



FCVic

Financial Counselling
Victoria Inc.

BUDGET SUBMISSION 2025-2026

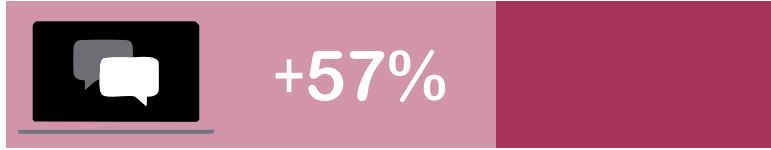
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EXECUTIVE SUMMARY

BACKGROUND: STATE OF HARDSHIP SNAPSHOT

Online chats to the National Debt Helpline (NDH) from Victorians increased 56.58% in Jan-Jun 2024 when compared to the preceding 6 month period, and Victorian calls to the NDH in the same time increased by 10.27%



Interest rates have increased 4.25% since May 2022, representing \$1,200 more per month in mortgage payments for someone with a \$500,000 mortgage.

\$23B
Mortgage arrears in Australia have risen for the sixth consecutive quarter, with non-performing home loans valued at \$23.37 billion as of end June 2024, representing 1.03% of all mortgages.

28.3% of Australian mortgage holders are 'at risk' of mortgage stress, increasing by 917,000 since May 2022 when the RBA began a cycle of interest rate increases.

Only 1.4% of private rentals in Victoria are affordable for households on income support payments, and only 21.6% were affordable for households on the minimum wage.

The financial wellbeing of Australians declined year-on-year by 4.6% between December 2022 and December 2023. Annual living costs increased between 3.7% and 6.2% for all households.

37% of households in regional Victoria and 32% of households in metropolitan Victoria are food insecure.

\$19.3B
\$19.343bn – the total balance of Australian credit cards accruing interest in August 2024, an increase of 5.17% from August 2023.

Over 1 in 5 Australians have Buy Now Pay Later debt, averaging \$750 in debt each.

BACKGROUND: SECTOR SNAPSHOT

Sector Capacity

307
practising financial
counselling members
of Financial Counselling
Victoria



There are
58
employing organisations
across 90 sites



**FUNDED
SPECIALISATIONS:**

- Gambling (19 FTE state-funded, 9 FTE federal-funded)
- Family Violence (21 FTE)
- Small Business (<8 FTE)
- Disaster Recovery (<4 FTE)
- Rural (approx. 30 FTE)

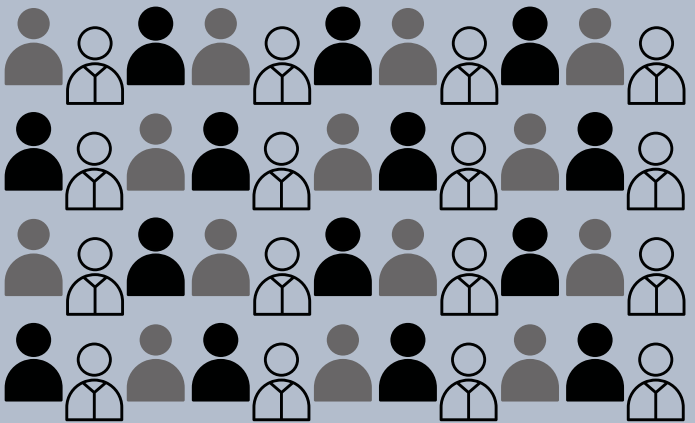
100% growth in CPD sessions delivered by FCVic in Jan-Jun 2024 when compared to the same period in 2018



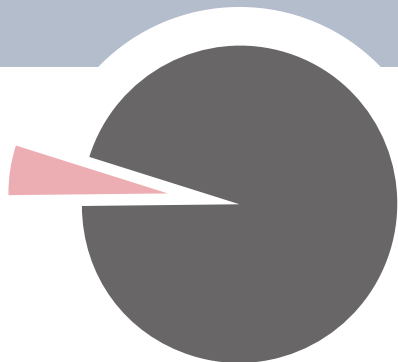
35 current Student Members
registered with FCVic



35FTE estimated with the new funding, representing
44 positions at 0.8FTE (sector average)



Approximately **3-5%**
of practicing FCs retire every year



Service Need



2.4FTE specialist **small business** financial counselling positions unfunded since 1 July 2024. All remaining small business financial counsellor positions to cease from 1 July 2025.

In the first two months of reduced funding for the Partners in Wellbeing program funding, Victorians calls to the Small Business Debt Helpline increased **81%** compared to the same period in the previous year, representing the service gap.

