Submission to the Consumer Affairs Victoria Financial Counselling Services Review

Date of submission: 6 November 2024

About Financial Counselling Victoria

FCVic is the peak body and professional association for Victoria's 300 practising financial counsellors. Our organisation was established in 1978 by Victorian financial counsellors to provide sector professionalisation, peer support, and undertake systemic advocacy.

FCVic's vision is *'a fairer and more equitable society with improved community wellbeing and better lives for vulnerable people'*. FCVic develops resources, builds sector capability, and advocates on behalf of financial counsellors and community members on systemic issues that cause and exacerbate poverty and financial hardship. We work with government, banks, utilities, debt collection agencies and other industries to improve approaches to financial hardship and vulnerability.

As the peak body representing financial counsellors, we are the primary support and development body focused on professionalising and resourcing the sector. We are advocates for the continued funding and expansion of the sector to meet community need. We work through:

Professionalisation: offering professional development and training opportunities. This ensures that financial counsellors are equipped with the latest knowledge and skills to effectively assist clients in navigating complex financial situations.

Workforce development and professional support: through our professional networks and forums for sharing experiences and strategies, a collaborative environment which allows professionals to learn from one another and strengthen their practice.

Advocacy and policy: representing the insights of financial counsellors at both state and national levels, working to influence policy that affects the sustainability of financial counselling services and the financial wellbeing of the broader community.

We want to seize the opportunity to build nation-leading financial counselling services for all Victorians experiencing financial hardship.

About this submission

We welcome the opportunity to provide a submission to the Consumer Affairs Victoria (CAV) Financial Counselling Services Review (the Review).

This submission is informed by feedback from financial counsellors, who responded to a member survey and participated in a member consultation workshop on the topic of this Review. We used a guiding question to frame our member consultation:

What needs to happen in the next ten years to build a financial counselling sector that is robust, thriving, and well-resourced, able to meet community needs and reduce financial hardship?

Our members provided comprehensive input on the key opportunities for CAV's Financial Counselling Program to rethink the way our sector can best deliver tailored, accessible services for those in the community who need it most. Quotes gathered from financial counsellors during the consultation process appear through this submission in *italics*. Some quotes have been lightly edited for grammatical purposes only.

We acknowledge and give special thanks for their input, and to their many years of engagement through FCVic Collective Structures and other advocacy activities which have helped to inform this submission.

The commentary and recommendations provided in this submission should be read in conjunction with a wide body of work already produced by FCVic on the state of the financial counselling sector in Victoria, including:

- Submission to the 2025-26 Victorian State Budget
- Submission to the Department of Social Services Review of Financial Wellbeing and Capability Programs
- Submission to the 2024-25 Victorian State Budget
- FCVic Strategic Plan 2022-25
- Submission to the Diploma of Financial Counselling (CHC51115) Case for Change Public Consultation
- Report: New Costs to Count – The experiences of financial counsellors working during COVID-19
- Report: Counting the Costs – Report on financial counsellor stress and work overload

Further questions about this submission can be sent to Zyl Hovenga-Wauchope, Executive Officer of FCVic, at zylhw@fcvic.org.au.

Our commentary and recommendations

Introduction

The Review Discussion Paper was robust, recognising well the environmental and social context in which the financial counselling sector is now facing.

Services are struggling to meet the increased demand for services from a wider range of cohorts. Financial counsellors are burdened with job insecurity, low pay, and ever-increasing knowledge requirements due to complex casework, leading to a high risk of burnout. There are insufficient supports in place to increase the number of trained and qualified financial counsellors to rejuvenate and grow the workforce. There are opportunities to create more effective and impactful sector-wide data collection and reporting systems.

These observations are all true – but there is always more to say.

FCVic's submission provides 17 recommendations that are designed to **'build a financial counselling sector that is robust, thriving, and well-resourced, able to meet community needs and reduce financial hardship'**. These include recommendations for different funding streams, changes to funding agreements, investment in centralised state-wide systems and services – all designed to increase opportunities for passionate and dedicated financial counsellors to spend more time where the magic happens, with clients.

Key recommendations

The recommendations in this submission are summarised here.

Demand for services

1. **Establish targeted funding rounds:** Focusing on under-served communities without regular access to financial counselling. FCVic's 2025-26 State Budget Submission provides some guidance on how these funding rounds could be targeted.

Service accessibility and design

2. **Ensuring accessibility in all forms:** This includes geographical, technological (or lack thereof), informational and cultural accessibility, as well as structural accessibility relating to the service delivery times typically in 9-to-5 business hours. Requiring responses to questions relating to service accessibility within funding applications will allow the funder to make a more informed decision about ensuring that funded services across the state provide an appropriate amount of accessibility for all cohorts.

3. **Prioritise integrated services:** Establishing both a targeted funding round for integrated service delivery proposals and prioritising partnership proposals for all funding rounds will assist.

4. **Fund a sector-wide technology project:** To deliver a solution (or a range of solutions) which enables financial counsellors to spend more time with clients and

less time on administration, creating efficiencies across the sector unrelated to funding more positions.

5. **Move to an outcomes-based reporting framework:** Designed to measure strong client-centred outcomes, not financial counsellor outputs, in line with the empowerment model of financial counselling. The Financial Counselling Outcomes Framework can be used to inform this move.

6. **Strike a balance in funding when it comes to agency size and locations:** Agencies of different sizes in different locations can deliver very different services – small, bespoke and tailored to the needs of local communities, and large-scale services that meet the needs of a wide cohort. Finding the right mix can ensure that more Victorians access the service that is right for them.

7. **Establish centralised specialist services:** A prepared and proactive workforce, equipped to provide an immediate response to events as they arise. They can offer crucial secondary consultations to support local financial counselling services responding to specialist cases, as well as provide valuable community development and education activities. Consistent regular funding for these centralised specialist services will ensure that knowledge and experience is retained, saving the crucial time and energy that is currently expended following each new event to rebuild capacity and professional networks.

Workforce and sector needs

8. **Extend all funding agreements to five years:** This change is in line with federal funding agreements, which from 1 July 2025 will all be five-year terms. This will provide greater job security for financial counsellors allowing them to feel confident in their own financial security for longer periods.

9. **Setting a minimum pay standard:** Develop a standard pay guide which all funded agencies must abide by, such as the FCVic Sector Pay Guide, as a minimum standard for appropriate classification and payment of staff and improving statewide service/funding consistency.

10. **Embed worker wellbeing clauses within funding agreements:** Allowances for funding and time to be included in contract terms to pay for financial counsellors' continuing professional development including attendance at conferences, paid professional supervision, networking and peer support. This should also include allowances for relief/locum financial counsellors where a financial counsellor takes extended leave, so that their caseload does not fall upon their colleagues in their absence.

11. **Develop caseload guidance:** Set a sector-wide benchmark for what is reasonable and fair for a financial counsellor to manage, considering nuances including FTE, case complexity, specialisations and experience. This can incorporate official guidance and procedures on how agencies can best manage and report unmet demand.

12. **Recognise where some services naturally require higher service delivery costs:** For instance, where regional face-to-face service delivery has higher associated

costs of travel and accommodation for financial counsellors, this should be embedded into funding agreements.

13. **Embed future workforce planning within funding agreements:** Including allowances and requirements for each agency, in line with their funding amount, to support a requisite number of student placements with allowances for supervision and mentoring by qualified and experienced financial counsellors.
14. **Funding allowances for service innovation:** The small allocation for administration and oncosts within funding agreements allows for service delivery but does not allow for service innovation. Creating a separate funding allocation for agencies to apply for proposals that innovate or adopt new technologies for efficient case management and communication can benefit the sector more widely as these successes are adopted by others. This can work in tandem with recommendation 4.
15. **Recognising leadership:** Appropriate funding for leadership and management has many benefits. Strong leadership and management within a financial counselling team allows for a focus on service improvements, policy and advocacy contributions, and guidance for other team members. This contributes strongly to team morale and sector retention, and allows financial counsellors to focus on client advocacy rather than administration.
16. **Focusing on 'where the magic happens':** Currently, many agencies have experienced financial counsellors doing intake for new clients, often taking them away from the dedicated casework where the magic happens. There is an opportunity to fund dedicated intake positions within agencies where this is appropriate for the service design and client cohort, a role that could be undertaken by the financial capability worker who might be able to assist with early intervention actions for the client.

Program management and design

17. **Develop consolidated state-wide sector snapshots:** Resource the peak body to compile and analyse individual agency reporting, to deliver a state-wide sector snapshot of service delivery and unmet need, and opportunities for service improvement and policy development.
18. **Acknowledging the role of the peak body:** Embedding requirements to engage with the peak body within funding agreements can help to build sector capacity, service consistency, and connection between leaders in the sector.

Demand for services

How has demand for services changed as a result of cost-of-living, housing pressures, natural disasters etc.?

> *"I have never seen so many families in crisis, where they simply cannot afford to live, pay their mortgage or pay for essential services."*

Demand for financial counselling services in Victoria has surged significantly due to various economic pressures. As households grapple with increased expenses related to housing, utilities, and other cost-of-living pressures, financial stress has become more pervasive, prompting a greater need for support.

