



## **Response to Future Directions of the Financial Wellbeing and Capability Activity Discussion Paper**

### **SACOSS**

SACOSS is the independent peak body for the non-government health and community services sector in South Australia. SACOSS advocates on behalf of low-income South Australians and community service agencies.

### **Rights of the Client**

People in financial crisis suffer humiliation and emotional distress. They feel embarrassment and shame at having to seek assistance. The FWC sector in recognising this, seeks to respect their dignity. Recognition of the rights of people being assisted by FWC would be welcome.

### **FWC is a Partnership**

The Financial Wellbeing and Capability Activity (FWC) service sector is a partnership with the community sector rather than a service that is fully funded by the Commonwealth Government.

The delivery of many FWC services is dependent on associated support from individual volunteers, community groups, churches and other non-government organisations. As a result, the level of support provided by organisations delivering emergency relief services exceeds the value of Government funding for these services. Policy changes that do not respect this fact risk diminishing the extent to which Government funding can leverage other resources.

Examples of partnership in operation include:

- An Adelaide metropolitan emergency relief service received approximately \$54,000 in funding from the Department of Social Security but also received financial and food donations of approximately \$30,000 in value per annum, fifty percent of the salary for an emergency relief coordinator and a service manager as well as infrastructure and back office support including information and communications technology systems, payroll and human resources from the host agency and subsidised rent for their premises from the landlord.
- An agency had provided emergency relief for thirty years including with DSS funding for most of that time. The agency is situated within walking distance from

homelessness, employment, social housing and Foodbank services to which they refer clients. It also has Memoranda of Understanding with larger agencies for on-site referrals.

- A rural centre was without power for four consecutive days. A community centre assisted SA Housing to provide the Emergency Relief subsidy.
- A rural community centre secured a secondbite program with a private business needing no government funding that supplies food security on week days to individuals and families that would sometimes go without food as they cannot secure an appointment with the funded Emergency Relief providers. The centre also offers basic financial support including payment plans for utility accounts plus advocacy for clients with other agencies.

As a result of the limited capacity organisations have to use the capped Commonwealth funds for administration, organisations supplement these funds from their own fundraising and volunteer resources to cover administrative and staff costs. New requirements that cause additional complexity to management and reporting such as tighter targeting, establishing and maintaining formal relationships with other organisations and workforce development and training, would only cause additional financial stress on host agencies without the provision of additional Government support. There is no estimate in the discussion paper of these additional costs, nor a proposal for additional funds, nor an estimate of improved outcomes as a result of proposed changes.

## Discussion Paper Limits and Ongoing Consultation

The Discussion Paper is limited in outlining the problems needing to be addressed by the proposed redesign and in outlining the associated evidence base.

SACOSS notes that the discussion paper does not indicate any consultation with funded and non-funded providers following the release of the Summary Report; yet it is vital that such significant reform proposals undertake rigorous evaluation and intensive provider and client consultation and testing.

## 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?**

There are significant differences in eligibility criteria across the various state and territory and Commonwealth jurisdictions. Creating barriers through restrictive targeting has the potential to cause difficulties for agencies who receive complementary state and Commonwealth funds for emergency relief and financial counselling services, and could put at risk referrals to, and collaboration with, other state based providers.

With respect to early intervention and prevention, the current FWC guidelines enable broad, community-scale preventative work. This is expected to become more difficult under the proposed measures. Broad definitions enable service providers to reach everyone they need to within the flexibility and discretion of their own policies and guidelines. A number of

providers already restrict eligibility according to their own organisational needs. Providers seek to be as open as possible so as not to displace problems elsewhere.

Restricting eligibility to Centrelink benefit recipients only has the potential to exclude large numbers of people in vulnerable circumstances including the 'working poor', people who for whatever reasons are not receiving, or do not wish to receive, Centrelink payments and others at financial risk due to 'dodgy' deals or excessive payday finance, catastrophic life events or people experiencing domestic or family violence or elder abuse.

Failure to assist these people overcome financial obstacles has the potential to lead to further vulnerability in their health, housing, employment, education and legal circumstances.