+81%



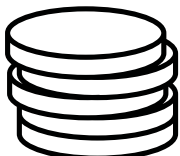
Two-thirds of financial counsellors report housing as the primary presenting issue for clients



Nearly half of all Victorian correctional facilities without access to financial counselling services

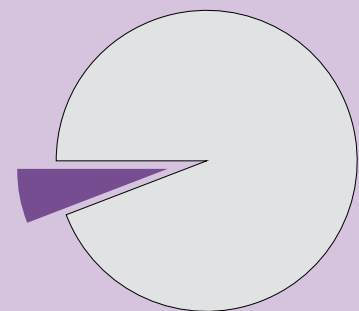


6 times the amount spent on health needs by individuals with multiple chronic illnesses compared to those without chronic illnesses



Just **1** per cent of FCVic members identify as **First Nations**

Only **6%** of Aboriginal Controlled Community Organisations have financial counselling capability



INTRODUCTION

Victoria's financial counselling sector faces a defining challenge as economic pressures create unprecedented demand for services. The dramatic 56% surge in Victorians seeking online help through the National Debt Helpline signals a broader crisis in financial wellbeing across our state.

The Perfect Storm

Rising interest rates, rental unaffordability, and inflation have created cascading hardships that disproportionately impact vulnerable Victorians. Food insecurity and mortgage stress now affect approximately one-third of Victorian households, with greater reliance on credit cards and other low-regulation lines of credit to make ends meet. These pressures are not temporary – they represent a fundamental shift in financial vulnerability across our communities.

Service Capacity at Breaking Point

Our network of 307 financial counsellors across Victoria represents the front line of defence against financial crisis for many families. However, this vital service faces critical constraints. Specialised services are particularly stretched – with fewer than four full-time disaster recovery financial counsellors serving the entire state, and small business financial counsellors facing complete defunding by 2025. The gap between service demand and capacity, especially for vulnerable cohorts, continues to widen.

Strategic Imperative

Investment in financial counselling prevents the cascading effects of financial crisis: housing instability, mental health deterioration, and family breakdown. Without immediate action to strengthen and expand services, Victoria risks leaving its most vulnerable communities without crucial support during their time of greatest need.

The path forward requires strategic investment in core services, targeted expansion of specialised programs, and development of a sustainable workforce that reflects and serves our diverse communities.

SECTOR COORDINATION, SUSTAINABILITY AND FUTURE GROWTH

Through a period of significant increasing demand and casework complexity worsened by the cost-of-living crisis, Victoria's financial counsellors have been advocating for swift intervention to support more struggling households to access this vital support service.

The 17 May 2024 Consumer Affairs Victoria announcement of a \$15m injection of funding into the financial counselling sector over three years was warmly received by the sector. The funding focus on housing-related issues is strategically targeted at the primary presenting financial issue experienced by most financial counselling clients.

We are confident that this funding injection will help to meet a proportion of community demand for generalist financial counselling services, keeping people in their homes, able to access living essentials, with the power on, kids in school, and communities thriving.

To support this funding injection, we are pleased to announce that FCVic will be delivering on a sector workforce strategy to ensure that the financial counselling sector is in a position to leverage this investment into long-term benefits.

SUPPORTING SPECIALIST FINANCIAL COUNSELLORS TO ADDRESS THE NEEDS OF VULNERABLE CLIENT COHORTS

Specialist financial counsellors work with particularly complex cases, with very vulnerable client groups. While family violence and gambling harm specialisations have received continued funding in the 2024-25 State Budget, other essential high-demand specialisations are no longer receiving funding, and other identified cohorts in need of financial counselling have never been funded in the first place.

The community demand for disaster recovery financial counsellors and small business specialists is well documented. The premature cessation of funding a few years after flood disasters and the COVID-19 pandemic does not consider the long-tail impacts of such events on individuals, families, businesses and communities and leaves them at greater risk of financial hardship, eroding the trust built along the way.

Further, Victoria's First Nations communities are demonstrably under-served by financial counselling services embedded into cultural organisations when compared to other states and territories. People in the prison system are also set up for failure, with a lack of access to financial facilities, increasing the risk of recidivism upon release.

PROMOTING MULTI-DISCIPLINARY INTEGRATED SERVICES

Financial counsellors report that clients rarely present with a single issue, because financial wellbeing intersects with many other points of disadvantage – housing, health, employment, family wellbeing, and more. Rather than requiring a client to visit multiple different service providers to address each individual point, multi-disciplinary integrated service delivery can help to deliver improved clinical outcomes, service coordination, and cost savings.

With two-thirds of financial counsellors reporting that housing is a major issue for their client base, we have recommended that financial counselling services be integrated within housing settings. Other opportunities for promoting integrated services at particular points of financial vulnerability include within the family violence, mental health, physical health and family health and wellbeing sectors.

INVESTING IN PRIMARY PREVENTION THROUGH EDUCATION

As the demand for reactive financial counselling casework has been persistently high for some years, financial counselling agencies have not had the capacity to engage in the community education work that is needed by their local communities. The difficult reality about this situation is that because there is no capacity to deliver proactive early intervention activities, this shortfall will eventually increase demand for reactive financial counselling service delivery in the future.

Supporting the State Government's Early Intervention Investment Framework, we recommend increasing the sector's capacity to deliver more early intervention and prevention activities to resolve issues before they reach crisis-point and address systemic issues at their cause through investment into financial capability workers and community education and engagement events.

IN SUMMARY

The financial counselling sector in Victoria is poised at the brink of significant growth in a very short period of time. We must ensure that the sector is equipped to support this growth sustainably, ensuring that clients continue to receive high quality, tailored and individualised services at their point of need, from professional financial counsellors who are well-equipped to manage a wide variety of unique client circumstances.

