# Financial and Consumer Rights Council Inc

# Submission to the Royal Commission into Mental Health

5 July 2019

## Summary

The Financial and Consumer Rights Council Inc. (FCRC) welcomes the establishment by the Victorian Government of the Royal Commission into Mental Health. The Royal Commission provides an opportunity to explore how best to address the complex array of factors affecting the mental health of Victorians and improve the overall mental health of our community through identifying good practices and a support infrastructure that can implement improved support and prevention and treatment strategies.

***FCRC submits that the Commission should pay due regard to financial issues and financial vulnerability as key mental health co-morbidities. Effective supports for people under financial stress or in financial hardship must form an essential part of an effective holistic response to risk factors and real client/patient needs, and a crucial preventive strategy.***

***The experience of financial counsellors is that financial difficulties, debt and vulnerability are an important and under-estimated co-morbidity which practical and feasible assistance can reduce as a contributing factor to mental health harms.***

We also support the submissions to the Royal Commission from Victorian Responsible Gambling Foundation, and Victorian Council of Social Service.

## Recommendations

1. That the Royal Commission include in its recommendations a role for financial counselling as an integral part of a cohesive suite of interventions to best support those impacted by mental health issues and their families, with attendant funding for development and delivery of service delivery models with trained staff, including financial counsellors.

2. That the Royal Commission recommend the development of practice models that embed financial counsellors to work within health settings alongside mental health professionals, therapeutic counsellors and social workers.

3. That the Royal Commission recommend the establishment of five pilot programs in different locations (regional and metro) employing financial counsellors in different mental health service teams, along with relevant training and professional development. These pilots go for two years with support from a state level reference group and undergo comprehensive evaluation to establish an evidence base for improved service models in mental health.

## About financial counselling

Financial counselling is a free and independent advice and advocacy service for people on low incomes, or, more generally, those whose debt or income circumstances have put individuals and families in financial hardship.

Financial counsellors provide information, support and advocacy to enable their clients to gain control of their financial situation. Services are free, confidential and impartial. Most financial counsellors are located in not-for-profit community organisations, primarily funded by state or federal governments. In Victoria about 75% of the sector is state government funded, primarily through Consumer Affairs Victoria and, to a lesser degree, the Victorian Responsible Gambling Foundation.

Financial counsellors are regulated by the Australian Securities and Investment Commission (ASIC). ASIC has promulgated instruments[1] specifically exempting financial counsellors from holding Financial Service or Credit licences. The conditions of the licence exemptions require that financial counsellors not charge clients for their services, work free from conflicts, are trained and qualified, and maintain registration with their state based professional body (in Victoria, FCRC) by meeting professional development and professional supervision requirements.

Financial counsellors operate as either generalists or as one of two types of specialists:

- gambling specialist financial counsellors work with people affected by gambling related harms;
- family violence specialists have been trained and funded to work specifically with people affected by family violence, alongside other family violence services (the significance of their role was identified in the recommendations of the Royal Commission into Family Violence).

In addition, rural financial counsellors are funded through four specialist agencies in Victoria to work with farmers and rural small businesses in financial difficulty.

## Development of the financial counselling sector

Although financial counselling emerged out of community development work and consumer advocacy over the last 40 years in Victoria and NSW, it has only been in the last 10 years that financial counselling has professionalised and begun to experience some growth and recognition in Victoria.

There are currently 210 practising financial counsellors in Victoria, filling approximately 160 equivalent full-time positions.[2] Since the Family Violence Royal Commission there has been some expansion in the sector, but historically financial counselling has been a niche area, poorly understood outside of a small number of community organisations despite obvious potential relevance to the health sector.

As a result of FCRC's sector advocacy, there has been a recent uptake of financial counselling as an allied service in health and aged care services. For example, financial counselling has been included in a new Integrated Model of Care being piloted by Department of Health and Human Services in response to elder abuse.[3]

[1] ASIC Corporations (Financial Counselling Agencies) Instrument 2017/792; ASIC Credit (Financial Counselling Agencies) Instrument 2017/793; also National Consumer Credit Protection Regulations 20(5)

[2] The State Government has announced funding for an additional 10 EFT positions to work in family violence, with funding starting in July 2019.

