



Australian Government

**Department of Families,
Housing, Community Services
and Indigenous Affairs**

Financial Management Program Guidelines

*Working collaboratively to help vulnerable and disadvantaged people build
financial health and wellbeing*

Effective from 1 July 2009
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Foreword

The Financial Management Program (the Program) aims to build financial resilience and wellbeing among those most at risk of financial exclusion and disadvantage. The Program helps people across a range of income and financial literacy levels to manage their money, overcome financial adversity, participate in their communities and plan for the medium to long term.

The Program was restructured in 2009 to improve outcomes for people and communities through better access to services across the continuum of needs, from crisis assistance to support that builds financial assets and longer term financial capability and stability. The Program underpins an approach to delivering financial support services where the individual is at the centre and Government and non-Government services work in partnership to help people achieve financial and social wellbeing.

The Program contributes to improved outcomes for vulnerable people, families and communities by:

- fostering the improved use and management of money;
- helping people address immediate needs in times of financial crisis;
- providing access to safe, affordable funds that may not be available through mainstream financial services and assisting in asset building; and
- undertaking research to inform policies to reduce the impact of problem gambling.

Additional information about the Program and location of services is available on the FaHCSIA website

www.fahcsia.gov.au/sa/communities/progserv/financial_management_program

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Preface

These guidelines provide the framework for the implementation and administration of the Financial Management Program. The guidelines provide the basis for the business relationship between the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA or the Department) and the funding recipient. They should be read in conjunction with any operational guidelines and the funding agreement.

The guidelines include:

- The purpose of the Program;
- The responsibilities and accountabilities of service providers;
- Guiding principles and values;
- Governance arrangements; and
- Service delivery/performance expectations.

FaHCSIA may need to amend these guidelines from time to time and will provide reasonable notice of any amendments. Service providers are advised to note version changes and where they have queries, to check with their FaHCSIA agreement manager.

Program Overview

At times people may experience enormous financial pressure. This pressure can arise from many sources, including mortgage stress, credit card debt and increased cost of living pressures – often as a result of unemployment, sickness or family breakdown.

Low financial literacy increases people's vulnerability to financial pressure and can place them at a great disadvantage. For example, not budgeting for larger periodic expenses or not understanding credit terms may increase the use of short term, high interest credit sources.

The Financial Management Program aims to build financial resilience and wellbeing for vulnerable people and those most at risk of financial and social exclusion and disadvantage. It helps people across a range of income and financial literacy levels to overcome financial adversity, manage their money, participate in their communities and plan for the medium to long term.

1 Service Strategies

The Program supports an integrated suite of financial management initiatives that work together to promote financial inclusion by helping people avoid or resolve financial difficulties and achieve financial self reliance. The services provide crisis support, budgeting and financial counselling, financial education and access to financial services and products that build longer-term capability and financial inclusion.

Service strategies include:

- emergency relief;
- financial counselling;
- money management information and education;
- microfinance and matched savings initiatives;
- assistance with energy efficiency;
- information about saving for retirement; and
- research into problem gambling and its impacts.

Emergency Relief

Emergency Relief services provide support to address immediate needs in time of crisis. Assistance often includes food and clothing parcels or vouchers, transport, chemist vouchers, help with accommodation, payment of bills, budgeting assistance and sometimes cash. Importantly, Emergency Relief agencies provide appropriate referrals to other services that help to address the underlying causes of financial crisis and social and financial exclusion.

Commonwealth Financial Counselling

Commonwealth Financial Counselling services help people in financial difficulty to address their financial problems and make informed choices. Services may include direct casework (e.g. provision of advice and information); advocacy and/or negotiation; referral; community education; and networking/liason.

Money Management

Money Management services predominantly operate in remote communities and are primarily targeted at Indigenous Australians and those on Income Management. They provide clients with education and information to help them manage their money but do not provide financial advice or deal with complex financial/legal matters. If individuals require such assistance, money management workers will facilitate access to financial counsellors and other relevant services as appropriate.