Financial counsellors report a new cohort of middle-income clients and double-income households seeking assistance for the first time ever due to struggles with the outsized increase in mortgage and rental payments. FCVic has spoken about this new cohort many times, including through our March 2024 Summit event *'The Changing Face of Hardship'*, attended by Consumer Affairs Victoria.

> *"Not only are low-income families struggling, but also middle-income families are struggling and not finding they can make ends meet."*

Consistent with the increase in demand from middle-income clients, there is an increase in older adults who are experiencing financial hardship for the first time in their life. In these circumstances, these clients have always been able to manage their finances well, but are struggling to make ends meet with the greater economic pressures of recent years and the growing complexity of managing a household budget where incomes are simply not enough to keep up with outgoings.

> *"[Our] [c]lient group is becoming older on average with people in financial trouble for the first time in their lives over 60 years of age."*

There is a notable increase in clients using Buy Now Pay Later (BNPL) services to purchase essentials and pay bills – indicating a troubling shift where individuals are resorting to under-regulated credit products to meet basic needs. This is coupled with more clients presenting to a service when they are further along in their financial hardship journey, with more complex situations and multiple debts.

> *"There has been an increase in clients using BNPL to purchase food and basic necessities."*

They note also that the rental market is particularly strained, with high demand driving up costs and leading to increased rental arrears. This has forced many low-income clients into precarious living situations and housing insecurity.

> *"Rental properties in high demand which is driving up rental costs."*

The impact of these financial pressures has been profound, contributing to an increase in mental health issues among those struggling to make ends meet. The link between financial wellbeing and mental wellbeing is very real and interrelated. The long-tail social, economic and health impacts of the COVID-19 pandemic and natural disasters have compounded these challenges.

> *"Job loss due to mental health challenges as a result of financial pressures has been significant. There has also been an increase in clients that attend that are experiencing suicide ideation or have been in psychiatric care due to suicide attempts."*

The examples given above of increased demand for services are all consistent with one theme – household financial inputs (wages, social security payments) are no longer enough to match financial outputs for life essentials. Financial counsellors are able to assist people in financial hardship to a certain degree, but there needs to be wholesale structural change in the average amount of Victorian household incomes to truly meet demand. To achieve this change, supporting the ability of financial counsellors to undertake systemic advocacy work is crucial.

Who is not currently receiving the financial counselling services they need?

Financial counsellors have named a number of underserved cohorts who are not receiving the financial counselling services they need to sustain financial wellbeing.

Those who have not previously required assistance: Such as potential clients facing small debts but experiencing high financial stress due to rising costs. For this cohort, increased community development and education services would be helpful.

Young Victorians: Initiatives focused on primary prevention through financial literacy education would help to reduce the risk of financial hardship in the future.

Older Victorians: Especially where they have not had to access support in the past and so there may be a stigma relating to needing assistance or lacking knowledge about how to access services.

The 'working poor': Low-income individuals such as single renters without children, often find themselves trapped in a cycle of working as much as possible to make ends meet while remaining unaware of available support services.

Those with a technological, geographical, transport, or other structural access barrier: Who are not aware of the resources available to them or are not able to travel to the services that may be available to them.

People with disability: Who are statistically more likely to have lower incomes[1], lower employment rates[2], higher living costs[3], and greater practical barriers to assessing services – all of which lead to greater financial insecurity.

Clients with specific circumstances: Who are locked out of accessing supports due to strict service criteria and waitlist demand on services, such as small business owners or those impacted by natural disasters.

Those with have received large sums of money: Such as from insurance or redress payments, where the client may have already experienced financial hardship. The

---

[1] Australian Bureau of Statistics' (ABS) 2018 The Survey of Disability, Ageing and Carers
[2] AIHW, Disability in Australia: changes over time in inclusion and participation in employment, 2017
[3] Vu, B., Khanam, R., Rahman, M. et al. The costs of disability in Australia: a hybrid panel-data examination. Health Econ Rev 10, 6 (2020). https://doi.org/10.1186/s13561-020-00264-1

implications of receiving lump sum payments and its potential impacts on social security payments and other concessions and allowances may not be immediately apparent to people in financial hardship.

Those in service 'deserts': In some areas, funding constraints mean that the limited number of funded days for offering financial counselling services have led to months-long waitlists which are particularly problematic for clients who are experiencing mental health concerns, risk of homelessness, and family violence.

Who are the priority groups in the community that would benefit from increased access to financial counselling support?

Financial counsellors have noted that the groups listed below often face unique challenges that impact on their financial security, and would benefit from increased access to tailored services that meet their individual needs.

Low-income families: Families in low socio-economic areas are among the most vulnerable, struggling to meet daily living costs. Some of these households may rely on social security payments and need assistance with the financial literacy required to navigate their situations.

Victim-survivors of family violence: This group frequently faces additional financial burdens, as they may have to leave their homes suddenly and need to manage the long-term financial impacts of rebuilding their lives after family violence. Financial counsellors report that this group makes up at least a quarter to a third of all clients accessing financial counselling services.

People with disability: Systemic financial and social disadvantage impacts this group disproportionately, with approximately 1 in 6 people with disability living below the poverty line, compared to 1 in 10 Australians without disability[4].

Older Victorians: This group may require more engagement through proactive in-person outreach initiatives to overcome stigma and fear, and build their capacity to seek assistance with their financial wellbeing.

Migrant and refugee communities: These populations may be less familiar with local services, making it difficult for them to seek assistance. Culturally relevant and sensitive services can help raise awareness and improve access.

First Nations people: Community-led approaches to addressing financial stress within Victoria's First Nations communities are crucial for fostering resilience and empowering individuals and communities to address the intergenerational impacts of colonisation and dispossession.

Prisoners: The financial challenges faced by prisoners are unique and complex – especially where there are existing debts at the time of incarceration, and debanking is common. Access to financial counselling can support successful reintegration of incarcerated individuals and reduce the risk of recidivism due to escalating debt.

[4] Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), Poverty in Australia 2018. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

Clients impacted by disasters: Access to financial counselling for people impacted by natural disasters and navigating the complexity of insurance claims processes can help to deliver better financial outcomes, mitigate the risk of financial hardship, and provide better mental health and recovery outcomes.

Demand for services: Recommendations

We make the following recommendation to address known service gaps within the financial counselling sector, while recognising the incoming $15m funding injection for the sector with its focus on housing issues[5].

1. **Establish targeted funding rounds:** Focusing on under-served communities without regular access to financial counselling. FCVic's 2025-26 State Budget Submission provides some guidance on how these funding rounds could be targeted.

Service accessibility and design

What is different about how and when clients might access financial counselling services now compared to a few years ago?

Accessing financial counselling services has significantly evolved in recent years, particularly in the wake of the COVID-19 pandemic. Clients now have more options and flexibility in how they seek assistance including through remote service delivery, but there are also new challenges.

Previously, face-to-face financial counselling client appointments were standard, but many agencies now offer services over the phone. This change is beneficial for some workers who can access financial counselling during business hours without needing to take time off, but challenging for others who don't have the same flexibility for appointments during business hours, creating a gap in service availability that remains unmet.

> *"Many of our clients are working during the day and need to access later appointments, unfortunately I am not aware of any service that can fit this requirement."*

There appears to be an increase in positive help-seeking behaviours with some cohorts taking the initiative to search for and seek assistance from financial counsellors online. Online chats to the NDH from Victorians increased 56.58 per cent in Jan-Jun 2024 when

[5] The Discussion Paper noted "the activities of the Commonwealth on the establishment of a nationally coordinated approach and establishment of an industry funding model are a relevant consideration and will be taken into consideration as appropriate."

We assert that continued state government funding for financial counselling services at current and higher levels is **critical**, and any financial contribution from either a Commonwealth or industry perspective should not be seen as a replacement for state government funding – it is an additional contribution, and does not replace what is rightfully a state government responsibility.

compared to the preceding six month period, and Victorian calls to the NDH in the same time increased by 10.27 per cent.

> *"Our service received an increase of referrals from other services and also from online expressions of interest and calling our service"*.

This remote, online or phone service delivery continues through client case management, with the widespread adoption of digital and electronic documentation and signatures by many agencies for their clients. However, this does disadvantage a cohort of clients who may have barriers to accessing and using technology to communicate with their financial counsellors. This Review must ensure that embracing technology does not leave these people behind – and financial counsellors are well-placed to understand the technology needs of their particular client cohorts.

Challenges include the surge in demand for services which have led to longer wait times for clients, and the real risk of burnout for financial counsellors. This service demand is compounded by the increasing case complexity of clients who are accessing financial counselling services, with many presenting with multiple complex intersecting issues that may require external referrals and multiple service liaison.

Financial counsellors report that clients are delaying seeking help until they have more debt overall, often from less-regulated creditors such as payday loans and BNPL providers, which have escalated, complicating their situations further. Clients are no longer presenting with a single utility debt. They are presenting with rental arrears, utility debt, credit card debt, multiple BNPL debts, and are struggling to feed their families.