FCVic's State Budget Submission 2025-26 proposes a series of recommendations to build this future for the financial counselling sector.

Recommendations:

- A commitment to five-year funding agreements (with indexation) for financial counselling services from 1 July 2025, in line with national policy, to ensure sector sustainability.
- Support the recruitment, training and mentoring of financial counselling students entering the workforce, and early career financial counsellors, for long-term sector sustainability.
- Increase funding of the peak body FCVic to further professionalisation, training, and advocacy objectives in line with projected sector growth and case complexity, with embedded specialist sector leadership roles as a component of core funding.
- Establish a dedicated statewide Disaster Recovery Financial Counselling service model with associated long-term funding for specialist financial counsellors.
- Establish a dedicated statewide Small Business Financial Counselling service model, integrated with other community services into a small business community legal centre.
- Fund access to financial counselling at all Victorian correctional facilities, including remand centres, as an integral service for incarcerated Victorians, including sector support and coordination funding for FCVic.
- Fund Victorian Aboriginal Community Controlled Organisations to embed financial counselling into their service delivery, supported with further funding for a targeted recruitment and scholarship program for First Nations people looking to enter the sector.
- Apply an increase of 15% loading to all government funding agreements for regional financial counselling agencies to meet increased costs of service delivery across a large geographic area.
- Launch a pilot program establishing financial wellbeing services within all government public housing properties.

- Embed financial counselling into the Sexual Assault & Family Violence Centre in Geelong as a pilot program, with an additional 2 FTE financial counsellor positions funded as part of this pilot, and pilot monitoring and evaluation.
- Apply an uplift of 10% funding to all existing family violence financial counselling funding contracts, specifically dedicated to proactive education and engagement activities.
- Increase funding for family violence specific training for all financial counsellors.
- Fund an expansion and extension of embedded financial counselling services within health support services such as Cancer Council Victoria.
- Fund a pilot financial counselling service in a smaller regional hospital, targeting a lower socio-economic area in the first instance.
- Fund an integrated mental health and financial counselling pilot in Shepparton and Bendigo.
- Extend and evaluate the Healthier Wealthier Families program.
- Boost investment into increasing the number of appropriately qualified financial capability workers through both Free TAFE funding and program funding.
- Fund the coordinated rollout of tested prevention and early intervention community engagement models state-wide.

Note: all budget estimates provided in this Budget Submission are for five-year funding arrangements unless otherwise indicated, and include annual indexation.

SECTOR COORDINATION, SUSTAINABILITY AND FUTURE GROWTH

Funding increases must happen in an environment where there is an underlying sector workforce strategy that can support long-term positive outcomes to maximise its benefits into the future. This is the basis of our recommendations in this section.

LONGER-TERM FUNDING AGREEMENTS

Moving forward, to ensure long-term sustainability of financial counselling services, we recommend that the Financial Counselling Program (FCP) and financial counselling services funded through other state government funding sources, move to a five-year funding agreement model in line with national policy, to ensure sector sustainability.

Longer-term five-year service agreements provide the sector with much needed certainty, which ultimately benefits the Australians assisted by these services. Guaranteeing funding will support financial counselling agencies to plan, innovate and attract and retain staff so they can continue to deliver each and every day to those in need.

This will also provide job security to a sector which is primarily female-dominated, addressing the gendered career and financial disparity that can sometimes leave financial counsellors in similar positions of financial hardship as that experienced by their clients despite the significant broader positive economic impacts of the work that they do.

SUPPORTING NEW ENTRANTS INTO THE SECTOR

Supporting sustainable workforce growth focusing on the placement needs of financial counselling students and early career financial counsellors is critical.

To become a qualified financial counsellor in Australia, students must complete the Diploma of Financial Counselling, which requires 220 hours of work placement. These placements are essential for students to develop the necessary financial counselling skills for professional practice. However, the sector is experiencing severe capacity issues, making it difficult for students to find placements. This lack of availability is a significant barrier to entering the workforce; hindering sector growth and creating bottlenecks.

Many service providers struggle to offer placements despite the benefits students bring. The need for regular supervision and mentoring diverts resources away from delivering community services, particularly in the early stages of placements.

A dedicated career development program is particularly important given the need for sector growth, which will require rapid response to build up the financial counselling workforce from early 2025. It will assist both new entrants to gain experience in the sector and agencies to build their workforce capacity.

This program will focus on student placement support, including placement matching with agencies, external placement supervision to reduce the supervision burden on agencies, and internship models that address unique needs of individuals and agencies across the state.

Recommendation	Budget implication
A commitment to five-year funding agreements for financial counselling services from 1 July 2025, in line with national policy, to ensure sector sustainability.	N/A - the funding exists. The only change is to the term of the agreement.
Support the recruitment, training and mentoring of financial counselling students entering the workforce, and early career financial counsellors, for long-term sector sustainability.	\$805,000 over five years

FURTHERING PROFESSIONALISATION, TRAINING, AND ADVOCACY OBJECTIVES

Strong professional standards foster confidence and trust from the people seeking financial counselling assistance, and support financial counsellors to practice safely at a consistent and high-quality level of service delivery. This focus on professionalisation has been particularly important in recent years with the emergence of specialist roles within the profession, as well as the growing complexity of casework due to the cost-of-living crisis.