Microfinance and Matched Savings Initiatives

Microfinance schemes such as no or low interest loans or matched savings that are provided in conjunction with financial literacy education improve capacity and lead to greater financial inclusion by providing individuals with access to safe, affordable funds that may not be available through mainstream financial services and assisting them to build assets. The Government supports these schemes which are delivered by not-for-profit community organisations in partnership with financial institutions.

Home Energy Saver Scheme

The Home Energy Saver Scheme supports low-income households across Australia experiencing difficulty meeting and paying for their energy needs. The aim of the Scheme is to help people in financial difficulty address the issues they have with energy costs and to make better informed choices about their energy use. This is done through providing access to energy efficiency and financial management information, advice, advocacy, support, referral to the No Interest Loans Scheme® as appropriate and through integrated service co-ordination around energy efficiency and financial management.

Information on saving for retirement and retirement investments

The National Information Centre on Retirement Investments (NICRI) is a free, independent, confidential service which aims to improve the level and quality of investment information provided to people with modest savings who are investing for retirement or facing redundancy. NICRI does not give investment advice, recommend financial products or planners or undertake casework.

The National Information Centre on Retirement Investments (NICRI), an independent body funded by the Australian Government, provides the public with free information on planning and saving for retirement, investment options and the effective use of financial resources in retirement. NICRI does not represent government or the financial industry or provide financial advice.

Research into Problem Gambling

The Australian Government works with State and Territory Governments to develop a national approach to problem gambling. Under the Financial Management Program the Commonwealth contributes funding for a national research program: Gambling Research Australia. The Commonwealth also commissions research into areas of national interest in relation to problem gambling and its impacts.

1.1 Participants/clients/recipients

FMP services are targeted at people who:

- are experiencing personal financial difficulties due to circumstances such as unemployment, sickness, credit over-commitment and family breakdown;
- need to further develop their basic financial skills, capabilities and financial literacy; or
- are disadvantaged through some other form of financial exclusion.

Money Management services are particularly targeted at families and individuals with low levels of financial literacy in disadvantaged communities such as various remote locations in Australia.

Services can be accessed through a range of gateways including: other programs at both the State and Commonwealth level; Centrelink; utility companies, community organisations and self-referrals.

1.2 Funding

The distribution of funding is based on Government policy priorities and the needs of Australian people and families. A number of factors are considered including: the number of recipients receiving certain Australian Government payments (e.g. Newstart Allowance) and indices of disadvantage (e.g. Socio-Economic Indexes for Areas (SEIFA), bankruptcy and insolvency data, and housing affordability data).

Depending on the funding requirements and available services in target locations, open and direct selection processes may be used to select new service providers. All service providers receive funding through a FaHCSIA funding agreement — from 2011-12, most agreements will have an activity period of three years.

1.3 Service Integration and Collaboration

Services under the Program complement each other: helping in times of crisis, building stability through advocacy and advice; and building longer-term capability and wellbeing. Some funded organisations provide several types of service to support people at different times ranging from crisis, to stability, to long-term capability. Such organisations often implement service models that closely integrate this range of services and use case management to provide clients with more co-ordinated, holistic and long-term solutions.

All services are expected to offer referrals that connect people with appropriate financial and social support. They are expected to collaborate as much as possible with other community and business services and agencies in their local region such as Centrelink, housing, employment, mental health or family support services to provide support that is tailored to meet the needs of their clients.

In areas where income management is in place, FMP services will support income management participants to build financial capability and resilience. In some cases, additional services will be funded to ensure this support is available.

1.4 Eligible and ineligible organisations/bodies

Eligible organisations delivering services under the Program are generally not-for-profit and one of the following:

- Incorporated Association.
- Incorporated Cooperative.
- Organisation established through specific Commonwealth or state/territory legislation (e.g. churches/public benevolent institutions).
- Company incorporated under the Corporations Act 2001.
- Non-government legal entity.

Funding may be provided to for-profit or government agencies, but this is not the principal funding model.

