial Counsellors Association represents some 175 members including 142 practicing financial counsellors in SA. We are pleased to provide this response to the DSS Discussion Paper – Financial Wellbeing and Capability Activity.

We have responded to each of the 5 sections of the paper below.

Improve Targeting of Services

- SAFCA has concerns about any restriction of access to financial counselling. Services to only those in imminent risk excludes those who see their position deteriorating for reasons such as losing a job, sickness etc;
- SAFCA believes it is far better to assist people earlier on rather than when they are at imminent risk. Early intervention is better than crisis management;
- Restricting financial capability to the three identified groups ignores the plight of the working poor, new in the workplace and underemployed.

Increase Service integration

- FWC providers already have links with other services to which they refer clients. The minimum requirement of referrals to other appropriate services would not present a problem. Improved relations with other services that could assist clients, and any progress towards decreasing a “siloed” operational model should be welcomed;
- However, any referrals from financial counsellors to Job Active Providers that carry with them any compliance requirements and possible loss of benefit would compromise the integrity of the work our members do. They provide an independent, non- judgmental and confidential service to clients, and a great deal of trust of our financial counsellors is necessary to have the clients be fully frank and open about their situation;

- While good relations with Job Active providers does seem desirable, the issue of any loss of trust would work against real long term solutions to the client's position that the financial counsellor could assist with. It is one thing to actively encourage job readiness and paid work as the best way to assist a bad financial position; it is quite another to insist the client be referred to the Job Active provider as a requirement for a financial counsellor's assistance;
- MOUs would place an additional burden on services that do not receive funding for administration;
- MOUs could restrict the services open to a client. Our focus is on referring clients to the most appropriate service or program not choosing one on the basis of a formal MOU;
- Newstart clients are already connected with a job active provider as this a Newstart requirement under Mutual Obligations.

Support Client Outcomes (Employment)

- Clients that present to financial counsellors are often under a great deal of financial and personal stress. Dealing with the immediate issues of mounting bills and harassment from debt collection agencies are the priorities. Addressing any underlying problems that could include family breakdown, domestic violence, sickness and many other life stressors usually by referral to relevant agencies is the next priority;
- Many clients are not in the position to be work ready until some of these issues are first dealt with. It is not the role (nor is it addressed in the training of) financial counsellors to make judgments as to whether a client is work ready;
- Once the immediate financial and other problems are alleviated, a client may be more able to deal with working towards a job. However, this can only be encouraged by the financial counsellor as a good way of improving both a client's financial and personal position, and this does happen now. Any direction, however, that the client must seek work before the ongoing assistance of the financial counsellor is provided, will lead to disengagement of the client and a poor financial outcome for the client.

Build a Strong Workforce

- Financial counsellors must hold as a minimum the Diploma of Financial Counselling, which trains them in the technical (financial) and counselling aspects of their profession. They must also undertake professional development over a wide range of topics and a minimum number of points, which can be provided by their state financial counselling association, or by their agencies. Continuous professional supervision is also a requirement;
- This paper recognizes that our members work with clients who are disclosing more complex needs, and is proposing funding "national organisations to deliver co-ordinated training and development";

- SAFCA welcomes this new approach, but would not support any training requirements that aim to add increased responsibilities around work readiness identification and compliance, other than encouragement. That is not the role of a financial counsellor.

Evaluation

- A good evaluation process is something all financial counselling agencies and workers would welcome. However, current systems are considered unclear in terms of how outcomes are defined and measured. In addition, the collection of data and reporting against outcomes (often a “one size fits all” methodology not always appropriate) is extremely time consuming, and agencies are not properly funded to do it.

Conclusion

SAFCA has real concerns about any direction to increase workload and responsibility on already stretched financial counselling agencies and our members, the financial counsellors. While we welcome additional grants for training and development, we do not support increased responsibilities around client work readiness and compliance.

We also do not support any moves to restrict access to financial counselling, as well as ER and financial capability.