[3] https://www2.health.vic.gov.au/ageing-and-aged-care/wellbeing-and-participation/preventing-elder-abuse/integrated-model-of-care-for-responding-to-suspected-elder-abuse Accessed 23/01/19

## Financial issues and mental health

A deterioration in a person's financial position can cause situational distress and left unaddressed can be a major contributor in triggering a mental health crisis. At the same time, long term mental health conditions can contribute significantly to the likelihood of a person making poor financial decisions, or living in poverty, along with other co-morbidities such as harms from substance use or gambling.

The Public Trustee of West Australia provides a powerful description of the co-morbidities between financial vulnerability and mental health challenges:

> *Mental illness (comorbidity) can lead to a sufferer developing other problems that can have a severe impact on their financial well-being such as substance abuse or gambling. Anxiety and stress caused by an inability to pay debts or as a result of pressure from debt collectors can cause a person to borrow to pay off some of what they owe, increasing their overall debt. Depression can lead to buying items on credit to elevate a black mood. The depressive state can make it arduous for the person to attend to their day-to-day commitments, such as paying bills. The elevated mood of a manic phase of bipolar disorder often causes a person to buy items using savings or credit, followed by being unable to face managing finances in the depressive phase. Borderline personality disorder can typically cause a person to act impulsively or with poor judgment, thereby incurring significant debt. Psychosis can result in people incurring debt when they are in a delusional or hallucinatory phase. Schizophrenia can severely impair a person's ability to manage their day-to-day affairs due to disordered thoughts, poor concentration and memory, periods of confusion and inappropriate behaviour. Impaired social awareness may prevent them from seeing the true intentions of others or being taken advantage of. Isolation and/or vulnerability can make people with mental illness easier targets for scams and financial abuse.*[4]

More generally, the last Australian Psychological Society survey, Stress and Wellbeing in Australia, found that finances were a source of stress for 44% of males and 55% of females interviewed.[5] Rural financial counselling services report that more than 50% of farming clients are experiencing mental health issues in connection with extreme financial distress.[6]

Research conducted by Monash University and Australian National University shows the impacts that socioeconomic disadvantage has on people's access to mental health care, as indicated in the below graph (Figure 1)[7]. Without a means to address the financial issues, disadvantaged groups have no way to overcome the cycle of mental health and poverty.

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[4] Understanding the Financial Impacts of Mental Illness. Video and transcript are available. Transcript page 5. Last update 11/10/18). Found here. https://www.publictrustee.wa.gov.au/F/financial_impacts_of_mental_illness.aspx?uid=1648-5521-2454-6993

[5] 2014-NPW-Key-findings-survey-stress-and-wellbeing. PDF available at http://winneypsychology.com.au/wp-content/uploads/2015/08/2014-NPW-Key-findings-survey-stress-and-wellbeing.pdf. Accessed 23/01/19

[6] Personal communication with Rural Financial Counselling Service Network, 25/01/19

[7] https://croakey.org/when-its-easier-to-get-meds-than-therapy-how-poverty-makes-it-hard-to-escape-mental-illness Accessed 05/07/19