1.5 Eligible and ineligible activities

Program funding is to be used in accordance with any operational guidelines and funding agreements, by services to promote financial inclusion by helping people avoid or resolve financial difficulties, build financial capability and achieve financial self reliance.

To facilitate flexible service delivery, service providers are expected to prioritise services and distribute assistance to clients according to the providers' own needs-assessment processes and to determine the level and type of assistance that is most appropriate in each individual circumstance.

Emergency Relief

The funding arrangements for Emergency Relief service providers recognise the need for flexibility while at the same time maximising direct assistance to clients. Accordingly:

- Organisations may use up to 15 per cent of their total Emergency Relief funds, or \$6,000 for each approved Emergency Relief outlet, whichever is the lesser, towards the administrative costs associated with the provision of Emergency Relief each year. Organisations delivering Emergency Relief through more than one approved service outlet are not required to separately account for expenditure of these administration funds at each outlet.
- With approval from the Department, providers may use a reasonable amount of funding on the costs of employing staff to case manage clients or broker more holistic services, particularly for clients with complex or multiple needs. Providers must seek approval for this use of funds under the current funding agreement, even if approval was granted for the same purpose under a previous funding agreement. Service providers are encouraged to consider whether a case management model would be suitable for their Emergency Relief service to enhance the outcomes for service users.
- With approval from the Department, organisations operating more than one Emergency Relief outlet may transfer funds between outlets to respond to changing needs.
- There is also flexibility for Emergency Relief funding to be used for a diverse range of activities that help people accessing emergency relief to build financial resilience and wellbeing. The following examples are not prescriptive

but are typical forms of Emergency Relief assistance provided to clients in immediate financial crisis:

- food vouchers;
- chemist vouchers;
- transport vouchers;
- payments to help with rent/accommodation;
- help toward the cost of bills;
- material help such as food hampers or clothing, and sometimes cash;
- help with basic budgeting; and
- brokering or referring clients to other services to help to address underlying causes of financial crisis e.g. financial counselling, mental health, family counselling or employment agencies.

Organisations must not place any obligation on clients to repay Emergency Relief assistance received. If people wish to repay assistance, it should be accepted as a donation.

1.6 Specialist requirements

Paid and voluntary workers are expected to undertake training appropriate to the service they deliver.

All financial counsellors employed by agencies with Commonwealth Financial Counselling funding:

- must have undertaken appropriate training in order to have adequate skills and knowledge to satisfactorily provide financial counselling services, and
- are expected to be a member of, or to be eligible for membership of, a relevant financial counselling association.

All workers employed by organisations funded to deliver **Money Management** services must have completed or be undertaking:

- 1) Certificate III in Community Services (with three financial literacy units of competency) – Money Management Worker position;
- 2) Certificate I in Community Services – Trainee Money Management Worker position;
- 3) Family Assistance Payments Training;
- 4) MoneyBusiness Community Education Kit Training; and
- 5) MoneyBusiness Course Training.

All workers employed by organisations funded to deliver an **Approved Money Management Course** must have completed:

- 1) MoneyBusiness Community Education Kit Training; and
- 2) MoneyBusiness Course Training.

The above training will be provided through the FMP's Financial Management Resource Support Unit (FMRSU).

All Home Energy Saver Scheme Workers are to complete the specialised training package developed for Home Energy Saver Scheme workers before providing services and they must have completed or be undertaking Certificate III in Community Services Work (with three financial literacy units of competency).

Organisations are required, under the terms of the funding agreement to have adequate insurance appropriate to the activity. For Commonwealth Financial Counselling organisations, adequate insurance includes Professional Indemnity insurance.

2 Responsibilities and accountabilities

To build financial wellbeing for vulnerable and disadvantaged people, services will increasingly need to:

- Use an approach that is relevant to the particular needs of the individual or family.
- Partner with services that address a range of needs e.g. mental health, violence, addiction, and people newly arrived in communities.
- Target and promote support for people at critical times in the life-cycle and at high-risk life events e.g. loss of job, mortgage stress, family breakdown.
- Help people access financial assistance, education and ongoing support, advice and advocacy at any point along the service continuum and through a variety of media (e.g. telephone, web-based services).
- Be flexible to the changing needs of service users and the community.