To meet the need for sector expansion and greater capacity, as well as manage the increasing complexity of financial counselling casework, additional targeted funding for boosted member services from FCVic as the peak body is required to ensure continued professionalisation and development of the financial counselling sector in Victoria.

This peak body funding boost will help to address the demand for FCVic member services over recent years, which includes a doubling of professional development activities delivered, the significant increase in systemic advocacy and effective communication with our member financial counsellors, the wider sector and the public.

The work of a peak body is essential to support:

- consistent professional practice, shared understanding about the impact of and appropriate responses to emerging consumer trends
- awareness about the support available to Victorian consumers through financial counselling services.

Our leadership and coordination role as a consumer policy state peak body is critical in addressing emerging and established policy and advocacy issues identified by our member financial counsellors through working with clients. We work closely with service providers, regulators, and government decision-makers to improve the system for all Victorian consumers, including the most vulnerable.

SECTOR SPECIALIST LEAD ROLES

Specialist financial counselling roles require leadership and coordination by FCVic as the peak body to resource and facilitate a peer-support network, specialist professional development and supervision activities, and advocacy on key systemic issues.

Recent short-term funded programs enabled FCVic to develop these specialist roles; however, with the conclusion of those programs (with the exception of family violence), that much-needed sector support has been lost. This has left a whole cohort of specialist financial counsellors without the centralised leadership support that allowed them to develop their specialist skills and knowledge, share learnings with peers, successfully collectively advocate for systemic change.

We recommend that to ensure continued professionalisation of these specialist skills within the sector and to ensure that vulnerable client cohorts continue to receive the best informed and most up-to-date service, that these specialist lead roles be embedded within FCVic’s ongoing funded member services.

Recommendation	Budget implication
Increase funding of the peak body FCVic to further professionalisation, training, and advocacy objectives in line with projected sector growth and case complexity, with embedded specialist sector leadership roles as a component of core funding.	\$7.48m over five years

SUPPORTING SPECIALIST FINANCIAL COUNSELLORS TO ADDRESS THE NEEDS OF VULNERABLE CLIENT COHORTS

In recent years, financial counselling has witnessed the emergence of specialist roles within the profession to meet community demand, such as family violence, gambling harm, disaster recovery and small business. These practitioners work with particularly complex cases, with very vulnerable client groups, and require the development of specialist skills and expertise.

The extension of funding for existing specialist family violence financial counsellor positions to 2028 in the 2024-25 State Budget is a testament to Victoria's nation-leading role in delivering services for victim-survivors of family violence. Additionally, the confirmation of continued funding for Gambler's Help financial counsellors, after the funding stream moved from the Victorian Responsible Gambling Foundation to the Department of Health was also promising, given the devastating impacts of gambling harm on individuals and families.

However, other essential high-demand specialisations are no longer receiving funding, and other identified cohorts in need of financial counselling have never been funded in the first place.

COMMUNITY RECOVERY AFTER DISASTERS

In recent years, communities across Victoria have been dealing with the aftermath of catastrophic disasters, ranging from devastating bushfires to destructive storms and floods. Financial counselling services have played a vital role in aiding the financial recovery of individuals and communities.

However, the reactive nature of funding often means that the community sector is unable to effectively retain and redeploy key skills and knowledge from one disaster event to another – meaning crucial time and energy is expended following each new event to rebuild capacity and professional networks.

We propose that the establishment of an ongoing and dedicated disaster recovery financial counselling service in Victoria is critical to forming a prepared and proactive workforce, equipped to provide an immediate response to future disaster events. We see such a service as also offering crucial secondary consultations to support local financial counselling services responding to emergencies, as well as providing valuable community education to enhance resilience.

Having a central, statewide specialist service comprising financial counsellors experienced in disaster recovery issues would dramatically increase the ability to deliver early interventions for people affected by disasters. This has been shown to mitigate the risk of escalating financial hardship, and provide better mental health and recovery outcomes.

This model recognises and responds to both the long-tail impacts of climate-related disasters and the regularity of these disaster events. No longer are these climate-related disasters a 'once in a generation' event – they are now occurring with greater frequency and a consistent and regular response must be made available.

This recommendation advances Findings 78-81, 86-90, and Recommendations 60-62, 70-72 of the final report of the State Inquiry into the 2022 flood event in Victoria.

SUPPORTING SMALL BUSINESS OWNERS THROUGH HARDSHIP

There is a unique quality about many clients who present to small business financial counsellors – there is a high rate of male clients who are first-time help-seekers. Seeing a financial counsellor about their small business is often the gateway to seeking much-needed assistance about other aspects of their life, especially where their business and personal lives intersect. For these people, access to small business financial counselling can mean normalising help-seeking behaviours which, in itself, has a preventative health approach.

