

MEDIA RELEASE

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WACOSS welcomes financial counselling services – calls for Government to restore full budget

The WA Council of Social Service welcomes the Government's announcement today that a new service model for financial counselling will be provided by the Department for Local Government and Communities, but calls for the full budget to be restored.

The announcement came in response to wide calls from the community to prevent the complete axing of metropolitan Financial Counselling services which had been previously announced by the Department of Child Protection and Family Support.

"The announcement by Minister Simpson today shows that the Government has realised how important financial counselling services are to the community. However it is extremely disappointing that half the funding for financial counselling services is still lost," said WACOSS CEO, Irina Cattalini.

"While supporting the move of the new service system to the Department of Local Government and Communities, the Government has failed to make a case that the previous system was inefficient, and it remains to be seen whether there is any improved efficiency in the new service model."

"Reducing the funding for this critical social service can only result in lower service levels and longer wait periods at a time when demand for financial counselling is continuing to rise. The disruption this has caused to the service system has already meant many financial counsellors have already been made redundant and services have ceased operating."

The WACOSS 2015-16 Pre-Budget Submission to the State Government called for an additional \$1.5 million to be invested in financial counselling services in order to respond to the long waiting periods and increased complexity of debt experienced by low income households, as well as Federal Government funding cuts.

"All the evidence shows that the funding of earlier intervention and prevention services deliver significant benefits to the community and savings to Government. Cost-benefit analysis has found that every \$1 invested in financial counselling services provides a return of at least \$5."

"We maintain our call for the State Government to restore full funding needed for face-to-face services, which is closer to four million dollars. The two million dollars that has been secured, while welcome, will not be adequate to ensure a sustainable service system that meets the needs of vulnerable people in financial hardship." Ms Cattalini said.

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