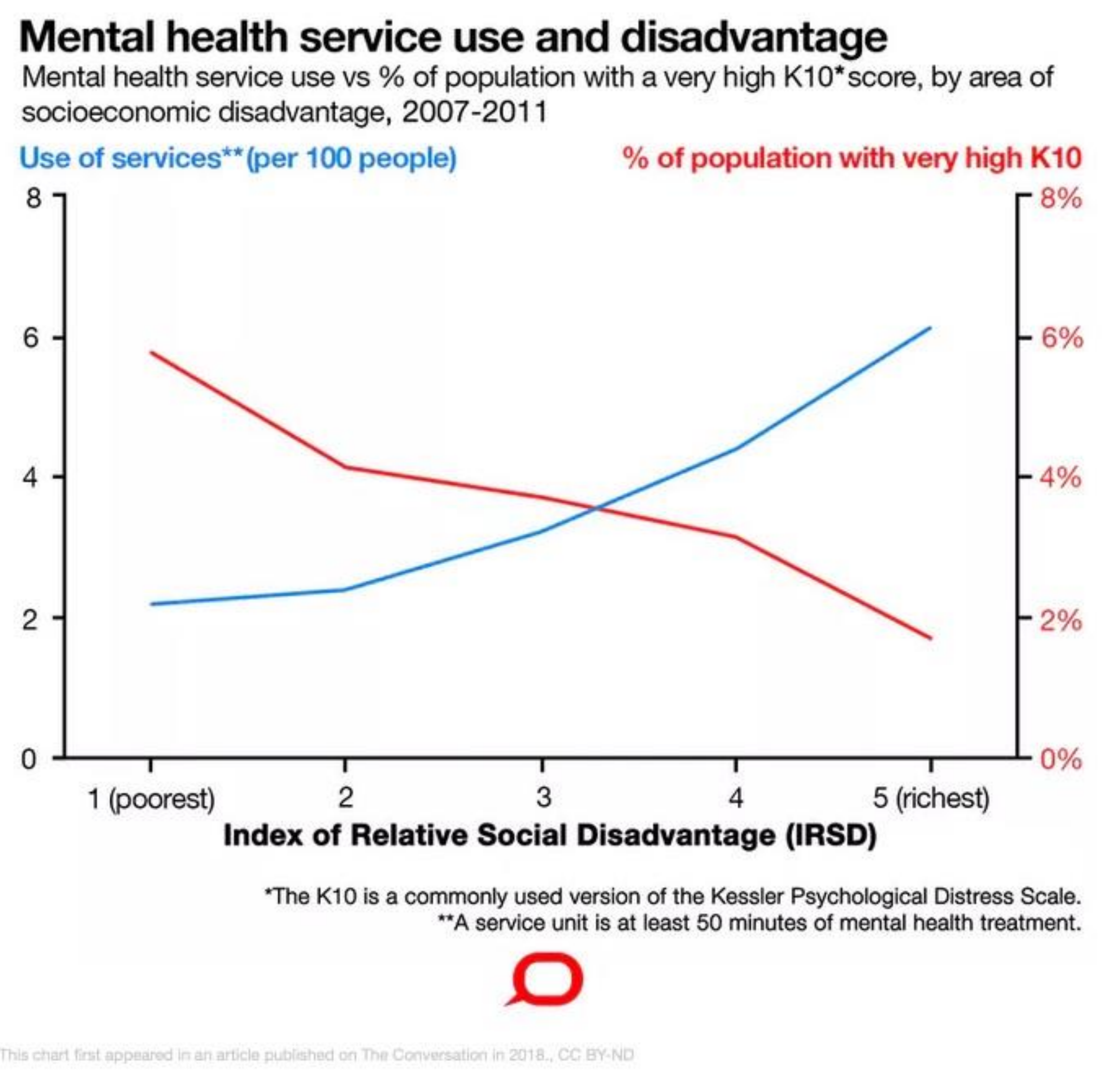


*Figure 1: Mental health service use and disadvantage*

## Wider social and economic context

One reason for increasing problems with mental health in our society is the process known as 'financialisation'.[8] This process refers to the expansion of the use of credit to pay not only for housing, but also for utility services like energy, water and telecommunications over the last 30 years due to an array of economic and social changes. This has coincided with significant rises in the levels of debt and indebtedness in Australia.[9] Analyses of these shifts point to the way in which risk has been shifted onto individual citizens from the state as part of the processes of privatisation of the service economy.[10] This risk shift has carried with it stressors and pressures translating into a higher load on an increasing number of people made vulnerable by these changes.

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[8] Berry, C. (2015) "Citizenship in a financialised society: financial inclusion and the state before and after the crash." *Policy and Politics,* 43(4), pp509-25

[9] Ali, P., Bourova, E. & Ramsay, I. (2017) "Financial Hardship assistance behind the scenes: insights from financial counsellors." *Australian Journal of Social Issues,* 52(3), pp241-261

[10] Marston, G., Moss, J. & Quiggin, J. (eds) (2010) *Risk, Welfare and Work*. Melbourne University Press, Melbourne

For example, the extremely low rate of Newstart and stigmatised status of benefit recipients, subjected to humiliating 'welfare conditionality', creates a significant mental health burden for many. In this context, financial issues have become increasingly important as a risk factor for mental health harms, and the role of financial counsellors as a service dedicated to supporting vulnerable people with financial issues has become increasingly important.

**Newstart case studies from a metropolitan financial counsellor**

**Case 1:** A 61-year-old single woman on Newstart had 3 credit cards which she managed while working. She suffers from anxiety and panic attacks, lost her job and has been on Newstart for nearly 2 years. She struggles with rent and utility payments, and goes without food so she can keep up with the minimum amount on credit payments.