It is a fact that the challenges faced by small business owners experiencing financial hardship are subject to relatively few legal protections and under-addressed by community supports. Small business financial counsellors grapple with significant legal complexities in their casework, from personal liabilities for business debts which can put family homes in jeopardy, and the ongoing issues with legal directorships and interactions with the tax system.

Funding for small business financial counsellors in Victoria through the Partners in Wellbeing program has reduced by 2.4FTE since 1 July 2024, and is expected to cease altogether from 1 July 2025. This will leave over 600,000 small businesses in Victoria without access to dedicated small business financial counselling that supports businesses contributing 30 per cent of the state's output in goods and services. The wider economic implications of this loss of funding are stark.

Statistics from the nationally-operated Small Business Debt Helpline have shown that when funding for small business financial counsellors in Victoria was at its peak, the Debt Helpline was able to refer 72% of all calls to the Partners in Wellbeing program – compared to an average 49% of calls in other states, or 19% in states with no dedicated small business financial counselling service. Further, in the first two months of reduced funding for the Partners in Wellbeing program funding, Victorians calls to the Small Business Debt Helpline increased 81% compared to the same period in the previous year, a clear representation of the current service gap.

The Small Business Debt Helpline is an excellent frontline service which can help to manage small-scale financial counselling queries. However, it is no replacement for the dedicated case management model delivered by the Partners in Wellbeing program.

These statistics highlight how Victoria's commitment to supporting small businesses was truly nation-leading, with a measurable impact for small business, families and communities. This service support capacity must be retained on an ongoing basis, rather than funding being triggered by natural disasters and other environmental events.

We recommend the establishment of an ongoing dedicated small business financial counselling service, integrated with other essential small business services including a Small Business Community Legal Centre, and mental wellbeing services.

This service will be equipped to manage extended complex casework, provide a dedicated centralised secondary consultation service for generalist financial counsellors, and play a significant systemic advocacy role in increasing protections for small businesses – for instance in responsible lending regulations, identification of family violence and economic abuse practices within small business structures, and poor practices in business insurance brokering.

REDUCING FINANCIAL VULNERABILITY IN VICTORIA'S CORRECTIONAL FACILITIES

The financial challenges faced by prisoners are unique and complex. People enter prison with nothing. The lack of documentation and access to account details make it extremely challenging to manage their finances, especially with the risk of financial institutions 'debanking' an individual due to being in prison. Without intervention and assistance from financial counsellors who can help to prevent the escalation of financial hardship, many prisoners are set up for failure – particularly if they have existing debts at the time of incarceration.

Financial counselling is an indispensable service, crucial to safeguarding the well-being and successful reintegration of incarcerated individuals. Responding to and resolving financial vulnerability during incarceration significantly mitigates adverse impacts on individuals' safety and reduces the risk of recidivism due to escalating debt. Immediate access to financial counselling assistance upon incarceration in all Victorian correctional facilities, including remand centres, is an essential step in addressing the multifaceted challenges experienced by those within the corrections system.

Resourcing for financial counselling in Victorian correctional facilities is ad hoc and inconsistent, with nearly half without any access to financial counselling altogether. Those that do have access report significant under-resourcing. Some services are dependent on philanthropic funding to provide access to essential financial counselling for a highly vulnerable cohort. This can often mean that incarcerated individuals may suddenly lose access to critical financial counselling with cessation of casework if they are relocated to a different facility.

To create an environment conducive to successful rehabilitation and eventual reintegration into society, we recommend that all Victorian correctional facilities, including remand centres, provide all prisoners with access to financial counselling as an integral service from the commencement of their incarceration.

COMMUNITY-LED SERVICE DELIVERY FOR FIRST NATIONS COMMUNITIES

The almost complete absence of financial counselling from First Nations communities is a glaring gap that marks Victoria out from every other state jurisdiction, despite the strength of the sector here compared with other states on just about every other indicator.

With only 1 per cent of FCVic members identifying as First Nations, and only two Victorian Aboriginal Community Controlled Organisations directly employing financial counsellors, there is a distinct lack of culturally relevant support in relation to consumer and financial issues for First Nations communities.

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. Working with First Nations communities to ensure that their financial needs are identified and met should be a priority in planning for the sector, and will require resourcing and effort into the medium term.

We recommend two concurrent approaches to close this gap, including dedicated funding to embed financial counselling into the service delivery of all Victorian Aboriginal Community Controlled Organisations and a targeted recruitment and scholarship program for First Nations people looking to enter the sector with program design and criteria to be led by community to address community needs.

INCREASING ACCESS FOR RURAL AND REGIONAL VICTORIANS

Financial counselling agencies in rural and regional Victoria have reported difficulty in recruiting for vacancies within their service, due often to a lack of local qualified financial counsellors. While the wider work on developing the sector workforce continues, a concerted effort to close the geographic service gap is needed to ensure that rural and regional Victorians do not fall behind.

Simultaneously with these recruitment challenges, service delivery in regional areas is often hampered by the lack of a 'loading' in funding agreements. It can cost significantly more to deliver the same casework hours of financial counselling due to the cost demands of service coverage over a larger regional area.