2.1 Guiding principles and service standards

To ensure that the Program delivers more integrated and improved outcomes for people, the following guiding principles and service standards were developed with the community sector as a framework for self-regulatory, continuous quality improvement. They should be understood in the context of the Program's objective to assist people to improve their financial capacity and resilience and help them deal with immediate financial difficulties in a way that maintains the dignity of the individual and encourages self-reliance.

Service providers must:

1. Respect and uphold the dignity and rights of each person/family requesting assistance:
 - respond to each person/family with respect, and in a non-judgmental way;
 - acknowledge each person's individual circumstances and needs;
 - respond appropriately to cultural diversity;
 - offer clients the opportunity to participate in decision making and choice of assistance, within the capacity of the agency; and
 - uphold clients' rights.
2. Maximise access for people experiencing financial crisis and ensure equity in the delivery of services:
 - provide quality services which are effective, efficient, and appropriately targeted, reflecting local/regional needs;
 - provide a dignified, welcoming, safe and accessible environment for the provision of services;
 - ensure assistance is available throughout the year;

- work collaboratively in delivering services and liaise with other relevant organisations for the benefit of clients;
 - where possible, refer clients to support services in the community to help address the underlying cause of financial crisis and increase self-reliance;
 - establish/participate in community networks to facilitate tailored, coordinated service delivery across agencies; and
 - commit to and participate in relevant training opportunities and ensure volunteer, paid staff and training facilitators are appropriately qualified.
3. Be accountable within Program and budget limitations:
- adhere to the terms and conditions of the funding agreement and meet agreed outcomes;
 - meet privacy and confidentiality obligations, including record keeping;
 - comply at all times with relevant Commonwealth, state or territory regulations or legislation;
 - provide a complaints handling mechanism; and
 - notify FaHCSIA of any changes to the organisation or service which may impact on service delivery as soon as it is known (e.g. delivery locations,
 - changes to key personnel, major changes to the organisational constitution or governance arrangements).
4. At all times Government-funded services must adhere to the following core service delivery values consistent with the Australian Public Service (APS) Values and Code of Conduct:
- exhibit the highest ethical standards;
 - deliver services fairly, effectively, impartially and courteously to the Australian public; and
 - be sensitive to the diversity of the Australian public.

Further information on these values can be found at

<http://www.apsc.gov.au/publications02/values.htm#28>

Service providers are encouraged to develop a Client Service Charter, in consultation with their clients where appropriate. It is recommended the Client Service Charter specify the standards of service to be provided to clients and address accessibility, confidentiality of client information and mechanisms for handling client complaints. The Commonwealth Ombudsman's 2009 *Better Practice Guide to Complaint Handling* provides a good overview of what the Department expects of the complaint handling systems of service providers. Such systems should be designed to be fair, accessible, responsive, efficient and integrated into service delivery.

It is also recommended that service providers keep their Client Service Charter up to date by reviewing it every twelve months and making the client service charter readily available to clients and FaHCSIA.

2.2 Training and support

The Program is focused on delivering financial support services where the individual is at the centre and Government and services work in partnership to help people achieve financial and social wellbeing.

To help providers deliver effective services that build financial wellbeing and ensure workers can identify needs and respond appropriately to improve

outcomes for people and communities, some Program funding is directed to helping build service provider capacity through training for workers and access to professional resources, materials and support:

- Commonwealth Financial Counselling (CFC) resource support offers casework and other advice to CFC providers and CFC financial counsellors, develops resources and information for financial counsellors and contributes to the development of the financial counselling sector.
- NICRI provide information leaflets, technical papers, calculators and experts who can conduct staff seminars or speak at conferences. For more information, call 1800 020 110 between 9am and 5pm Monday to Friday or visit www.nicri.org.au
- Financial Management Resource Support Units (FMRSUs) in Western Australia and the Northern Territory build the capacity of Money Management services through mentoring, training, advice and information.

