

Submission to: SA Productivity Commissioner
From: Uniting Country SA
Date: 28 February 2019
Topic: Service Cobbling

Issue: Country based human service providers are forced to “Cobble” several services together to provide full time employment for qualified practitioners and provide access to these services to vulnerable clients across a large geographic region.

Example: Financial Counselling Services

Practitioners must have a Diploma in Financial Counselling and be a current member of SAFCA (South Australian Financial Counsellors Association) before they can practice as a Financial Counsellor.

The State Government procures 4 services from UCSA that enable Financial Counsellors on the ground to deliver services to vulnerable people in the Yorke & Mid Region. The Australian Government procures 1 service. 5 contracts; 5 quarterly outcomes and financial reports are required.

Name of Contract	Services to deliver	Workers Located	Contract End Date	Contract Total Value	\$ Financial Counselling component	FTE Financial Counsellors
Gambling Help Service	Counselling Industry Liaison Financial Counselling	Port Pirie Kadina	June 2019	\$180,000	\$90,000	0.7 fte
S A Financial Counselling	Financial Counselling	Port Pirie	June 2020	\$62,500	\$62,500	0.5 fte
Utilities Literacy – Connect Ed	Community Education Sector Education Financial Counselling	Port Pirie	June 2020	\$99,800	\$41,000	0.3 fte
Low Income Support Service (LISS)	Budget Advocacy Community Education	Port Pirie	June 2021	\$112,000	\$0	0
Commonwealth Financial Counselling for Problem Gambling	Financial Counselling	Kadina (Yorke Peninsula only)	June 2020	\$32,700	\$32,700	0.2 fte
TOTALS			Totals	\$454,300	\$226,200	1.7 fte

Attracting and retaining qualified staff is an issue with year to year juggling of hours, funding sources and different lengths of contracts. In regional areas there are very few people with the relevant qualifications and experience making retention of staff a high priority. There is a significant cost and service delivery impact associated with the training of new employees as the FC diploma course takes 18 months and can cost \$5,000-\$7,000.

Two qualified Financial Counsellors are employed in direct client service delivery in the Yorke & Mid North Region with funding from 4 sources. A Low Income Support Service worker has gained a scholarship and is currently studying the Diploma Financial Counselling. Professional supervision is provided by the Manager who is a SAFCA accredited Financial Counselling Supervisor.

The Low Income Support Program is essential to support our Financial Counsellors. The Financial Services Team Leader triages all referrals and those less critical requiring budgeting skills, advocacy with utilities providers etc. are handled by LISS, gaining efficiencies and freeing up the time of the qualified Financial Counsellors to deal with the most complex and urgent cases. Much client contact time is lost in travel, providing outreach to clients across the region.

A similar cobbling / juggling exercise occurs in the Far North with services based in Port Augusta and Eyre and Western with services based in Whyalla, Port Lincoln and Ceduna.

In Port Lincoln where our LISS worker has a Financial Counselling Qualification, much of her work is responding to people in financial crisis leaving little time for prevention and early intervention work.

How could this situation be improved?

Funding levels, service requirements, vast service regions and procurement decisions made in isolation force organisations like UCSA to 'cobble' services.

Living in poverty is a symptom of social problems and poverty erodes social rights such as the right to good physical and mental health, adequate housing, food, education and community participation. Experiencing financial stress is a major reason why many people seek assistance from human service organisations such as Uniting Country SA. Unfortunately, many people seek help in financial crisis where the services of a qualified Financial Counsellor are required.

Funding for Financial Counselling Services is inadequate across the state (and Australia), especially in country regions. We recognise that extra funding for services such as Financial Counselling is outside the scope of the Government Procurement Inquiry, but there is a desperate need for change. Peak body Financial Counselling Australia have recommended that a financial services industry levy be raised to increase resources for Financial Counselling.

An estimated 2,000,000 Australian households (21%) are in financial distress and a workforce of 2,000 Financial Counsellors is required to meet current demand. The current workforce is 500 FTE.

Reference

<https://www.financialcounselingaustralia.org.au/getattachment/Corporate/Publications/Submissions/FCA-Pre-Budget-Submission-to-the-Federal-Government-2018.pdf>

If extra resources become available to fund desperately needed Financial Counselling across South Australia, we believe a new procurement model of funding for Financial Counselling Services could be established that matched need; and sat Financial Counselling expertise alongside complimentary services. Too often the decision of who and where to fund Financial Counselling services is made in isolation.

Examples of complimentary services and efficiencies to be gained:

- Gambling Help Services require three skill sets - highly qualified therapeutic counsellors; qualified Financial Counsellors and people with promotional and industry liaison skills. It is not always easy to recruit one person with all three skills sets and qualifications.
- Utilities Literacy Services require community education skills, sector training skills and Financial Counselling skills.

- Low Income Support Service is an early intervention service and requires people with financial literacy skills and community education skills. They often uncover clients who need specialised Financial Counselling.

A specialist Financial Counselling Service working in a team alongside Gambling Help Services, Utilities Literacy Services and Low Income Support Services would result in better outcomes for clients and better use of qualified Financial Counsellors time with clients receiving Financial Counselling as needed. The Financial Counsellors would also serve other people needing the service and not connected to these three complimentary services. Recruitment and retention of qualified Financial Counsellors would greatly improve as they are employed under one contract, not 3-4.

The resources of the complimentary services would then be focused on early intervention and prevention activities and recruitment of appropriate skill sets to these services would be easier.

Key Point – procurement decisions should be made in context, not in isolation.