During the COVID-19 pandemic, many financial counselling agencies implemented remote service delivery including through phone and video conferencing client appointments. However, provision for face-to-face service delivery is still a critical component of many financial counselling services, especially in communities and cohorts which demand a more personal approach. This requires extensive and consistent travel involving additional costs of overnight accommodation and use of a fleet car.

To address this service gap for rural and regional Victorians, we recommend that an uplift of 15% be applied to all government funding agreements for regional financial counselling agencies which would help them to both meet the higher costs of delivering face-to-face services, and to recruit financial counsellors who are not located locally to deliver online services for any clients who prefer a remote phone and video-based service.

Recommendation	Budget implication
Establish a dedicated statewide Disaster Recovery Financial Counselling service model with associated long-term funding for specialist financial counsellors.	Discretionary dependent on scale. Recommended minimum funding level of \$5.362m over five years.
Establish a dedicated statewide Small Business Financial Counselling service model, integrated with other community services into a small business community legal centre.	Discretionary dependent on scale. Recommended minimum funding level of \$13.406m over five years.
Fund access to financial counselling at all Victorian correctional facilities, including remand centres, as an integral service for incarcerated Victorians, including sector support and coordination funding for FCVic.	Discretionary dependent on scale. Recommended minimum funding level of \$11.529m over five years.
Fund Victorian Aboriginal Community Controlled Organisations to embed financial counselling into their service delivery, supported with further funding for a targeted recruitment and scholarship program for First Nations people looking to enter the sector.	Discretionary dependent on scale. Recommended minimum funding level of \$21.235m over five years.
Apply an increase of 15% loading to all government funding agreements for regional financial counselling agencies to meet increased costs of service delivery across a large geographic area.	\$2.574m over five years.

PROMOTING MULTI-DISCIPLINARY INTEGRATED SERVICES

Financial counselling is a critical component of holistic wraparound community services, addressing the multiple and complex needs of clients using those services through a client-driven approach that aims to produce better social outcomes. The recommendations in this section can help to deliver improved clinical outcomes, service coordination, and cost savings.

SUPPORTING PUBLIC AND COMMUNITY HOUSING RESIDENTS

Housing is the primary presenting issue for clients experiencing financial hardship – with rising cost of rentals and increases to interest rates putting significant pressure on household budgets. In a recent survey of Victorian financial counsellors, “housing costs, supply and quality” was identified as the issue that most required reform and government intervention. Financial counselling services, including the National Debt Helpline, also report housing as the predominant presenting issue of clients.

While the \$15m funding injection of funding into the financial counselling sector with its focus on housing-related issues will assist more people, it is likely that vulnerable cohorts in public and community housing may still struggle to access the financial counselling services that can assist them to address their financial hardship and empower their self-advocacy into the future.

We recommend the development of a pilot program establishing financial wellbeing services within all government public housing properties, with a focus on building financial literacy for tenants in the first instance, with the opportunity to refer to a dedicated financial counsellor for more targeted individualised casework as needed. Over time and upon proof of concept, this program could be extended to community housing properties as well.

INCREASING ACCESS FOR VICTIM-SURVIVORS OF FAMILY VIOLENCE

The Family Violence Reform Implementation Monitor (FVRIM) in its report 'Crisis response to recovery model for victim survivors' published in December 2022, identified the need for financial counselling to be an integral part of the family violence response model. The report acknowledges there is a growing demand for financial counselling services, and proposes an increase funding to help alleviate this.

In this context, we are recommending a three-fold approach to increase access to financial counselling for victim-survivors of family violence:

1. a pilot to increase the number of family violence financial counsellors in Victoria to improve an integrated response to victim-survivors, with a specific focus on integrating financial counselling into a specialist family violence service
2. dedicated funding for existing family violence financial counselling services to expand their education and engagement activities with family violence services including The Orange Door
3. enhancing family violence-specific training for all financial counsellors in Victoria, to build sector capacity

We have identified the Sexual Assault & Family Violence Centre in Geelong as a service already offering a one-day-a-week visiting financial counselling service, which in this pilot, could be expanded into a larger financial counselling service embedded into their service model, consisting of at least two financial counsellors to ensure practice standards and support. This could also include community outreach activities to other family violence services.

The impact of integrating financial counselling into multidisciplinary family violence service models will have positive outcomes relating to awareness of the role of financial counselling, long-term financial recovery and wellbeing of clients, and assurance that any family violence support payments are maximised for client wellbeing with the input of financial counsellors (who can, for example, apply to waive old utility debts to ensure that support payments are used for a client's future wellbeing rather than past debts).

In addition, the benefits of financial counsellors at The Orange Door are evident in the opportunities for secondary consultations and information provision for family violence caseworkers – however, financial counselling casework can be difficult in the location and at that early crisis stage of a victim-survivor’s journey. We have identified the need for a focus on awareness and education on the role of financial counsellors at crisis services like The Orange Door.

Current family violence financial counselling funding contracts specify that 15% of the funding can be used on non-casework hours, however this is insufficient given that this portion must also include professional development, supervision, systemic advocacy as well as community education activities. To address this, we recommend an uplift of 10% funding to all existing family violence financial counselling funding contracts, specifically dedicated to proactive education and engagement activities to increase understanding of and referrals to family violence financial counselling services.

