

Ministerial confusion over own funding arrangements

In a radio interview this morning (5 May) the Minister for Families and Communities, Jennifer Rankine, appeared to confuse funding allocations from her own department, making no distinction between the provision of financial counselling and individual emergency assistance payments.

The South Australian Council of Social Service (SACOSS) today released a new report about impending cuts to Families SA financial counselling services. Minister Rankine was subsequently questioned on air about these cuts.

SACOSS Executive Director Ross Womersley said “The Minister failed to address the issue under discussion—the fact that 44 financial counselling positions from the Families SA anti-poverty service are being scrapped and not replaced in any way.

“At a time when costs of living are rocketing and people are under more stress, this means that in future five to seven thousand South Australian households faced with financial hardship will simply not be able to access financial counselling. There is a known link between financial stress and family breakdown, as well as the entry of children into the child protection system”.

Womersley said, “Ironically, this discussion occurs just a day after a welcome announcement from the Commonwealth that it will extend Rural Financial Counselling Services across Australia for a further four years, recognising the significant role played by the ‘free and vital assistance’ financial counsellors offer to people in need.”

“Minister O’Brien welcomed this announcement today, and we share this sentiment. However, it seems rather hypocritical that on one hand the South Australian government is applauding the funding and importance of financial counselling while on the other is cutting its own services to South Australians” said Womersley. “It almost beggars belief and one has to ask, is this a deliberate attempt by the state government to cost shift?”

“The key issue is that 44 positions are being lost, and at this point in time there is no proposal to replace any of them, either in government or the non-government sector. While the Minister today indicated an intention to transfer up to \$800,000 for funding individual emergency assistance payments, there is no money being offered to non-government organisations to compensate for the loss of these Families SA financial counsellors. The Minister has not consulted with the community sector, and it is the community sector that the government assumes is going to provide services to people who can no longer access Families SA services.”

“The sector cannot be expected to provide financial counselling services to up to 7,000 extra people with no extra funding”

“In this context, we believe it is reasonable to expect:

1. Immediate negotiations over the transfer of funds to the non-government sector to pick up the shortfall left by the government reduction (not for individual emergency assistance payments, but for financial counselling services)
2. To know exactly how many South Australians who need help will be affected by the loss of the 44 Families SA positions.”

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