She has gone to Emergency Relief for a hot meal but found it very difficult as people wanted to know her story and why she was there. She is a very private person and was embarrassed; the situation involved a loss of dignity for her.

She could only put in small amounts of petrol and had to watch the petrol gauge all the time. She would plan to go out just one day in the fortnight so she wouldn't waste petrol. She felt isolated and lonely the rest of the week, which added to her anxiety and depression. She said being on Newstart is horrendous.

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**Case 2:** A 34-year-old man on Newstart, couch surfing since he lost his job due to depression after the breakup of his marriage. He had a personal loan and was unable to keep up with payments; the creditor was threatening legal action.

He was suicidal, talked about jumping off a bridge and couldn't see any purpose to his life. The Newstart payment was not sufficient for him to save for bond and first month's rent, food, transport and debt repayment. These debts, on top of the marriage breakup, contributed to his suicidal thoughts.

## Financial vulnerability

Commonly acknowledged causes of financial vulnerability are loss, change to employment conditions, marriage breakdown, ill health, natural disasters, family violence (including elder abuse), harms from gambling or use of alcohol or other drugs, and overcommitment from the sale of inappropriate credit products such as payday lending.

Financially vulnerable people often have to make significant decisions about their financial situation while under considerable stress. Mild to severe mental health issues often have a significant impact on capacity to make sound financial decisions, and this can create a spiral of a worsening financial situation that itself contributes to worsening mental health. At the same time, mental health issues are not sufficiently acknowledged by government, credit providers or debt collectors as factors to take account of when dealing with people in hardship.

**Financial vulnerability case studies from a regional financial counsellor**

**Case 1:** Client contacted the financial counsellor, presented (over the phone) with extreme anxiety and confirmed he had been diagnosed with a mental illness. The client would suffer extreme stress if his accounts were out by $0.01 including his Centrelink payments. This would lead to continuous calls to the financial counsellor's agency until she returned his calls. They never met face to face; the financial counsellor worked directly with client over the phone and through the mental health worker to support the client in gaining confidence to negotiate his electricity and gas bills with his provider.

When the client first presented he couldn't face speaking with the utilities company directly, negotiations occurred under an authority with the financial counsellor. Over a period of 12 months, the financial counsellor worked with the client in building confidence and skills to contact the utility provider for small enquiries which finally led to the client ringing the financial counsellor, proud he was able to negotiate his new payment plan for the amount he could afford and also set up an emergency fund to save $25 from his Disability Support Pension each fortnight to cover any unexpected bills with his pets or car. The client finally gained the confidence to leave his home to travel to the financial counsellor's agency.

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**Case 2**: Client had been impacted by online dating scam and lost the monies left to her by her late husband. The client was diagnosed with mental illness. The client was suicidal once she realised she had been scammed. Although she was unable to recover the money, meeting with the financial counsellor to talk through what had happened resulted in her engaging with the services she needed to address her mental health and to move forward in her life. The financial counsellor supported the client to make formal reports through Scamwatch and Australian Cybercrime Online Reporting Network (ACORN), and to gain enough trust to engage with mental health services. A lot of work and education was also done to prevent the client becoming victim to further scams.

## Early intervention

Research into the work of financial counsellors emphasises the value of early intervention[11] in having stronger impacts on financial, mental and physical wellbeing of vulnerable populations. Such interventions are better able to resolve financial issues that often become significantly harder to resolve as they get increasingly out of control. The mental health impacts of unresolved financial issues commensurately increase over time as well.

**Early intervention case study from a regional financial counsellor**

A prisoner advised that he had a $215k mortgage with a Big-4 bank. He was given a one-month moratorium on mortgage payments when his partner and his sister first presented at the bank 14 months ago. Due to lack of support from the bank he was subsequently obliged to cash in a life insurance plan taken out by his father when he was a child – the father is now 84 years old and needed to sign the policy surrender. The client also advised that he needed to gain early access to superannuation on compassionate grounds to avoid default.

The client advised that his partner is in receipt of a Disability Support Pension and suffered extreme anxiety throughout the process, due to fear of losing their home. The client is due for release from prison in 6 months – a total incarceration of two years.

A more appropriate response at the outset of his sentence would have been a two-year moratorium on payments with normal interest continuing to accrue. The property is valued at approximately $1.2million so a $215k mortgage is a very low loan to value ratio. A referral to Australian Financial Complaints Authority (AFCA) is often necessary to achieve a two-year moratorium.