Further to the above, we acknowledge that specialist family violence financial counsellors make up a small proportion of the full financial counselling cohort – yet the prevalence of family violence means that most financial counsellors would work with victim-survivors in some capacity. To ensure that all financial counsellors, regardless of their specialist capacity, have the skills to work effectively and sensitively with victim-survivors of family violence, we recommend increasing funding for family violence specific training for all financial counsellors.

This focus on integrated service delivery, education and awareness, and increasing sector capacity will ensure that victim-survivors of family violence can access timely support crucial to establishing their safety and stabilising their financial situations. Every delay in accessing financial counselling worsens the risk or experience of hardship and/or financial abuse, deepens the harm that victim-survivors experience, and makes recovery harder.

ALLEVIATING HARDSHIP FOR PEOPLE WITH CHRONIC ILLNESSES

People living with chronic illnesses incur numerous costs related to managing their medical treatments and medications. Some estimates indicate that individuals with multiple chronic illnesses can spend up to six times the amount spent by those without a chronic illness, and those on lower incomes are fifteen times more likely than those on higher incomes to incur catastrophic health care costs representing over 10% of their household income. This is even harder if the chronic illness has impacted on the individual's ability to earn an income due to decreased physical ability, or if they are reliant on receiving income support payments through either the government, insurance, or other means.

The integration of health services with financial counselling is tried and tested across many community health services in the state and specialist health services such as Cancer Council Victoria. In these services, financial counsellors work with other services required by people with physical health concerns; meeting their physical, mental, financial health and wellbeing needs in a holistic and person-centred way.

We recommend funding an expansion and extension of embedded financial counselling services within a health support service such as Cancer Council Victoria. The scope of this expansion could be scaled based on economic modelling of long-term personal and social costs of people with cancer.

Further, the link between financial wellbeing and physical health is clear. Where there are money concerns, healthy and sufficient diets may become lower priority, heating and cooling may be rationed, and other factors impacting on overall health may decline in quality or quantity.

The integration of financial counselling services within hospital settings can help to meet client need at a point of crisis, with ongoing case management and financial wellbeing outcomes that positively impact their physical health recovery. For instance, a financial counsellor working within a hospital setting can ensure that a patient with arthritis being discharged has the means to turn on the heating in their home so as to not exacerbate their health condition.

There is potential to embed a financial counselling service in every hospital in Victoria. We recommend funding a pilot financial counselling service in a smaller regional hospital, targeting a lower socio-economic area in the first instance.

IMPROVING MENTAL HEALTH OUTCOMES

Financial counsellors have reported that growing numbers of financial counselling clients are presenting with mental health comorbidities, aggravated by the affordability crisis. Financial hardship and mental wellbeing are mutually reinforcing, where a negative experience of one can increase chances of experiencing the other. Crucially, the reverse is true – resolution of financial hardship can positively support their mental wellbeing.

As part of the Victorian Government's COVID-19 response, Consumer Affairs Victoria on behalf of the Victorian Department of Health funded a successful pilot program 'On Track with My Money' which demonstrated the need for, and benefit of, providing access to financial counselling for people experiencing significant mental health issues and receiving support from an adult mental health service. The delivery partners were Wellways and Shepparton Family and Financial Services (Shepparton Family).

Over a six-month period, 57 participants opted to engage in financial counselling when offered, representing 27.5% of participants across Wellways' Prevention and Recovery Care (PARC) and Early Intervention Psychosocial Response (EIPSR) programs. Participants provided powerful testimony about the impact of the financial counselling assistance on their situation – including their capacity to manage and their mental health.

We recommend that the Victorian Government funds a full-scale multi-year trial of the program, building on the established successful co-working arrangement that was developed by Shepparton Family and Wellways. In addition, we recommend that a parallel full-scale trial be funded at the Bendigo PARC and EIPSR services operated by Mind Australia, and leverages the experience of Shepparton Family's parent organisation, Bendigo Family and Financial Services co-located with Bendigo Health Hope program and Mind Australia Allied Health program.

This will help to leverage existing work by Bendigo Family and Financial Services with the Bendigo Health Hope program in supporting people leaving hospital after a suicide attempt. With direct referrals from medical professionals, financial counsellors in this program work directly with clients experiencing financial hardship, with an average of 3-4 high-demand cases a week. Financial counsellors report that this program does not meet the full demand, which could be up to 10-15 referrals per week of individuals requiring early intervention financial counselling to support them to maintain their housing and life essentials.

Funding for a full-scale integrated mental health and financial counselling service in these locations with established mental health partnerships will help to prove that the intervention of financial counselling for people experiencing mental health concerns is effective in alleviating both mental health issues as well as financial concerns.

EARLY INTERVENTIONS IN CHILD AND FAMILY HEALTH

The Healthier Wealthier Families (HWF) program represents a significant initiative aimed at bolstering the financial wellbeing of families with young children in Victoria. The model, which was pilot tested for feasibility across Victoria and NSW through 2020 to 2022, demonstrated the value of connecting financial counselling services with community-based Child and Family Health Nursing Services (CFHS) in addressing financial hardships that significantly impact the developmental trajectory and overall health of children during their formative years.