Often seeking assistance from financial counsellors and emergency relief officers opens the door to discussions about other matters such as domestic and family violence, elder abuse and predatory lending, leading to support and referral to meet those issues.

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

Much of the financial stress facing families and others is episodic in nature, regardless of the ability to budget on meagre incomes. Lack of debts is not an indicator of the amount of funds that might be available at any given time to, for example, buy food or pay for transport to medical appointments or employment interviews.

Services already provide assistance to clients who are proactive when they experience loss of work or ill health that cause financial difficulty. Supporting people as they head into a crisis is significantly less costly than waiting until they have been experiencing long term financial difficulty.

It is essential that services have the flexibility to provide short, medium and long term interventional support, building relationships with clients as they manage their situations. It is important to note that whilst financial literacy, capability building and assistance to access hardship programs is often of benefit to the client the basic issue is more often than not a lack of income, not the management of that income.

Services have indicated their concern at not being able to meet a wide range of needs.

## Strategies to Increase Service Integration

### **2.1 What would help you to strengthen cooperation with other services in your community? What additional support would you need to achieve this?**

The community sector is client-driven. Its culture is to look for and implement better ways to operate through cooperation and collaboration between services for the benefit of the client. Referral to other services when appropriate is a given, so in effect they are already 'gateways'. Such service integration through collaboration between service providers, funded and non-funded, takes place effectively for the benefit of clients.

Providing services in partnership requires a greater investment of time and associated resources than a singular service. Formalising a requirement for partnership cooperation beyond current practice has the potential to strain already stretched resources. Additional funds will be required for these extra workloads.

### **2.2 What effect will the requirement to formalize relationships with other organisations have on your service?**

Providers already integrate services on a formal and informal basis. Informal relationships are preferred as more effective because they give providers the flexibility to change their approach and referrals in response to client needs.

Formalising relationships takes much time, energy and resources from organisational staff and boards. Is this to be done every time a new provider enters a region? Such a burden is unnecessary when current practice already encourages cross referral integration.

An Adelaide metropolitan agency, for example, currently has an offer to join a consortium with other organisations which are DSS funded as their 'franchise holder' in a particular region, but are concerned at the cost.

### **2.4 What elements 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?**

While providing co-located services can be helpful for cooperation and collaboration between services, maintaining diverse providers and service models is important in meeting client needs. It cannot be assumed co-location would create efficiencies without providing additional funds for a 'case-management' model and for staff to facilitate region-specific forums, networks and research.

Having a complementary service next door or nearby is valuable in the referral process. Too often clients do not present to a second agency following referral to that agency if they are required to make another journey or even a phone call. There may still be a waiting time for this second appointment but proximity can prevent the client being 'lost' between services.

Trials of hubs would be welcome to assess efficacy and to develop staff development material.

## **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?**

In smaller rural and remote communities there may only be one provider, covering the range of emergency relief and financial counselling options. Any collaborating providers may be long distances away. A central based regional hub might cover a significant geographical area, covering large distances and relatively small numbers of providers. Consideration of additional resources to cover time and expense of long distance travel is required.

In small communities clients may be reluctant to access a provider for reasons of privacy. They may wish to self-refer to an alternative area, for example a larger regional centre. Provision should be made for this contingency.

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

Emergency Relief is an extremely limited service, with many agencies only providing \$100 in support to any particular client over a calendar year. Efforts to add value through coordination, evaluation or service integration will only be successful with increases in the level of funding to cover the additional expenses of resource development such as new systems for collecting and sharing data and project officer time.

In addition, enabling unfunded providers to contribute to the DSS Data Exchange and other data collection would create a more accurate picture of service delivery.

## **Strategies to Support Client Outcomes**

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

It is of concern, even insulting, to the clients who may be desperate and ashamed to be seeking help, to suggest that clients have the capacity to take 'reasonable steps' to improve their finances, reduce costs, increase income or improve budgeting. In many cases, with an income below the poverty line, they are faced with at the very least spiralling living costs, and very high unemployment rates and other barriers in a competitive employment market. They may already be budgeting within meagre means.