Currently, prisoners are incarcerated for several months or even a year or more before engaging with a financial counsellor, depending on their journey through the prison system.

My experience is that prisoners are relieved to learn the reality surrounding the implications of their unpaid bills and debts as a lot of misinformation is circulated amongst prisoners.

Many incarcerated clients are unnecessarily anxious about the implications of their debts and the impact on their credit report. Early engagement with a financial counsellor can help to alleviate stress and to develop a plan to manage or resolve the various debts.

In relation to the Justice System and support for those incarcerated I believe it would be very helpful (in both practical and mental health terms) to introduce screening for debt issues at the time of entry to the prison system.

[11] Brackertz, N. (2012) "I wish I'd Known Sooner! The impact of financial counselling on debt resolution and personal wellbeing." Research Report, Swinburne University and the Salvation Army, Melbourne. https://researchbank.swinburne.edu.au/file/d9786ab2-4879-4344-9533-e7f04932a438/1/PDF%20%28Published%20version%29.pdf accessed 26/05/2019

## Financial counselling and mental health

Financial counsellors undertake interventions and advocacy to stabilise a person's financial position. Beyond that, financial counsellors work to support, educate and inform clients about their options finding a way forward from the current situation, based on community development principles.

> *"I would say that 3-4 clients in every 5 have experienced mental health issues of which only some are diagnosed and only some are receiving treatment. The number of clients falling through the cracks of the public mental health system is staggering."*
> – Regional Financial Counsellor, Northern Victoria

Financial counselling is an important intervention for people in situations where their mental health is at risk from financially related co-morbidities. This includes establishing financial stability, understanding the whole debt, reducing the fear and anxiety associated with debt and develop ongoing contact, negotiation and advocacy with creditor collections processes.

Partnerships between financial counsellors and therapeutic counsellors are now well established as best practice in Gamblers Help services in assisting clients with gambling related harms and associated co-morbid mental health conditions (see Appendix 1). Experience in Gamblers Help services has been that financial counselling, amongst other benefits, helps provide the mind space for therapeutic interventions to be more effective.

However, there are no specialist or dedicated financial counselling services funded in the mental health service area. At present there are low levels of awareness in mental health services of the roles and functions of financial counsellors and the kinds of work they can do to improve client outcomes.

Demand on each of the mental health and financial counselling service sectors plays a role in this lack of awareness, as integration and collaboration are not encouraged through current funding models. Current funding levels for financial counselling services mean that even clients in crisis situations face wait periods from two weeks to six months for access to a financial counsellor. Variation in wait times occurs across geographic regions, depending on local issues and needs. Financial counselling practitioners are not, generally, in a position to advertise their services due to the risks from creating new sources of demand.

Even where financial counselling is available, current mental health service delivery models often position financial counsellors at the referral end of service delivery. Critical interventions by a financial counsellor are often left until well after a critical episode has occurred, or as part of a referral process once medical stabilisation has occurred. In many cases, this can mean the person's financial position has deteriorated further, but, in any case, the person remains likely to be troubled about financial matters until a meeting with a financial counsellor takes place. Simple interventions, such as placing accounts on hold, or obtaining access to utility relief grants, can have profound impacts on a person's state of mind, but often do not take place at the time when they can have the greatest beneficial impact.

At present the small financial counselling sector is not only poorly connected to the mental health sector, it is also being overwhelmed by demand. This is effectively preventing financial counsellors from seeing any but the most serious and complex clients at a much later stage than early intervention. This reality is also having serious mental health impacts on financial counsellors themselves.[12] It is important that the Royal Commission take into account this sectoral context when considering how to enhance early intervention and preventive services in the mental health system.

## Mental Health and Disability Support Pension

The difference between Disability Support Pension and a Newstart allowance amounts to hundreds of dollars every fortnight.

The tightening of the rules around Disability Support Pension in recent years and the lack of clear knowledge about the criteria by health practitioners has led to the creation of an underclass of people with disabilities, often mental health issues, who have been left to languish in the relative poverty associated with a Newstart allowance.

Frequently, financial counselling clients with mental health issues find themselves unable to live in shared accommodation. Many find themselves in expensive bedsits and rooming houses that consume over 50% or more of their meagre Centrelink income. The cost of establishing and maintaining a single person domicile are virtually impossible for a person on Newstart. The 2019 Anglicare Rental Affordability Snapshot shows that there are no rentals affordable for people living on Newstart allowance[13].

