

Increased funding for Commonwealth Financial Counselling Program

Jan Pentland, Chair of AFCCRA

On budget night, 13 May 2008, Treasurer Wayne Swan announced additional funding for the Commonwealth Financial Counselling Program of \$10 million over 4 years. This doubles the current program funding from \$2.5 million to \$5 million per annum.

This is a great outcome for the financial counselling sector.

How was it achieved?

How easy is this?

Well, not that easy actually.

Like many an 'overnight success', this came off the back of a lot of hard work, strategic thinking and action, and support from a range of stakeholders.

It was the culmination of several years of hard work led by the Australian Financial Counselling and Credit Reform Association (AFCCRA), the national peak body for financial counselling.

AFCCRA was at a low ebb in 1996 when the Howard Government discontinued funding its work as the national peak body. The AFCCRA office in Canberra was closed.

Since that time, there has been a big effort to:

- rebuild the organization
- connect more strongly with the financial counselling sector across Australia
- raise the profile of financial counselling nationally
- enhance the professionalism of financial counselling
- enhance relationships with community services and consumer groups
- rebuild relationships with Government – with politicians and their staff, and with Government departments
- enhance relationships with the national regulators including ASIC, ACCC, ITSA.
- develop effective working relationships with the financial services industry which don't compromise the integrity of financial counselling

As well as the activities above, building the profile of financial counselling nationally included:

- regular contact with the media including responding to issues raised by them, and raising with them the challenges facing inadequately resourced financial counsellors
- making submissions to inquiries, and representing AFCCRA at hearings
- writing reports and papers about financial counselling
- attending and presenting at conferences and forums across the country

- establishing the AFCCRA website at www.afccra.org

This provided a stronger foundation to make submissions to Government. Verbal and written submissions for a substantial increase in funding were made to both the previous and current Commonwealth Governments.

Broad support was sought and received, including from consumer organizations and their peak bodies; community services organizations and peak bodies; individual financial services providers and peak bodies; and national regulators.

The need for more funding was acknowledged in the media, and in recent reports including the Productivity Commission Inquiry into the Consumer Policy Framework. It was heartening to hear financial counselling spoken of in very positive terms at national conferences, and to feel the strong support across a wide spectrum of stakeholders.

It was heartening to hear financial counselling spoken of by people who would not have known what financial counsellors were until quite recently. What financial counsellors actually do, the value of their work and the need for more of them was acknowledged.

Even so, hard work in the lead up to the 2007 Federal election and in the lead up to the first Rudd Government budget did not look like it would deliver the increased funding we know is desperately needed.

AFCCRA believes that it was in the days leading up to the budget that sustained lobbying by many stakeholders brought about the budget night announcement doubling Commonwealth Financial Counselling Program funding. AFCCRA had asked for this exact increase in a March meeting with Minister Macklin but it wasn't looking good.

So, it wasn't easy.

It wasn't quick.

It was a long term, tenacious slog – sometimes strategic – and sometimes just plain bloody minded.

While there were many contributors and supporters, and we thank them all, the tireless efforts of David Tennant, past Chair of AFCCRA have to be acknowledged. David was active in all the activities outlined above, and took the lead in many. It may be a cliché but 'we couldn't have done it without him.' The additional funding announced on budget night is a direct result of his efforts.

This is a very welcome announcement. It provides a platform on which to build and achieve even better future outcomes.

AFCCRA will lobby for a comprehensive review of the financial counselling sector at national and state/territory levels.

We will ask for a commitment by the Commonwealth Government to the implementation of the reviewed Diploma of Community Services (Financial Counselling).

We will continue to make submissions to Government for further funding increases.

Our efforts will be assisted by current AFCCRA work including research by Dr Charles Livingstone at Monash University to compare the Australian financial counselling service model with overseas models. Thanks to ANZ for their support of this work.