Trust and support are important ingredients in the provision of emergency relief and financial counselling support. Time taken during a single presentation or over episodes of seeking assistance can deliver results rather than imposing topics such as 'work readiness' into the conversations. Clients will present seeking assistance from a wide range of different circumstances. A vulnerable client's capacity for change within their circumstances is limited. A flexible approach is required at all times to provide relevant information,

including employment information when appropriate that will assist in improving a client's situation.

While getting a job is accepted as a desirable outcome it cannot be a key focus. Issues such as family and domestic violence, elder abuse, mental health, substance abuse and intellectual or physical disabilities all play a part. People facing any of those are not easily going to find a job.

It is important that presentation to emergency relief and financial counselling remains voluntary and open without a judgemental results expectation. Any sense of obligation is totally inappropriate.

Perceived or real links with the mandatory nature of Centrelink benefits has the potential to create a huge barrier to people walking through the door and generate difficulties in building relationships between emergency relief and financial counselling providers and their clients, particularly in circumstances where the client has had negative experiences with Centrelink.

Financial counselling and employment support involve different skill sets and knowledge bases. Emergency relief and financial counselling were never designed with employment outcomes in mind. They fulfil different functions.

Many of the providers rely on volunteers who are making relevant decisions about relief and or counselling, but who are not trained to discuss employment issues. They are likely to resist any increase in compliance activity or regulation. An example of volunteer support is the 'community coaching' model similar to the approach taken by the Family by Family network.

**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 as proposal?**

Providers already manage repeat use in their own ways and impose restrictions where necessary to manage demand.

An analysis of the varying circumstances of people making multiple presentations for relief offers a glimpse into the complexities of providing a service. Building a relationship with the client would enable developing plans of action to move on from their current circumstances. This includes referral to other support agencies, including employment brokers.

As the discussion paper notes, the movement from receiving an emergency relief payment and/or a one- off financial counselling session, through addressing problems raised, to being financially stable is understood as a continuum taking place over the longer term. Movement along the continuum requires a number of visits, with different specific intensive

interventions within a resource supported, open, flexible and collaborative approach. There are individual and socio-economic contexts to take into consideration.

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

Whilst the majority of the population appear to be in a stable financial situation, experience indicates that it takes only one or two changes in circumstances such as job loss or ill health to become vulnerable. Enabling people to seek assistance early in a crisis situation saves much financial and emotional cost at a later date. Restrictions on eligibility that create barriers would work against early intervention and prevention goals.

SACOSS acknowledges the difficulties the sector has in competing with commercial exploitative debt services. Consideration needs to be given to ways to counteract the promotional campaigns of these services in inexpensive and effective ways that will raise community awareness of microfinance and financial counselling and capability services and encourage people to seek assistance earlier rather than later.

## **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?**

### **4.2 What 'tools' do you see as integral to the further development of the FWC services in Australia?**

A number of the proposals of the discussion paper require a consideration of maintaining the skills of, and upskilling, the workforce, paid and volunteer.

Additional support built into FWC funding for the ongoing professional development of the paid and volunteer workforce through a nationally coordinated training and development program, developed and undertaken in conjunction with state authorities and local and regional providers, would be welcome.

The work of providing emergency relief and financial counselling services would not take place if it were not for the significant effort of volunteers. In many instances it is the volunteers who are making decisions about relief to and services for clients. Consideration is required in developing training and development programs into the specific needs for volunteer training, that are distinct from those required for paid staff.

This additional resource assistance includes enabling providers to back-fill so that staff can participate in training without a negative impact on services is required.

It may be that the new requirements need to be paced so that a suitably skilled and trained workforce is ready and available to meet new and changing requirements.

## 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?**

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

A well-structured outcomes evaluation would be welcome. In developing such an evaluative program the following need to be considered:

- What is the purpose of the evaluation?
- What is being measured?
  - defining 'outcome'
  - 'efficiency and effectiveness'
  - organisational outcomes
  - client outcomes
- How does this evaluation fit into the providers' own evaluation mechanisms?
- How are the different stakeholders – government, providers and clients – to be invested and engaged in the evaluation?
- What additional resources will be provided to providers to enable evaluation to occur?
- How can the outcomes framework be developed to provide a comparative and contrasting analysis across the different agencies operating through different approaches?