Centrelink does not provide guidance to doctors, clinical psychologists or psychiatrists regarding the criteria for a successful Disability Support Pension claim. If reports from a client's treating specialists do not address all the criteria their applications are rejected. Financial counsellors report this happening routinely. Furthermore, Centrelink claim assessors do not appear to contact client health specialists to gather the missing information, even though application forms include a section that grants permission for Centrelink to do so.

[12] FCRC 2019 survey of stress and burnout amongst Victorian financial counsellors (report in preparation).

[13] *Rental Affordability Snapshot 2019*, Anglicare Australia: https://www.anglicare.asn.au/docs/default-source/default-document-library/final---rental-affordability-snapshota302da309d6962baacc1ff0000899bca.pdf?sfvrsn=4 Accessed 03/07/19

**Disability Support Pension case studies from a metropolitan financial counsellor**

**Case 1:** A 29-year-old woman presented with a utility disconnection notice. The client had PTSD, anxiety and depression that stemmed from years of sexual abuse as a child by a family member. Due to their mental health issues they could not hold down a job. They had ended up on Newstart and were struggling to afford rent, put food on the table and pay their heating bill.

Prior to seeing a financial counsellor, the client had applied for Disability Support Pension (DSP) and was rejected. The client had "given up" trying to qualify for DSP as a result.

The financial counsellor reviewed the application and found that their doctor had incorrectly referred to a counsellor and not a clinical psychologist. The financial counsellor wrote to the doctor asking for the client to be referred to a clinical psychologist. The doctor incorrectly referred again, even after receiving a letter from the financial counsellor. The financial counsellor provided the client with details of a bulk billing psychiatrist for the doctor's referral. Centrelink do not accept reports from counsellors.

The financial counsellor liaised with the psychiatrist to provide assistance regarding their report. This took multiple reminders to the psychiatrist over several months. When the psychiatrist provided the report, the client was successful in their new application. The client had spent four years on Newstart from their initial rejection of DSP application primarily due to a poor referral pathway by their health professional.

The financial counsellor successfully managed to ensure the client was never disconnected from their utilities, helped them access grants to keep their arrears under control and get a home energy audit to minimize their future bills. However, it was not until they were granted the DSP that they could afford to meet the cost of their energy consumption.

**Case 2:** A 50-year-old man presented unable to pay his fines after losing his carers allowance, when his mother was removed from his care due to a deterioration in her dementia. The client had an acquired brain injury, anxiety, depression and was illiterate and suffered from mild agoraphobia.

The client had been banned from Centrelink offices and had his DSP application rejected as well as an application of support for the NDIS.

The financial counsellor wrote to the client's doctor and got them to refer the client to a clinical psychologist. The clinical psychologist provided a report but didn't address all the criteria. They refused to write another report. The disability support application was lodged and failed.

The financial counsellor helped the client go back to the clinical psychologist to get a new report and successfully advocated for Centrelink to pay for a neurological psychology report which supported the client's appeal of the decision not to grant them the pension.

A Centrelink Authorised Review Officer upheld the initial decision and the financial counsellor assisted the client to appeal the decision further by taking the matter to the Administrative Appeals Tribunal. The Administrative Appeals Tribunal found that the client was eligible, and Centrelink was forced to grant a DSP and backdate the payment. Centrelink paid out the client in excess of $11,000, representing the difference between Newstart allowance and DSP for the approximate 8 months they had been fighting to have their application approved.

**Following on from the points in our submission, we make the following recommendations:**

## Recommendations

1. That the Royal Commission include in its recommendations a role for financial counselling as an integral part of a cohesive suite of interventions to best support those impacted by mental health issues and their families, with attendant funding for development and delivery of service delivery models with trained staff, including financial counsellors.

2. That the Royal Commission recommend the development of practice models that embed financial counsellors to work within health settings alongside mental health professionals, therapeutic counsellors and social workers.

3. That the Royal Commission recommend the establishment of five pilot programs in different locations (regional and metro) employing financial counsellors in different mental health service teams, along with relevant training and professional development. These pilots go for two years with support from a state level reference group and undergo comprehensive evaluation to establish an evidence base for improved service models in mental health.