> *"People have more debt overall, the types of debt can be smaller payday lending, BNPL that are not as tightly regulated."*

These circumstances are exacerbated by a lack of education and awareness – and the dangerous cost of online advertising by predatory providers. Financial counsellors report that clients are googling 'debt help' and being led to private debt and loan agencies who can afford to pay for prominent ad placement. This suggests that part of service funding should not just be about service delivery, but also service promotion.

This escalation of issues experienced by clients is not helped by waitlists at agencies due to high community demand. Where clients may have joined an agency waitlist with a single credit card debt, the long wait times mean that their situation often compounds, with BNPL used to cover their living costs, utility debts increasing, and rental arrears accumulating while waiting to see a financial counsellor.

While it is a positive that the NDH has enhanced awareness of financial counselling through media outreach, this combined with increased referrals from creditors who now recognise the importance of directing clients to these services, increased referrals from other community services, and overall cost-of-living and economic pressures, has meant that community demand for financial counselling services has become unsustainable and difficult for agencies to manage.

What are the opportunities to co-locate or integrate services to ensure clients receive support that meets all of their needs? And

How can innovation and joined-up services be better used in service model and program design?

Co-locating and integrating financial counselling services with other key community services presents a valuable opportunity to provide wrap-around services that meet the diverse individual needs of clients. This model creates a service experience that is seamless for the client – designed for **people, not problems**.

> ***Case Study: Successful Co-Location***
>
> *A client who lost her home in a fire while fleeing family violence benefited from coordinated services through a frontline family violence service. The financial counsellor collaborated with other professionals at the service to provide comprehensive support, including housing support, therapeutic counselling, and legal assistance. By coordinating appointments, the client only needed to visit the centre once to access all services, minimising her stress.*
>
> *The financial counsellor successfully negotiated a $120,000 mortgage waiver with the client's bank and facilitated a warm referral to a legal service for complex insurance issues, ensuring the client received the support she needed. By the end of the engagement, the client had moved into a new home, demonstrating the impact of holistic, integrated, wraparound care in transforming lives.*

Co-location allows clients to access various services in one place, making it easier for them to receive relevant supports. This enables a more holistic approach to client care, addressing not just financial issues but also other inter-related challenges they may face including family violence, legal, mental and physical health. Financial counsellors note that a key benefit of integrated services is the improved flow and sharing of information, minimising the need for clients to repeatedly share their stories, reducing emotional strain.

This requires integrated services to have effective intake processes, to ensure that clients receive the appropriate support right from the beginning. This could involve having experienced, multidisciplinary specialists manage client intake. These specialists would assess clients' needs comprehensively (for example, including a question about financial stress during intake), allowing for tailored service delivery and immediate referrals to financial counselling. Such an approach would facilitate early identification of issues, enabling clients to access the right services immediately.

This approach is already tried and tested in the family violence space on a smaller scale, with potential to expand into a more comprehensive state-wide approach, creating better short and long-term outcomes for clients.

> *"There is a huge opportunity with dedicated funding to build the financial counselling profession in the family violence space by co-locating at frontline family violence multi-disciplinary services … There are examples of this happening now, a bigger investment is needed to embed family violence financial counsellors in these services … family violence is best placed in a multi-disciplinary service with case workers, therapeutic counsellors, housing workers, visiting legal services, police and child protection which can lead to meaningful outcomes for victim-survivors."*

The benefits of integrated, multi-disciplinary services are not limited solely to improved client outcomes – it helps to increase understanding of the role that financial counsellors can play in supporting clients of other services through secondary consultations with the co-located community services. Financial counsellors have reported that co-location and greater public awareness can help to reduce the stigma associated with 'doing it tough' and needing to seek assistance.

Co-location can deliver early intervention benefits as well, with other community services able to refer to financial counsellors at the first sign of financial hardship, reducing the risk of issues escalating before financial counselling assistance is sought.

Financial counsellors agree that co-locating and embedding financial counselling services within established community service sites is a strategic move.

> *"Multi-disciplinary support services including financial counselling embedded with housing programs, mental health support services, DV programs and prisons."*

> *"Use established sites that already do emergency relief, case work and financial counselling. Use other sites to work together such as hospitals, universities, health care centres."*

The key to impactful and successful co-located integrated financial counselling services is in meeting people where they already use services, supporting the streamlining of client journeys through different services. There is also an opportunity within these settings to support a preventative financial counselling approach with a focus on outreach and education for clients who may be more vulnerable to financial hardship.

However, financial counsellors also noted a few hurdles to co-located integrated services which would need to be considered, primarily related to financial constraints.

> *"Costs to smaller agencies for co-locating can impact on the budget on the financial counselling hours provided."*

> *"Financial counselling can get lost in larger community health services, and be treated as a poor cousin that never gets enough funding support."*

A dedicated funding stream for financial counselling services that seek to partner, co-locate and integrate with other existing community services would help to address some of these funding concerns, and focus on the positive client outcomes that these services can deliver.

Finally, there was an acknowledgement by financial counsellors that leadership in integrated services is useful for promoting professionalisation, training, research, policy and advocacy initiatives. One financial counsellor noted in relation to financial counselling integrated in family violence services:

> *"FCVic are experts in members' needs and financial abuse, and could lead training, research and development as part of a move to this model if there was sufficient funding dedicated to this purpose, and can also capture the knowledge and expertise of FVFCs in relation to financial abuse and lead advocacy and research."*

Developing a network of financial counsellors working within integrated services, facilitated by FCVic as the peak body, could help to deliver effective peer learning and best practice service delivery frameworks.

How can services be designed to continue to meet existing client needs, while also having the flexibility to adapt to emerging ones?

Financial counsellors recognised the importance of leveraging consistent use of technology and standardised data collection to assist in identification of casework trends, gaps in service delivery and new opportunities to support their communities. Notably, they also noted that the stringent casework hour key performance indicators (KPIs) set in contracts is a highly reactive approach to financial counselling support and does not allow financial counsellors the flexibility to respond to any proactive capacity building requirements of their client groups. Finally, financial counsellors recognised that centralised specialist financial counselling services have flexibility inbuilt into their service model to adapt to emerging client needs.

In discussing what 'better use of technology' looks like in practice, financial counsellors in the member consultation workshop reflected on a presentation on technology at the recent FCVic Annual Conference. In this presentation, the speaker suggested that technology should be designed in a way that allowed financial counsellors to **'spend more time where the magic happens' –** with their clients, rather than inputting data into multiple different databases, copying and pasting emails from Outlook into a client management system, and filling out financial counsellor authority forms ten times for ten different creditors.

There is an opportunity here for dedicated funding for a sector-wide technology project to deliver a solution (or a range of solutions) which enables financial counsellors to spend more time with clients and less time on administration. As the conference speaker noted, if each financial counsellor in Victoria could save just one hour a week from administrative tasks, the time savings and efficiencies would be equivalent to 7-8 additional financial counsellors. This is a future worth investing in.

As part of this technology project, investigation of improved, standardised, centralised, reporting systems led by financial counsellors can enhance service delivery. Existing materials that can be used to inform this project include the National Minimum Dataset developed by financial counsellors across Australia (provided as an attachment to this submission).

> *"All financial counselling services have a standardised database to obtain consistent and up-to-date data fields to capture trends and poorly performing creditors. Be aware of gaps in the service and look for solutions."*
>
> *"Better reporting systems that are co-designed with financial counsellors, such as creating an outcomes-based reporting system, rather than by hours. A lot of agencies and CAV funded FCs get caught up on how many hours they need to enter into Iris each day which adds to their stress. How can we simplify?"*
>
> *"Collection of data in a more industry collaborative way across different types of funding also at a central point will allow early identification of issues."*

Financial counsellors noted that data needs to be useful and used – data should not be collected for its own sake, it should be used in a meaningful way to inform the work of the sector in a coordinated way to benefit the clients who need it the most.

Further, the commentary provided above on considering alternative KPIs to casework hours has broad support from financial counsellors, with some noting the benefits of contract flexibility on allowing financial counsellors to use their professional expertise to deliver services in a way that best responds proactively to the current and emerging needs of their communities.

> *"More time allowed to spend with clients to do proactive, preventative work instead of just reactive."*

> *"The nuanced need for working with complex and long cases. It's not a matter of throughput but about women recovering from economic abuse."*

Contracts that allow for flexibility to deliver a mix of both client advocacy and community development initiatives, or long-term client engagement to rebuild lives after violence, can help to reach more individuals who can self-advocate and also fosters a culture of proactive support rather than reactive measures, with the aim of reducing demand for financial counselling from future generations.

There is a strong workforce protective element to this recommendation as well, with the real risk of burnout for financial counsellors with heavy caseloads (as will be noted in the following section on workforce and sector needs). Building in flexible opportunities for proactive community development work into a financial counsellor's role can help to recharge and address broader systemic issues.

