



**Financial
Counselling
Network**

MAKING A DIFFERENCE, TOGETHER

2018-2019 Year in Review

IMPACT STATEMENT

SERVICES

25 financial
counselling
services

delivered through

14 organisations
across
metropolitan
Perth

DEMAND

20,069 contacts made

about financial counselling the last financial year

8,880 contacts unmet

remaining demand due to capacity

ASSISTED

7,706
clients across



10,615
financial counselling
sessions resulting in

7,446
cases

DEBT

Average outstanding debt
\$123,257



Total Presenting debt
\$816,208,260

Leading financial counselling issues experienced by our clients

Managing on a low, restricted
or inadequate income

Utility
hardship

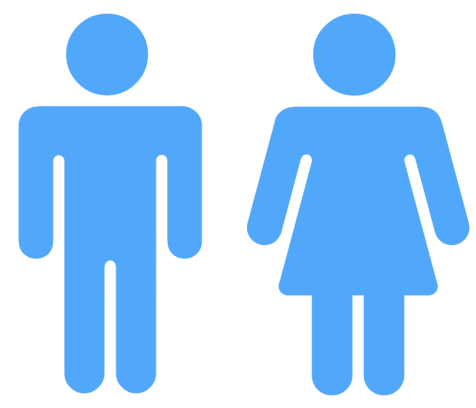
Debt

Budget management
and preparation



CLIENT PROFILE

63% Female



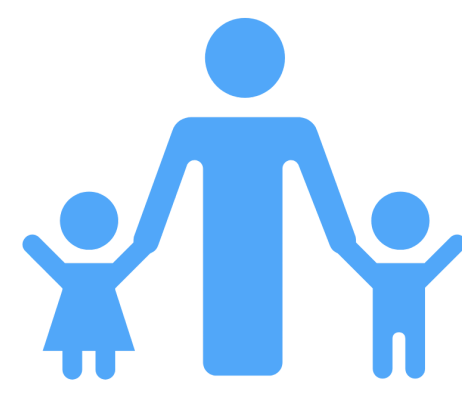
37% Male

53% Renting



36% Home Owners with Mortgages

55% Household with Children



31% Single

84% Reported a household income under \$60,000

18% Culturally diverse

12% Living with a disability

9% Aboriginal and Torres Strait Islander

SERVICE PROVIDED

6,872 Financial assessments conducted including developing budgets

6,801 Information and referrals to other services

5,334 Advocacy and negotiation with a third party

440 Bankruptcy support

131 Community education sessions with a total of 2,866 participants

89%

of clients with a utility issue were assisted to maintain connection

\$10,985,913

in claimable income and TPD insurance entitlements identified

78%

of clients with housing issues maintained a stable accommodation

“I suffered badly from anxiety and depression as a result of the financial situation I was left in from a failed marriage and business which almost took my life. The help I received from financial counselling saved it.”

“The financial counsellor was understanding and very helpful with offering possible solutions or steps we could take to manage our finances. She provided links to the appropriate services also.”

IMPROVING PRACTICE & POLICY

- Provided income and expenditure data to [WACOSS/ Bankwest Curtin: Cost of Living Report](#)
- Submission made to [Local Government Act Review](#)
- Published [FDV Brochure](#) titled ‘Regain your financial independence’ and introduced prioritised appointments for those experiencing FDV
- Submission to [ERA Amended Financial Hardship Policy Guidelines](#) for electricity and gas licenses
- Contributed to and endorsed CCLSWA’s (Consumer Credit Legal Service WA) response to the [Interim Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry](#)
- Contributed to and endorsed CCLSWA’s Submission to the [Senate Economics References Committee’s Inquiry](#) into Credit and Financial Services targeted at Australians at risk of financial hardship
- Integrated services with the [HUGS Service Centre](#) through facilitated referrals



CASE STUDIES

Client Profile

The client is a single lady who had been a self-employed shop owner for the past 15 years. Client was diagnosed with an incurable neurological condition last year and is now reliant on a mobility scooter. Client was forced to close the business and apply for the disability pension from Centrelink which is now her sole income. Client was embarrassed to seek assistance and she was once extremely independent and managed her business and finances herself.