As an early intervention model, integrating financial hardship assessments into the CFHS framework, HWF works to enhance economic outcomes for families and foster healthier parenting environments in the first 1000 days of a child's life, which are pivotal for their cognitive and emotional development. Financial stability during this period plays a vital role in nurturing healthy environments.

The successful pilot of HWF in metropolitan and regional areas showcased remarkable outcomes. By connecting families to financial wellbeing services, HWF reduced family stress, increased knowledge of the support and options available, and increased annual income by an average of \$6,504. In other words, for every dollar invested in the financial counselling service, \$7.10 in benefits was generated for families. Additionally, the program effectively reached culturally diverse families, often overlooked by traditional community-based services. The benefits extended beyond financial gains, including avoided loss of utilities (52% of families), stabilised housing (14%), avoided legal actions (11%), and increased financial literacy among caregivers (66%).

A commitment to fund an extension of the HWF program offers an opportunity to comprehensively evaluate its impact at scale. Collaborating with Victoria's Maternal and Child Health nursing service, who provide primary care (well-child checks) to Victorian children from birth to 5 years, will foster a deeper understanding of the program's benefits. This extension will facilitate a systematic referral pathway between health and financial wellbeing services, supported by rigorous evaluations encompassing financial and mental health benefits, cost-benefit analysis, and scalability factors.

Recommendation	Budget implication
Launch a pilot program establishing financial wellbeing services within all government public housing properties.	Discretionary, dependent on scale.
Embed financial counselling into the Sexual Assault & Family Violence Centre in Geelong as a pilot program, with an additional 2 FTE financial counsellor positions funded as part of this pilot, and pilot monitoring and evaluation.	\$1.608m over five years.
Apply an uplift of 10% funding to all existing family violence financial counselling funding contracts, specifically dedicated to proactive education and engagement activities.	\$911,619 over five years.
Increase funding for family violence specific training for all financial counsellors.	\$53,624 over five years.
Fund an expansion and extension of embedded financial counselling services within health support services such as Cancer Council Victoria.	Discretionary, dependent on scale.
Fund a pilot financial counselling service in a smaller regional hospital, targeting a lower socio-economic area in the first instance.	\$1.858m over five years.
Fund an integrated mental health and financial counselling pilot in Shepparton and Bendigo.	\$1.858m over five years.
Extend and evaluate the Healthier Wealthier Families program.	\$5m over five years.

INVESTING IN PRIMARY PREVENTION THROUGH EDUCATION

Prevention is better than cure – and financial counsellors are passionate about supporting proactive community engagement and education to uplift the financial capability of individuals, families and communities, mitigating the risk of financial hardship and enhancing individual ability to make informed financial decisions suitable to their situation.

INCREASING ACCESS TO QUALIFIED FINANCIAL CAPABILITY WORKERS

Financial capability workers provide information, money management skills and coaching to help clients make financial decisions and build financial resilience, either one-on-one, or in group education settings.

While they are not financial counsellors, the skills and knowledge of a financial capability worker can complement and 'bookend' an individual's engagement with a financial counsellor through ongoing financial skills coaching. Some capability workers also choose to undertake further training to become a qualified financial counsellor, which is an excellent way to recruit values-based entrants into the sector.

There is a role here for the State Government to boost investment into increasing the number of appropriately qualified financial capability workers through both Free TAFE funding for the Certificate I in Financial Literacy Support, and service funding.

ROLL OUT A SET PACKAGE FOR DELIVERING COMMUNITY FINANCIAL EDUCATION AND ENGAGEMENT EVENTS

A number of financial counselling and capability agencies have developed successful preventative community education and training packages, including train-the-trainer models for delivering financial literacy programs and 'Bring Your Bills' community engagement events. These are tried-and-tested and are proven to engage local communities in a meaningful way. FCVic has also developed a 'how to host a financial counselling clinic' resource for community sector organisations which helps to build understanding of financial counselling in community services more broadly.

We recommend that that the Victorian Government invest in working with organisations with identified successes in this field to 'package-up' their model for use across the sector, providing other organisations with a less time-intensive way to increase their prevention and early intervention community engagement work using a tested model. This can be complemented with a dedicated partnership project with frontline place-based community services to ensure that the engagement models reach the communities who need it most.

Recommendation	Budget implication
Boost investment into increasing the number of appropriately qualified financial capability workers through both Free TAFE funding and program funding.	Discretionary, dependent on scale.
Fund the coordinated rollout of tested prevention and early intervention community engagement models state-wide.	Discretionary, dependent on scale.

FCVic acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the lands on which our organisation is based. We pay our respects to their Elders, past and present.

As the FcVic team works remotely across many lands, we extend our respects to the Elders of other Aboriginal and Torres Strait Islander communities throughout Victoria and Australia.

We recognise the continuing connection that First Nations communities have to land, water and culture.



Financial Counselling Victoria acknowledges the support of the Victorian Government.