We acknowledge that alongside flexibility, is the funder's need to ensure that funded services are delivering strong client-centred results. Strong outcomes-based KPIs can help to provide this balance, and the recently developed Financial Counselling Outcomes Framework (provided as an attachment to this submission) may help to inform the development of new KPIs that measure client outcomes in a meaningful way.

Another consideration in flexible service design is finding the right funding balance and diversity between both metropolitan and regional place-based agencies of all sizes and centralised specialist services.

Small place-based agencies can be agile in their responses to the needs of their local communities, larger agencies may be able to deliver impactful services at scale. Centralised specialist services, such as a centralised specialist disaster recovery financial counselling service, can strengthen sector capacity in specialist areas and be deployed quickly to ensure timely support for affected communities as needs arise, meeting clients at their point of need.

Finding the right balance is critical for ensuring that the sector is strongly placed to meet the needs of all people in financial hardship across the state.

Service accessibility and design: Recommendations

2. **Ensuring accessibility in all forms:** This includes geographical, technological (or lack thereof), informational and cultural accessibility, as well as structural accessibility relating to the service delivery times typically in 9-to-5 business hours. Requiring responses to questions relating to service accessibility within funding applications will allow the funder to make a more informed decision about ensuring that funded services across the state provide an appropriate amount of accessibility for all cohorts.
3. **Prioritise integrated services:** Establishing both a targeted funding round for integrated service delivery proposals and prioritising partnership proposals for all funding rounds will assist.
4. **Fund a sector-wide technology project:** To deliver a solution (or a range of solutions) which enables financial counsellors to spend more time with clients and less time on administration, creating efficiencies across the sector unrelated to funding more positions.
5. **Move to an outcomes-based reporting framework:** Designed to measure strong client-centred outcomes, not financial counsellor casework hour outputs, in line with the empowerment model of financial counselling. The Financial Counselling Outcomes Framework can be used to inform this move.
6. **Strike a balance in funding when it comes to agency size and locations:** Agencies of different sizes in different locations can deliver very different services – small, bespoke and tailored to the needs of local communities, and large-scale services that meet the needs of a wide cohort. Finding the right mix can ensure that more Victorians access the service that is right for them.
7. **Establish centralised specialist services:** A prepared and proactive workforce, equipped to provide an immediate response to events as they arise. They can offer crucial secondary consultations to support local financial counselling services responding to specialist cases, as well as provide valuable community development and education activities. Consistent regular funding for these centralised specialist services will ensure that knowledge and experience is retained, saving the crucial time and energy that is currently expended following each new event to rebuild capacity and professional networks.

Workforce and sector needs

What are the key workforce challenges for financial counselling? and

What support or change is required to ensure the long-term sustainability of the Victorian financial counselling workforce?

The financial counselling sector faces significant workforce challenges that impact service delivery and staff well-being. We have categorised these below into challenges for financial counsellors, for agencies, for new entrants, and for the sector more broadly.

For financial counsellors

Job security

Financial counsellors unanimously agreed that job security is a persistent concern. Financial counsellors find themselves in positions with funding that is often short-term, sometimes lasting only 12 months. This uncertainty can lead to periods of unemployment and financial instability for professionals whose purpose is to build financial capability.

> *"It's ironic that we are advocating for financial stability for our clients when our own job security is under threat every three years."*

> *"I often reflect on our sector, we help people in financial destress, when we face job insecurity ourselves on a regular basis. Twice I have had to find new employment due to ceasing of funding from governments. This has long term impacts to the individual."*

> *"Uncertainty. Not knowing if you will have a job in six months when you are paying a mortgage and raising children could be extremely distressing for many people. There needs to be ongoing long-term funding so that FCs aren't left wondering if they'll be unemployed on a three-year cycle."*

Job insecurity leads to workforce stagnation, where practitioners choose to stay in "secure" or ongoing roles for as long as possible, in lieu of opportunities to progress their careers and further their practice. This has major impacts on the workforce pipeline, making it difficult for newer practitioners to enter the workforce. Without well-considered and defined career pathways, the workforce risks losing significant sector knowledge and expertise as workers exit the sector due to a lack of opportunities or retirement.

There is a need here to consider whether the current duration of funding agreements, whether it be three-year contracts or the year-long extensions, is putting an entire workforce at risk of joining the cohorts in financial hardship that they are assisting.

Pay rates

Further, when financial counsellors are in their jobs, there's an issue with pay rates not matching their actual expertise and the breadth of knowledge they must have to perform in their roles given the increasing complexity of cases they manage.

> *"Pay rates below the financial counsellor's worth."*

> *"Grossly inadequate numbers of financial counsellors and the ones that are around, are frequently under employed."*

> *"More and more is expected of financial counsellors, things are very complicated with multiple issues presented by clients."*

Financial counsellors have extensive knowledge in a range of areas of law and policy including consumer law, credit law, debt enforcement practices, bankruptcy regime, hardship policies and practices in a range of industries, internal and external dispute resolution schemes and government concession frameworks, and other specific areas.

Financial counsellors are also highly skilled in working with people experiencing vulnerability in a supportive and empowering framework.

Current remuneration rates are generally based on the rates of pay for Social and Community Services employees under the Social, Community, Home Care and Disability Services Industry Award [MA000100]. Financial counsellors with less than five years' experience are classified as a Level 5, whereas more senior financial counsellors can be classified as a Level 6. We understand that most Victorian agencies that employ financial counsellors already remunerate their staff in accordance with these classifications, using the FCVic Sector Pay Guide[6] as reference.

However, we have been recently made aware of a case where an agency is trying to re-classify a long-standing, highly-experienced, financial counsellor as a Level 4. There must be consideration given in funding contracts of what is considered sound and fair remuneration practice for financial counsellors – including through developing a standard pay guide which all funded agencies must abide by, such as the FCVic Sector Pay Guide, which is updated regularly.

Underemployment

Coupled with rates of pay, there is a further consideration relating to underemployment – where there isn't sufficient funding for full-time employment for financial counsellors. FCVic understand that the average financial counsellor in Victoria is employed in a 0.8FTE role. Some of these cases may be personal choice – for instance, where someone chooses to work part-time in order to manage their own risk of burnout (see below). However in other cases, this is due to insufficient funding contracts which don't offer the opportunity to earn a full-time wage, with resulting impact on financial security for the financial counsellor.

Burnout

Burnout is a critical issue among financial counsellors. High workloads, coupled with the emotional toll of working with vulnerable populations, can lead to significant stress and job dissatisfaction.

> *"A lot of financial counsellors choose to work part-time or access purchased leave in order to be able to continue in this work."*
>
> *"Limited leave accruals can impact on financial counsellor wellbeing, modern awards have greatly reduced the amount of personal leave available to manage staff wellbeing under more and more stress due to demand."*

To combat burnout and best support the sector, it is essential to invest in measures that help to manage caseloads and build in opportunities for supervision and peer support. These will have a positive impact on service quality for clients as a result.

Embedding funding and time allowances within funding contracts for continuing professional development, professional supervision, networking and peer support, as well

[6] https://fcvic.org.au/wp-content/uploads/202407_FC-pay-guide.pdf

as relief staffing for those taking extended leave, will help to support the mental health and professional growth of financial counsellors.

Additionally, FCVic has long been advocating for the development of caseload guidance, which could include as part of the reporting system review (as detailed above) official guidance and procedures on how agencies can best manage and report unmet demand to inform future funding based on community needs.

For agencies

In sectors such as financial counselling which require significant emotional investment from its workers, strong leadership that is well-trained in people management and promoting staff wellbeing is critical for ensuring that the current workforce is supported adequately. Unfortunately, experiences can vary.

> *"Team leaders are often not skilled at 'people management' ... and encouraging FC's to grow in their careers or stay in the industry."*

There is a role here for the peak body to support people managers with appropriate training, to develop effective leaders who can foster professional development and retention.

We have heard from many financial counsellors about the importance of distinguishing between service delivery challenges in metropolitan Melbourne when compared to regional and rural Victoria. They note that these differences should inform planning, funding, and service modifications to effectively address the unique challenges faced by regional communities – with one recommendation in FCVic's State Budget Submission 2025-26 relating to a regional 'loading' for agencies in recognition of the additional costs of delivering place-based face-to-face services over a wider service area.

One distinct challenge for regional agencies relate to recruitment, where the need for financial counsellors is significant but the ability to attract and retain staff is limited.

> *"Difficult to recruit to regional and rural Victoria."*

> *"Agencies have different policies regarding flexible work, and require face-to-face appointments with clients, and 'in office' attendance. A more flexible approach could mean that FCs could live anywhere and work as an FC providing services to regional Victoria."*

While alternative and more flexible recruitment approaches may assist in meeting some of the workforce gaps in regional Victoria, it must be recognised that remote service delivery with remote staff may not suit the unique needs of some regional clients – and so, other measures must still be put in place to build a regional workforce through the pipeline of new entrants to the sector.

For new entrants

If workforce challenges in the financial counselling sector are considered in a continuum, challenges commence at the point of students undertaking the Diploma of Financial Counselling. To become a qualified financial counsellor, students must complete 220 hours of practical work placement, which are essential for developing the necessary financial counselling skills for professional practice.