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**About Financial and Consumer Rights Council**
Financial and Consumer Rights Council Inc (FCRC) is the peak body for Financial Counsellors in Victoria. Our purpose is to:

- advocate for vulnerable Victorians who are experiencing financial difficulty
- support the work of financial counsellors through fostering and leading systemic advocacy to reform laws, codes, government and industry practice in relation to vulnerable people
- support the development of financial counselling as a profession by setting and maintaining professional standards, including a professional development program and structured professional supervision

## Appendix 1: Coming up for air through counselling partnership

Source URL: https://www.insidegambling.com.au/editions/14/feature/coming-up-for-air-through-counselling-partnership

Inside GAMBLING

# Coming up for air through counselling partnership

**by Leith Hillard, 30 April, 2019**

Financial counsellor Sue Battle and therapeutic counsellor Sandra Luxford both repeat the word 'rapport' to describe the essence of their working partnership.

It's a bond making a big difference in the lives of their clients at Latrobe Community Health Service (LCHS), where the two women collaborate to help their clients break the challenging cycle of gambling harm. It's a collaboration that acknowledges the bounce between stress and gambling – gambling leads to stress; stress leads to gambling and back and forth.

Sue and Sandra offer their broad range of supports across a huge slice of Victoria, seeing clients from Pakenham to Phillip Island through the Latrobe Valley and up to the New South Wales border. They're clear with the clients they share about their particular expertise and might also work alongside LCHS drug, alcohol and family counsellors.

Sandra works with clients to help them feel safe and manage their emotions, especially the stress that drives them to gamble.

### Stopping gambling in its tracks

'I don't fix people,' she says, 'but I give them the tools to help themselves. I teach them visualisation to distract their thoughts so they become more stable. They have to tackle that reflex to pick up their phone or go to a pokies venue. How do you stop them in their tracks? They learn to use breathing exercises and go to a safe space in their mind, but I also see their stress lessen when the financial stresses lessen.

'With Sue's expertise, we see a release of the stranglehold of mounting debts and unpaid bills. They begin to have more hope and more motivation to get out of the quagmire.'

*'I don't fix people,' she says, 'but I give them the tools to help themselves.'*
Sandra emphasises that she's 'not a numbers person. I'm more about words and emotions'. However Sue insists that financial counselling has 'nothing to do with figures.

'It's knowing the law and holding creditors to account through the National Credit Code. I need to understand about 25 pieces of legislation from bankruptcy law to telecommunications law and children, youth and families law.'

They talk about one client's life being transformed through their collaboration and his determination to change.

'He had a diagnosis of post-traumatic stress disorder,' recalls Sue. 'A work injury will prevent him from ever returning to his $3000-per-week job and he was soon to move from income protection onto Newstart payments of $550 per fortnight.'

With time on his hands, he described himself as 'zoning out' at gaming venues. His losses inevitably mounted.

*The bank had given him repeat loans he had no capacity to service.*
He had two mortgaged properties and was granted another in a series of personal loans. Twenty days later, he applied to refinance that loan. Several weeks after that he applied again. While that third loan was refused, the client was never asked to provide medical documents to show that a return to work was feasible. It wasn't. Asked how he would repay the loans when income protection stopped, he blithely told the bank he would 'just go and get a job'. But that wasn't medically possible. The bank had given him repeat loans he had no capacity to service.

### Holding creditors to account

Sue and Sandra began to work with the client in tandem and he quickly excluded himself from pokies venues and stopped gambling. Sue negotiated with his phone plan provider and the Australian Tax Office, referred him to a total and permanent disability lawyer, and provided assistance with superannuation and budgeting on his much-reduced income.

Most significantly, however, this textbook case of irresponsible lending enabled Sue to get all the client's loans and credit card debt waived by the bank. He went from owing to $460,000 to a debt of zero. Clients are present to advise and authorise Sue throughout some credit negotiations, while Sandra sits alongside to ensure they're not overwhelmed by the stress.

'I draw them back to the tools they've already learnt to calm themselves,' she says. 'It's about the trust between the three of us.'

*'What you get in the end is a person who finds themselves.'*
Sue and Sandra share the view that the other is an expert in her field.

While Sue sees her role as 'closing Pandora's Box and putting a band aid on it,' Sandra admires Sue's strong advocacy skills.

'She gets really big results through her deep knowledge and dedication to task.'

Meanwhile, Sue admires the way that Sandra 'leads by example.

'She sees clients who are emotionally volatile and calms them down by being calm herself,' Sue says.