Presenting Financial Situation

The client had two credit cards totalling \$27,000. The client explained how her mental health had deteriorated due to the anxiety and worry of the business folding and credit card debts. Client was overwhelmed and wanted to petition for bankruptcy and requested assistance with the paperwork.

Financial Counsellor Assistance

FC prepared an Income and Expenditure Statement which indicated a deficit of \$132 per fortnight. The client confirmed her medical expenses were increasing as she was now in need of a wheelchair. Her home would also need to be modified with hand rails and other mobility items. FC successfully applied for interest free hardship moratoriums to allow the client to consider available options such as:

- Verifying any potential claimed for total and permanent disability insurance (TPD) attached to her superannuation
- Potential for requesting new affordable payment plans or waivers.

FC made a warm internal referral for counselling to help with strategies to cope with the loss of the business and sudden negative changes to her life brought about by her newly diagnosed disability. FC contacted the superannuation fund and it was confirmed that the client was entitled to a sum of \$35,000 in TPD Insurance. FC supported the client to obtain medical documents confirming the clients' inability to return to the workforce. FC advocated for the client requesting a full waiver of both credit card debts.

Outcomes

The request for waivers resulted in a combined debt waiver was \$24,000

- One bank agreed to a full waiver of the debt.
- The second bank agreed to accept 20% of the debt as a full and final payment. The client countered this with an offer of \$3000 (borrowed from family)

The client no longer needed to petition for bankruptcy which was beneficial for her mental health. The successful debt waivers meant the client was no longer in financial stress. The client was supported to access her entitlements and will shortly receive her TPD insurance payout of \$35,000, enabling her to complete the necessary mobility changes to her home for greater independence and wellbeing.



\$10,985,913

in claimable income
and TPD insurance
entitlements identified





Client Profile

The client is a 46 year old single male referred for financial counselling by the bank. Client is out of work on a Department of Veteran Affairs (DVA) pension. Client supports his elderly parents who live with him and contribute to household living expenses. Client has mental health issues resulting from stress and anxiety. He was recently hospitalised after an attempted suicide.

Presenting Financial Situation

- Home loan \$404,000 – no equity
- Investment loan \$436,000 - no equity. This property has been on the market for over 12 months. The bank has informed the client that he cannot sell the investment property for market value at present as this would leave a large shortfall.
- Supplement loan tied to both loans \$24,000

Client is in a debt agreement with a debt management company paying \$340 per fortnight over four years.

Client's mental health has deteriorated from the escalating financial stress of being unable to keep up with both mortgages. His main concern was losing his home and displacing his elderly parents

Financial Counsellor Assistance

FC applied for hardship variations (reduced payments) with the bank and debt management company. Negotiations with the bank enabled the client to sell the investment property sighting the adverse effect it was having on his mental health. The client was offered a warm referral to an in-house general counsellor and Beyond Blue. FC kept in regular contact with the client offering encouragement and support.

Outcomes

The bank agreed to reduce the asking price on the investment property. The investment property eventually sold for \$412,000. The bank originally requested the supplement loan to be paid out first however, this had no financial benefit to the client. The Financial Counsellor further advocated for the client which resulted in the bank offering to restructure the loans. Payment arrangements were made based on a new Income and Expenditure statement prepared with the client as well as a new valuation on his home.

Client confirmed he was linked in to the mental health services and was receiving the necessary treatment and may be eligible for a compensation claim. DVA had accepted his claim for compensation and he had been diagnosed with PTSD. Client was awarded a compensation payout allowing him to pay the shortfall and offer a full and final settlement on the debt agreement

Client confirmed he was now feeling in control of his finances, he no longer felt his home was in jeopardy and was in a much better place mentally.

7,706 clients
across 10,615
sessions

“It was a huge relief off my shoulders after months of worry. They took charge of communication between myself and places of debt, gave me relevant information and help on budgeting techniques.”

\$123,257
average
outstanding
debt per client