As one financial counsellor put it – *"The Diploma teaches you all the stuff you need to know, but they don't teach you how to be financial counsellors"*. Student placements are critical to build the real-world capacity for understanding the work of a financial counsellor, especially as students are mentored and supervised by experienced financial counsellors.

However, the sector is experiencing severe capacity issues, making it difficult for students to find placements. Many service providers struggle to offer placements despite the benefits students bring. The need for regular supervision and mentoring diverts resources away from delivering services, particularly in the early stages of placements. This lack of availability is a significant barrier to entering the workforce; hindering sector growth and creating bottlenecks.

An additional issue with placements is the investment of time – 220 hours of unpaid practical work placement is equivalent to six weeks of unpaid work. For those students who don't have the benefit of savings to support them through this time, this is a real barrier to entry. FCVic has had separate conversations with Consumer Affairs Victoria about the development of a program to support early career professionals, and we hope to progress this work further. The Commonwealth Prac Payment and the Department of Fairness, Families and Housing's Inclusion scholarships for social work placements models should be considered in this project.

For the sector

The financial counselling sector is an ageing workforce, with many professionals nearing retirement age – approximately 3-5 per cent of FCVic's accredited members retire every year. This demographic shift raises concerns about knowledge transfer and the future sustainability of the profession.

Attracting new financial counsellors to the field is crucial, yet current financial counsellors hold concerns about how well new entrants are introduced to the nature of the work.

> *"A lot of people entering financial counselling are not aware that most of our work is conducted with low income and vulnerable consumers with very complex needs, and the reality of this work soon reduces the new FC's enthusiasm for the industry."*

One financial counsellor reported during our member consultation that she had once supervised two student interns – while one did go on to become a financial counsellor, the other chose to leave the field after the undertaking the qualification because of their misconceptions of what the work would involve.

If we are to support a strong workforce pipeline that enables students to gain the necessary practical experience while helping agencies to extend their capacity, dedicated measures within funding agreements relating to student placements must be considered.

What does this mean for funding?

Many financial counsellors believe that greater financial investment into the sector to increase the number of financial counsellors will help to reduce client wait times and distribute caseloads more evenly.

> *"Due to the high stress role more financial counsellors to assist clients and reduce wait times."*

> *"High demand of services needs to be managed without impacting on financial counsellors and agencies."*

> *"More funding for a larger Financial Counselling team to be able to service the community and their needs."*

As the peak body, we will always advocate for more funding for the sector – **more funding for more agencies to deliver more services to more people**. Importantly, we emphasise this must be done in a thoughtful and considered way that maximises wellbeing for current financial counsellors, provides support for new entrants to the sector, and builds sector capacity and capability well into the future.

Workforce and sector needs: Recommendations

We recommend the following changes to funding arrangements and contracts, with correlating increases to funding amounts.

8. **Extend all funding agreements to five years:** This change is in line with federal funding agreements, which from 1 July 2025 will all be five-year terms. This will provide greater job security for financial counsellors allowing them to feel confident in their own financial security for longer periods.
9. **Setting a minimum pay standard:** Develop a standard pay guide which all funded agencies must abide by, such as the FCVic Sector Pay Guide, as a minimum standard for appropriate classification and payment of staff and improving statewide service/funding consistency.
10. **Embed worker wellbeing clauses within funding agreements:** Allowances for funding and time to be included in contract terms to pay for financial counsellors' continuing professional development including attendance at conferences, paid professional supervision, networking and peer support. This should also include allowances for relief/locum financial counsellors where a financial counsellor takes extended leave, so that their caseload does not fall upon their colleagues in their absence.
11. **Develop caseload guidance:** Set a sector-wide benchmark for what is reasonable and fair for a financial counsellor to manage, considering nuances including FTE, case complexity, specialisations and experience. This can incorporate official guidance and procedures on how agencies can best manage and report unmet demand.
12. **Recognise where some services naturally require higher service delivery costs:** For instance, where regional face-to-face service delivery has higher associated costs of travel and accommodation for financial counsellors, this should be embedded into funding agreements.
13. **Embed future workforce planning within funding agreements:** Including allowances and requirements for each agency, in line with their funding amount, to support a requisite number of student placements with allowances for supervision and mentoring by qualified and experienced financial counsellors.
14. **Funding allowances for service innovation:** The small allocation for administration and oncosts within funding agreements allows for service delivery but does not allow for service innovation. Creating a separate funding allocation for agencies to apply for proposals that innovate or adopt new technologies for efficient case management and communication can benefit the sector more widely as these successes are adopted by others. This can work in tandem with recommendation 4.
15. **Recognising leadership:** Appropriate funding for leadership and management has many benefits. Strong leadership and management within a financial counselling team allows for a focus on service improvements, policy and

advocacy contributions, and guidance for other team members. This contributes strongly to team morale and sector retention, and allows financial counsellors to focus on client advocacy rather than administration.

16. **Focusing on 'where the magic happens':** Currently, many agencies have experienced financial counsellors doing intake for new clients, often taking them away from the dedicated casework where the magic happens. There is an opportunity to fund dedicated intake positions within agencies where this is appropriate for the service design and client cohort, a role that could be undertaken by the financial capability worker who might be able to assist with early intervention actions for the client.

Program management and governance

What opportunities are available to change program reporting and data gathering to improve financial counselling service offerings?

Data must be useful and used. As previously noted, financial counsellors understand the benefits of robust data collection for identifying service trends such as patterns of irresponsible lending. However, they were clear that data should not be collected for its own sake, it should always be used in a meaningful way to inform the work of the sector in a coordinated way to benefit the clients who need it the most.

Financial counsellors have made it clear that the current methods of data collection and reporting are often labour-intensive and can distract from direct client service.

> *"Data collection and reporting can be very time consuming if not done on a regular basis."*

> *"Consideration on the data collection method which is not automated and available to all this can impact on the agency and financial counsellor due to increased tasks that can get in the way of service delivery."*

The National Minimum Dataset and the Financial Counselling Outcomes Framework developed by financial counsellors across Australia (provided as attachments to this submission) can assist in building the scope of data collection required to measure success and the impact of financial counselling for clients – which in turn, can inform funding programs. This data could be quantitative (the financial savings / debt waivers achieved), or it could be qualitative (how clients respond to questions about levels of financial stress).

Whatever the scope of data to be collected, it is clear from financial counsellor feedback that current reporting and database systems used are no longer fit for purpose.

> *"The current data base is antiquated and is not able to provide necessary details for funding submissions/review etc and is not able to be updated to show accuracy."*

There is support for a centralisation and streamlining of data collection and reporting processes, as noted in the section on service accessibility and design.

> *"One data base and IT system for all financial counsellor work. This would ensure financial counsellors can work across the state and all data is centralised, client management is streamlined."*

We acknowledge that there may be challenges with this approach, noting that larger agencies, or co-located and integrated financial counselling services may be required to use 'parent' systems that are not specific to financial counselling. Similarly, different funders may have different data or reporting requirements – so a whole-of-government conversation must be had to standardise data and reporting requirements.

The sector-wide technology project to deliver a solution (or a range of solutions) proposed earlier can assist in meeting the diverse needs of agencies across the state, ensuring that financial counsellors are not left with a system that requires them to copy and paste data from one system to another and allows them to spend more time 'where the magic happens'.

How can services be designed to minimise overlap and ensure consistency both in delivery and reporting requirements?

Complementing the points and recommendations made earlier, there is an opportunity to consider service design in a more targeted, holistic and data-driven manner to address service need across both geographic services and statewide specialist services.

Useful, centralised data is key, and FCVic as the peak body can help coordinate individual agency reporting to provide a consolidated state-wide report on the status of financial counselling service delivery and unmet community need, with thoughtful strategic sector-wide recommendations on opportunities for service improvement and policy development.

Further, our role in supporting best practice service delivery through creating connections, starting conversations, enabling partnerships and peer learning, is critical for ensuring that the sector is continuously improving and delivering targeted, impactful client services that make a real impact. Recognising the role of the peak body accordingly in funding agreements (e.g. requiring regular attendance at FCVic's Agency Managers Network) may help to build that sector-wide consistency through conversations at leadership and management level.

What changes can be made to funding arrangements to support the development of the service response?

First and foremost, to summarise the recommendations made throughout this submission, establishing long-term funding over a minimum five-year period is crucial to ensure long-term job security for financial counsellors and to support their overall well-being. This stability helps maintain a resilient workforce capable of effectively addressing clients' needs.

Funding rounds should recognise the importance of funding a range of service delivery options from place-based services of different sizes through to centralised specialist services. This acknowledges the unique challenges that each service can address, meeting the needs of their communities in tailored ways.

Contracts should include measures that support the health and wellbeing of financial counsellors, including allowances for professional development and supervision and extended leave allowances. Inclusions that relate to minimum pay rates and support for student placements can also assist to build sector capacity in the long-term.

A rethinking of streamlined, meaningful data collection, reporting, and the KPIs that are best used when measuring client impact can help to empower financial counsellors to support their client communities in a way that best suit their needs.