### Coming up for air

'Addiction means there are always underlying issues,' says Sandra. 'There are reasons they don't feel comfortable in their skin, but they can only be dealt with once the immediate financial pressures have eased.'

And so the client comes up for air, but they're rarely the only person who's been suffering because of their gambling addiction. For each person who gambles in a problematic way, up to six others are negatively affected.

'We've had partners say that when he was gambling he was never really there,' continues Sandra. '"Now he's present again. He talks back. Wow!"

'What you get in the end is a person who finds themselves. They get back the person they used to be and the person they want to be. They regain their life.'

## ATTACHMENT 2: Additional case studies

**CASE STUDY: From a regional financial counsellor**

A young client who had experienced a difficult childhood, and struggled with mental health as a young person, had been linked in with Child Protection and was finally placed to live with his grandfather. Before that time, while living with his parents, he fathered a child at the age of 15. The child went on to live with the baby's mother.

After his grandfather passed away, the young person became homeless. The young man continued to struggle with his mental health which has affected his ability to maintain stable housing, deal with large agencies and complex paperwork making the client feel overwhelmed and unwell.

The client was eventually linked in with Youth Housing and is currently in transitional housing. He had been contacted by the Child Support Agency (CSA) chasing a debt of approximately $20K. His Centrelink benefits were being garnished and despite getting assistance from his case manager to try and resolve the issue it was futile and he sought the services of financial counselling.

The client was being pressured by CSA to increase his payments; the mother of his child was also putting pressure on him to pay the debt despite him paying the maximum amount via Centrelink. The client was overwhelmed by the increase of the debt which played havoc with his mental health and his ability to plan for the future.

The financial counsellor contacted CSA and ATO (as there was talk about the client's tax returns not being completed). CSA advised that as the client had not lodged his tax returns that they would complete the assessment based on a default figure of approximately $40K. The financial counsellor argued that the client was living and being supported by his parents at the time of the child's birth and that he was only 15 years old. CSA refused to assist stating that they were following policy. The financial counsellor advised that they would lodge a formal complaint.

The financial counsellor obtained a support letter from the clients' case manager and lodged a formal complaint asking for an internal review under exceptional circumstances. Further contact was made with CSA several weeks later and the matter had still not been considered. The officer who had taken this call actioned a review of the case immediately. The relief on the client's face was instant, his shoulders relaxed and there was a slight smile on his face. The financial counsellor assisted the client to complete his tax returns, which are up to date.

The financial counsellor rang his case worker a couple of days later to confirm that the debt had dropped from $20K to $750 with more to be waived. She said she couldn't believe the difference this has made for the client. He is now able to explore alternative housing with a clear mind and is now talking about wanting to seek access rights to his young son.

**CASE STUDY: From a metropolitan financial counsellor**

A 51-year-old woman on Newstart with mortgage and rates arrears. She also suffers from depression, was diagnosed when she was 20. The local Council has taken legal action and, she may lose her house. She said the worst thing for her about Newstart is the stress of having debts you can't pay. 'You lie awake at night and it does your head in.'

**CASE STUDY: From a metropolitan financial counsellor**

When the client attended a scheduled financial counselling appointment, the financial counsellor was concerned by client's appearance, manner of talking, and tone of speech.

The financial counsellor said to the client that he was concerned about the client and asked if the client was considering suicide. The client said that he could not see any way around his financial problems and that he was thinking about suicide.

With the client's approval the financial counsellor called his line manager into the counselling room. The manager is a trained mental health professional. After discussion between financial counsellor, line manager and client, all parties agreed to a written contract with the client that he would allow two weeks for the financial counsellor to work with his creditors to develop plans to resolve his debt issues. The financial counsellor maintained daily contact with the client, sometimes in person and sometimes by phone while sorting out the client's debt issues. Through this process the financial counsellor worked with the client, providing financial literacy, including teaching the client how to develop his ongoing financial plans.

This client's financial issues were not large in comparison to other clients, with total debts of under $2,000, but they appeared insurmountable to the client. After two weeks of work the client's debt issues were resolved to the satisfaction of the both the client and his creditors. The client felt prepared for the future and was no longer considering suicide at all.

After not having contact with the client for a couple of months after around two months of intensive contact, the client sent a thank you card to the financial counsellor for saving his life and said that he now has no debt issues and no thoughts of suicide.