The measures detailed above must be supported by a regular, gradual, increase in funding for the financial counselling sector, aligned to population growth, objective measures of hardship growth, and demonstrated need in previously underserved areas. While largescale investments in financial counselling are always welcome, without a consistent pipeline of qualified financial counsellors entering the sector, it will be difficult for the sector to respond quickly and effectively. Regular, gradual, increases will allow the sector to build foundational capability and plan for future growth.

Program management and governance: Recommendations

Further to the recommendations provided in the sections above relating to technology and outcomes-based reporting, we make the following recommendation:

17. **Develop consolidated state-wide sector snapshots:** Resource the peak body to compile and analyse individual agency reporting, to deliver a state-wide sector snapshot of service delivery and unmet need, and opportunities for service improvement and policy development.

18. **Acknowledging the role of the peak body:** Embedding requirements to engage with the peak body within funding agreements can help to build sector capacity, service consistency, and connection between leaders in the sector.

In summary

The financial counselling sector is under significant strain, struggling to meet increasing demand and facing a workforce burdened with job insecurity, low pay, and rising burnout. Despite these challenges, Consumer Affairs Victoria, through this Review process, can act on targeted reforms that will create real change.

This submission has outlined 18 key recommendations designed to address service delivery and accessibility, workforce support and development, and strategic planning, to build the next 10 years of Victoria's nation-leading financial counselling sector.

Key proposals include establishing targeted funding for under-served communities, prioritising integrated services, and investing in technology to reduce administrative burdens on financial counsellors. A shift towards outcomes-based reporting through a centralised and consistent reporting system will drive a client-centred focus. Additionally, extending funding agreements to five years, setting minimum pay standards, and embedding worker wellbeing clauses will improve job security, retention, and service quality.

Acting on these recommendations will build a Victorian financial counselling sector that is robust and thriving, meeting community need, and reducing financial hardship.

Together, we can create *'a fairer and more equitable society with improved community wellbeing and better lives for vulnerable people'*.

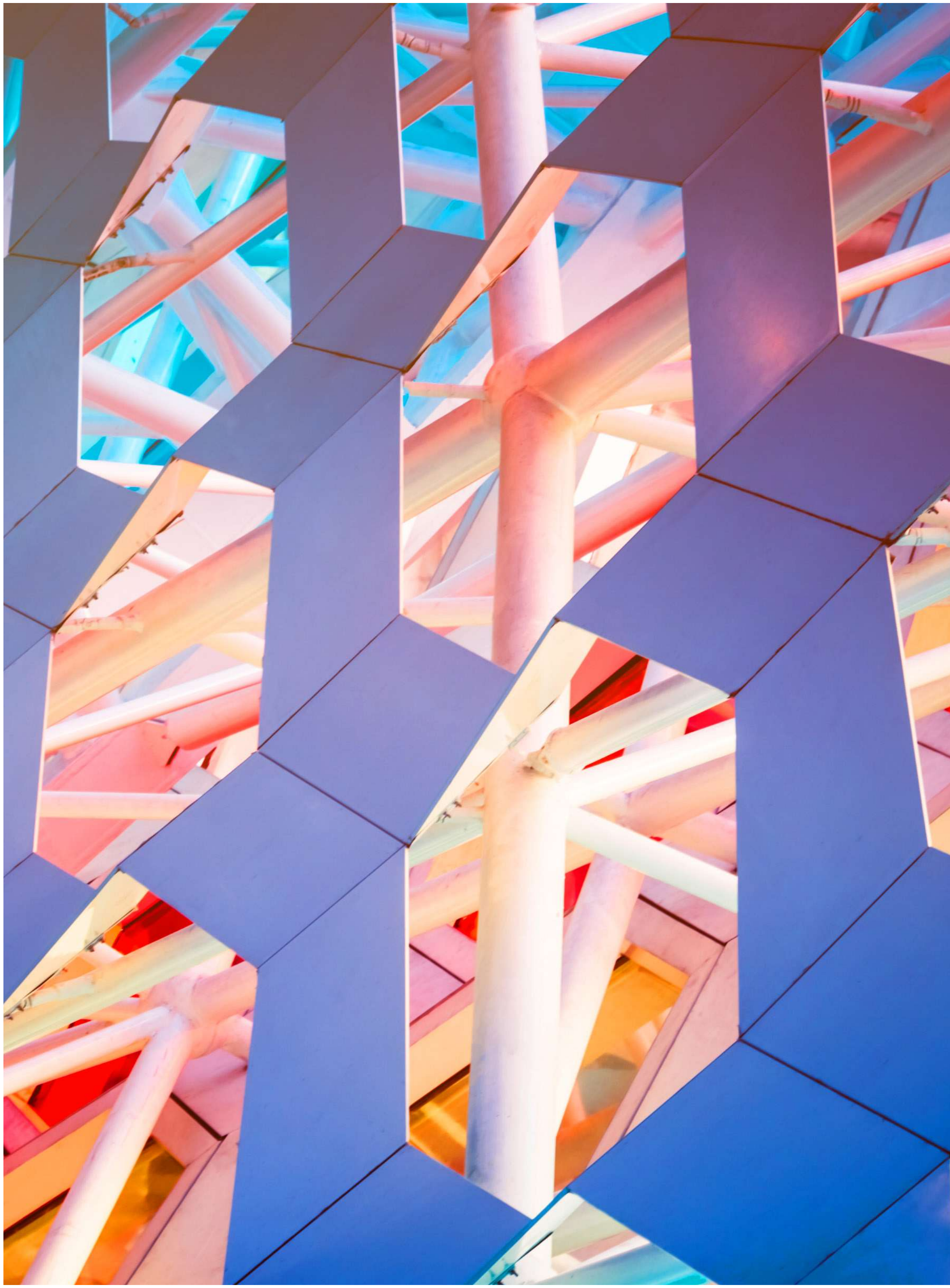
Thank you for the opportunity to provide this submission to the CAV Financial Counselling Services Review on behalf of Victorian financial counsellors who each year, assist over 23,000 vulnerable people experiencing financial hardship.

Attachments:

- Financial Counselling Outcomes Framework
- National Minimum Data Set
- Financial Counselling Australia Letter of Support

Financial Counselling Outcomes Framework

financial counselling australia



Outcomes Framework

Purpose:

- provide a uniform measurement structure that focuses the sector on a common vision
- promote accountability for achieving progress towards desired client outcomes
- drive continuous improvement and evidence-based innovation in service delivery leading to better outcomes for clients
- better understand and communicate the impact of financial counselling
- ensure transparent information is available to the financial counselling sector, funding bodies and policymakers

Structure:

Defining success	**What are we trying to achieve?** The aspirational statement of what the financial counselling sector is hoping to achieve	**VISION**
	What are our key focus areas to achieve the vision? A grouping of related outcomes providing a line of sight from each outcome to the overall vision	**DOMAINS**
	What are the desired outcomes? Clear statements that describe what success looks like	**OUTCOMES**
Measuring success	**How will we know we are making progress?** Descriptors of what needs to change to achieve the outcomes	**INDICATORS**
	How will we measure progress? The granular, specific detail of how progress will be observed and quantified	**MEASURES**

Domains:

Awareness, access, and support

Financial counselling clients are aware of their options and available support services.

Financial situation

Financial counselling clients experience an improved financial situation.

Wellbeing and satisfaction

Financial counselling clients experience reduced stress and improved wellbeing.

System reform

Financial counselling clients and other people experience greater financial security.

Domains, outcomes, indicators and measures

Domain	Client outcomes	Indicators	Measures
1 Awareness, access and support	1.1 Clients understand the financial options provided to them	1.1 Clients have an improved understanding of their financial options.	1.1 Percentage of clients with an improved understanding of their financial options
	1.2 Clients are aware of other relevant support services	1.2 Clients are more aware of other relevant support services and how to access them	1.2 Percentage of clients more aware of other relevant support services and how to access them
	1.3 Clients have confidence to address their financial situation	1.3 Clients are aware of other relevant support services KPI	1.3 Percentage of clients more confident to address their financial situation

Domain	Client outcomes	Indicators	Measures
2 Financial situation	2 Clients are better able to meet their immediate and ongoing needs	2.1 Clients achieve their financial goals[1] developed with their financial counsellor (KPI)	2.1 Average score of whether a client felt they achieved their financial goals
		2.2 Clients can better afford to pay for essentials	2.2a Percentage of clients aware of relevant grants, entitlements and concessions and how to apply
			2.2b Percentage of clients with appropriate and affordable arrangements[2]

1 Goal: clients get what they need from their interaction with the service. The goal can be small (e.g. understand next steps, receive a referral) or large (e.g. service turned their life around).

2 Arrangements include debt waivers, repayment plans

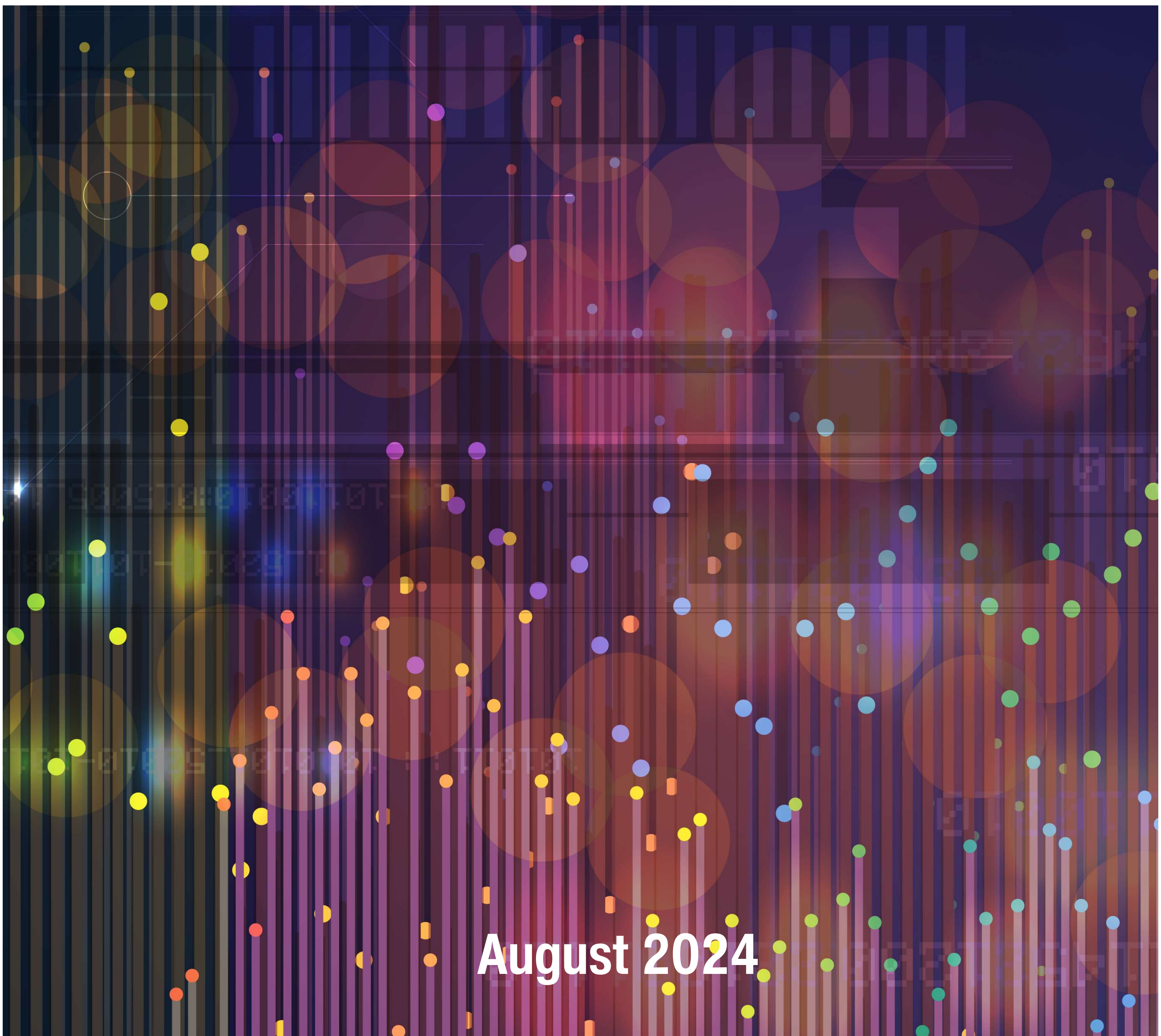
Domain	Client outcomes	Indicators	Measures
3 Wellbeing and satisfaction	3.1 Clients experience reduced stress	3.1 Clients feel less stressed about their financial situation KPI	3.1 Percentage of clients with decreased stress levels
	3.2 Clients financial situation is less of a barrier to social connection	3.2 Clients feel their financial situation is less of a barrier to social connection	3.2 Average change in social connection score
	3.3 Clients experience improved wellbeing	3.3 Clients feel that their wellbeing[3] has improved KPI	3.3 Percentage of clients with an improved wellbeing score
	3.4 Clients are satisfied with the financial counselling they receive	3.4 Clients feel satisfied with the financial counselling they receive	3.4 Percentage of clients who felt satisfied with the financial counselling service they received

3 Acknowledging that wellbeing may be impacted by a range of factors

Domain	Community outcomes	Indicators	Measures
4 System reform	4.1 The financial counselling sector influences a fairer marketplace for Australian consumers	4.1 The financial counselling sector continues to influence a fairer marketplace for Australian consumers KPI	4.1 The number of areas where the financial counselling sector contributes to a fairer marketplace
	4.2 People in Australia experience improved hardship practices	4.2 Financial counsellors and consumers experience improved hardship practices when interacting with creditors	4.2 Average change in the hardship practices score of creditors and organisations that contribute to financial hardship
	4.3 People in Australia are aware of financial counselling services	4.3 The financial counselling sector continues to raise the profile of financial counselling	4.3 The number of times financial counselling is mentioned in the public discourse (e.g. media, parliament)

financial counselling australia

National Minimum
Data Set



Contents

Overview

Demographics	Year of client's birth or estimated year of client's birth
	Client's gender
	Postcode
	Nature of client's accommodation
	Client's household composition (who do they live with?)
	Main language that the client speaks at home
	Does the client identify being of Aboriginal or Torres Strait Islander origin?
	Does the client have a disability?
	Client's main employment status
	Client's main income source
	Client's estimated net annual income
Referral in	Referral in pathway
Client situation	Presenting issue
	Client attributes
Service delivered	Service channel
	Service provided
	Number of appointments
Referral out	Referral out pathways
Outcome Key Performance Indicators	Does the client feel more confident to address their financial situation?
	Does the client achieve their goals developed with their financial counsellor?
	Does the client feel less stressed after financial counselling?
	Does the client feel their wellbeing has improved?

Demographics

1	Question	Year of client's birth or estimated year of client's birth
	Answer type	YYYY
	Reasoning	DEX asks this with two separate questions - date of birth and estimated date of birth. We suggest merging them. While the full date of birth is helpful for conflict checks in some context, this is not always the case. Collecting date of birth significantly increased privacy risks. As we are trying to settle on a minimum data set, we suggest only requiring the year. Agencies can collect further data if it is relevant to their service.
2	Question	Client's gender
	Answer type	Dropdown (select one option) with a free text field when 'use a different term' is selected.
	Options	[I/They]
		Man or Male
		Woman or Female
		Non-binary
		Not stated
		Use a different term (please specify)
	Reasoning	The way that DEX collects data has recently been changed. We've adopted those updates and added a field for not stated.
3	Question	Postcode
	Answer type	Four digits
	Reasoning	This is the most common way of collecting information about a client's location.

4		
	Question	**Nature of client's accommodation**
	Answer type	**Dropdown (select one option)**
	Options	Owns home outright
		Owns home with mortgage
		Private rental
		Public housing
		Community housing
		Lodger or boarder
		Public housing
		Caravan park
		Corrections facility
		Unhoused or in temporary or insecure accommodation
		Not stated
	Reasoning	This is a slightly adjusted version of what is currently collected through DEX

5		
	Question	**Client's household composition**
	Answer type	**Dropdown (select one option)**
	Options	Couple
		Couple with dependant(s)
		Group (related adults)
		Group (unrelated adults)
		Single (person living alone)
		Sole parent with dependant(s)
		Not stated
	Reasoning	As currently collected through DEX

6		
	Question	**Main language that the client speaks at home**
	Answer type	**Drop-down list of values based on the ABS**
	Options	https://www.abs.gov.au/statistics/classifications/australian-standard-classification-languages-ascl/latest-release
	Reasoning	As currently collected through DEX

7	Question	**Does the client identify being of Aboriginal or Torres Strait Islander origin?**
	Answer type	**Dropdown (select one option)**
	Options	Aboriginal
		Torres Strait Islander
		Aboriginal and Torres Strait Islander
		Neither Aboriginal nor Torres Strait Islander
		Not stated
	Reasoning	As collected bu the ABS for the census. Amended post-consultation as the term Indigenous is not current (First Nations)

8	Question	**Does the client have a disability?**
	Answer type	**Dropdown (can select multiple options)**
	Options	Sensory and speech
		Intellectual
		Physical restriction
		Psychosocial
		Head injury, stroke or acquired brain injury (ABI)
		Other
	Reasoning	Feedback was that the options used in DEX were too narrow. These options are the ABS Survey of Disability, Ageing and Carers (SDAC)

9		
	Question	**Client's main employment status**
	Answer type	**Dropdown (select one option)**
	Options	Paid work full-time and second job
		Paid work full-time
		Paid work part-time
		Paid work casual
		Studying full-time
		Studying part-time
		Unpaid work (includes volunteering)
		Unpaid work (Centrelink Participation agreements)
		Unemployed (not working but looking for work)
		Unemployed (not working and not looking for work)
		Caring
		Parenting
		Retired
		Not stated
	Reasoning	DEX collection with additions post consultation

10		
	Question	**Client's main income source**
	Answer type	**Dropdown (select one option)**
	Options	Nil income
		Employee salary/wages
		Other income including superannuation and investments
		Self-employed or contractor
		Government payments/pensions/allowances
		Not stated
	Reasoning	The title of the question amended post consultation

11		
	Question	**Client’s estimated net annual income**
	Answer type	**Dollar figure to the nearest $1000**
	Reasoning	This question has been added in response to sector consultation. We have avoided income brackets and favoured dollar amounts because we have heard that this information can be helpful to know for various threshold requirements. We suggest collecting net income as we heard that it’s easier to collect than gross income.

Referral in

12	Question	Referral in pathway
	Answer type	**Dropdown (select one option)**
		Self-referral
		Internet
		Word of mouth
		Repeat client
		Money Smart website
		National Debt Helpline Website
		Other
		Intra-service (with further internal/external checkbox)
		Appointment booking
		Face-to-face financial counsellor
		Small Business Debt Helpline
		Mob Strong Deb Helpline
		National Debt Helpline
		Aligned services (with further internal/external checkbox)
		NILS
		Way Forward Debt Solutions
		Food relief
		Emergency relief
		Financial capability worker
		Other services
		Tax clinic
		Housing/homelessness
		Local Aboriginal Land Council (LALCs)
		Mental health service
		Therapeutic counselling
		Employment/education/training
		Family violence assistance
		Drug and alcohol service
		Community legal service/legal aid
		Gambling help
		External Dispute Resolution
		Medical services
		Other

		Creditors
		Major four banks
		Non-major banks
		Non-bank lenders
		Buy Now Pay Later provider
		Telecommunications service provider
		Gas provider
		Electricity provider
		Water provider
		ATO
		Centrelink
		Child support
		Local council
		Insurance provider
		Superannuation provider
		Other
		Paid services
		Paid legal service
		Accountants
		Paid budgeting service
		Insolvency professional
		Paid debt management service
		Other paid service
		Other
		Please specify
	Reasoning	These options have been compiled by a small group and in consultation with the broader sector.

Client situation

13		
	Question	**Presenting issue**
	Answer type	**Dropdown (can select multiple options)**
	Options	**Credit**
		Consumer lease
		Personal loan (secured)
		Personal loan (unsecured)
		BNPL
		Wage advance product
		Payday loan
		Car loan
		Business loan
		Credit cards
		Other credit
		Government services
		ATO debt
		Child Support debt
		Centrelink debt
		Childcare levy debt
		Family Tax benefit debt
		No Centrelink access
		Housing
		Mortgage
		Land rates
		Rent (public or community)
		Rent (private)
		Strata levies, owners' corporation fees, body corporate fees
		Water rates
		Utilities
		Electricity
		Gas
		Telecommunications
		Water

		Insurance and superannuation
		Uninsured motor vehicle accident
		Insurance - house and/or contents
		Funeral insurance
		Lenders Mortgage insurance
		Uninsured dwellings costs
		Seeking early release of super
		Other superannuation
		Other insurance
		Other debts
		Childcare/school fees
		Medical/dental
		Criminal fines
		Non-criminal fines
		Payment to contractors
		Payment to suppliers
		Investment loans
		Legal costs
		Loan from family/friends
		Other household bills e.g. trades/professional services
		Quarantine debt
		Vet bills
		Student loan
		Other issues
		Bankruptcy
		Victim of scam
		Credit reporting/default listing
		Court enforcement
		Lump sum payment
		Pawnbrokers
		Funeral expenses
		Access to bank account
		Budgeting
	Reasoning	These options have been compiled by a small group and in consultation with the broader sector. You should be able to select more than one.

14		
	Question	**Client attributes**
	Question type	**Dropdown (can select multiple options)** **(should be automatically attributed to a category)**
	Options	Requires an interpreter
		Gambling
		Drug and alcohol
		Other addiction
		Carer
		Disaster-affected
		Physical illness
		Family and Domestic Violence
		Economic or financial abuse
		Mental health
		Pandemic affected
		Elder abuse
		Victims of crime
		Refuge or asylum seeker
		Temporary Visa
		Incarceration
		Homelessness
		Separation/divorce/family breakdown
		Recent job loss (< 6 months)
		Guarantor for loan
		Social isolation/social disconnection
		Grief
	Reasoning	These options have been taken from various sources including small group and broader sector consultation. You should be able to select more than one.

Service delivered

15	**Question**	**Service channel**
	Question type	**Dropdown (select one option)**
	Options	In person
		Video
		Telephone
		Online chat
		Other
	Reasoning	These options are based on those in the Appointment Booking project, with the additional option for Online chat.

16	**Question**	**Services provided**
	Question type	**Dropdown (can select multiple options)**
	Options	Provision of information
		Statement of financial position
		Provision of advice
		Acting on behalf of the client
		Other
	Reasoning	These options are based on earlier based on a classification of financial counselling activities developed for the industry funding model.

17	**Question**	**Number of appointments in the last 12 months**
	Question type	**Enter digit**
	Options	{digit}
	Reasoning	These options are designed to allow for a variety of scenarios and ways in which clients interact with financial counselling.

Referral out

18		
	Question	**Referral out pathways**
	Answer type	**Dropdown (select one option)**
	Options	**Intra-service (with further internal/external checkbox)**
		NDH website
		Face-to-face financial counsellor
		Small Business Debt Helpline
		Mob Strong Deb Help
		Aligned services (with further internal/external checkbox)
		NILS
		Food relief
		Emergency relief
		Financial capability worker
		Other financial counselling agency
		Way Forward Debt Solutions
		Other services
		Tax clinic
		Money Smart
		Housing/homelessness
		Mental health service
		Therapeutic counselling
		Employment/education/training
		Family violence assistance
		Drug and alcohol service
		Community legal service/legal aid
		Local Aboriginal Land Council (LALCs)
		Gambling help
		External Dispute Resolution
		Regulators
		Medical services
		Other
		Paid services
		Paid legal service
		Accountants
		Paid budgeting service
		Insolvency professional

		Paid debt management service
		Other paid service
		Other
		Please specify
	Reasoning	These options have been compiled by a small group and in consultation with the broader sector.

Outcome Key Performance Indicators

19	Question	**Does the client feel more confident to address their financial situation?**
	Answer type	**TBD**
	Reasoning	This KPI is drawn from the Outcomes Framework.
20	Question	**Does the client achieve their goals developed with their financial counsellor?**
	Answer type	**TBD**
	Reasoning	This KPI is drawn from the Outcomes Framework.
21	Question	**Does the client feel less stressed after financial counselling?**
	Answer type	**TBD**
	Reasoning	This KPI is drawn from the Outcomes Framework.
22	Question	**Does the client feel their wellbeing has improved?**
	Answer type	**TBD**
	Reasoning	This KPI is drawn from the Outcomes Framework.

financial
counselling
australia

Financial Counselling Australia
6/179 Queen Street
Melbourne, 3000

6 November 2024
Consumer Affairs Victoria
Financial Counselling Services Review

Dear Review Team,

Re: Letter of Support for Financial Counselling Victoria's (FCVic) Submission

On behalf of Financial Counselling Australia (FCA), I am writing to endorse Financial Counselling Victoria's (FCVic) submission to the Consumer Affairs Victoria Financial Counselling Services Review. We believe FCVic's submission addresses the current challenges and opportunities facing the financial counselling sector in Victoria and provides a strong foundation for building a more robust, sustainable, and impactful service network.

The Review Discussion Paper rightly identifies the environmental and social factors influencing our sector. Like FCVic, we are acutely aware of the pressures on financial counselling services, including the increased demand across diverse client groups, the strain on financial counsellors due to job insecurity and complex casework, and the urgent need for better sector-wide data collection and reporting. These issues, as FCVic has highlighted, require action to ensure the financial counselling sector can meet the community's needs effectively.

FCVic's submission outlines 17 actionable recommendations. We are particularly supportive of their focus on creating targeted funding rounds for underserved communities, enhancing service accessibility, and shifting towards an outcomes-based reporting framework by adopting the Financial Counselling Outcomes Framework. These recommendations emphasise the importance of empowering clients and allowing financial counsellors to dedicate more time to impactful casework.

We support the proposed initiatives around workforce support—such as five-year funding agreements and embedding professional development and wellbeing clauses in funding agreement. These are critical for retaining skilled financial counsellors and building a stable, thriving workforce.

We believe many of FCVic's recommendations, if implemented, will significantly enhance the capacity of financial counselling services in Victoria, enabling them to better support people struggling with financial hardship. FCA supports this submission, and we hope Consumer Affairs Victoria will consider these recommendations as important steps towards a stronger, more effective financial counselling sector in Victoria.

Thank you for the opportunity to contribute to this important review process, and we look forward to continued collaboration.

Yours sincerely,

D. Meyrick

Dr Domenique Meyrick
co -CEO
Financial Counselling Australia

ceo@financialcounsellingaustralia.org.au