Regular training workshops for Emergency Relief workers are conducted in all States and Territories. A proportion of funding for the Home Energy Saver Scheme is directed to helping build the capacity of workers delivering the Scheme through the development of a Home Energy Saver Scheme training program and toolkit. All Home Energy Saver Scheme workers complete this course before they commence delivering Home Energy Saver Scheme services.

Service providers are also expected to support their workers' participation in other relevant training appropriate to their role which may include:

- Accredited training for workers:
 - Certificate III, Community Services (with three financial literacy units of competency) (Certificate I in Community Services for trainee money management workers)
 - Certificate of Financial Counselling
 - Diploma of Community Services (Financial Counselling).
- Training on topics such as managing difficult clients, privacy, upholding client dignity, making appropriate referrals, interview techniques, understanding Centrelink payments, budgeting, IT and data collection.

3 Performance management and evaluation

This Program is part of FaHCSIA's Outcome 3: *Community Capability and the Vulnerable* which supports:

Improved capacity for vulnerable people and communities to participate economically and socially and to manage life-transitions through payments, targeted support services and community capability building initiatives.

The Program aims to improve the financial knowledge, skills, capabilities and financial resilience of vulnerable people, alleviate the immediate impact of financial stress, and coordinate a national approach to reduce problem gambling.

3.1 Reporting and data collection

The Department will monitor and evaluate ongoing Program performance and will ensure any accountability requirements are met by service providers. Service

providers are required to provide performance reports in accordance with their funding agreements.

FaHCSIA requires funding recipients to provide either audited or non audited financial statements and reports as specified in their funding agreements.

Information provided in reports and collected through surveys, evaluations etc. contribute to the overall monitoring and evaluation of Program performance and inform key aspects such as:

- What was done and where?
- How much has been done?
- How well has it been done?
- Did it make a difference?

In consultation with stakeholders, the Department will continue to refine the Program performance framework for measuring the effectiveness of service strategies and Program effectiveness while also contributing to the development of a sound, consistent evidence base for the Program as a whole.

3.2 Evaluation

FaHCSIA periodically undertakes or commissions program evaluations and reviews to ensure program outcomes are met through quality, efficient and effective services.

Where input is sought from service providers FaHCSIA will notify them of:

- the intention to conduct an evaluation;
- the focus of the evaluation;
- who is conducting the evaluation;
- the time period in which it is to be conducted; and
- where appropriate, the involvement sought.

3.3 Risk management strategy

Service delivery performance monitoring is focused on addressing risk areas that will have the most impact on Program outcomes.

As part of the overall risk management strategy for the Program, FaHCSIA requires service providers to:

- identify and document risks in delivering Program services;
- identify and document risk control strategies; and
- implement adequate and effective policies and procedures to manage risks and achieve the control strategies throughout the financial year.

Throughout the course of the funding period FaHCSIA may be required to amend the extent and frequency of reporting requirements in response to a determination of adverse risk. FaHCSIA will provide reasonable notice of such amendments.

3.4 Complaints Handling Procedures

A service provider who has a complaint about any aspect of the program, in the first instance, is encouraged to raise the issue with their funding agreement manager. If dissatisfied with the response, the issue can be pursued with the

relevant Section Manager and then the Branch Manager, Money Management Branch.

In addition, the Department has a formal complaints service where a complaint by a service provider or client can be lodged by telephoning 1300 653 227.

A complaint is defined as: “Any expression of dissatisfaction with a product or service offered or provided” [Australian Standard AS4269-1995].

The Department has a ‘Complaints Recording System’ to capture complaints to the Department about any of its services.

For the purposes of the Department’s Complaints Recording System, a ‘complaint’ does not include:

- Ministerial correspondence;
- Freedom of Information requests.
- Complaints made to service providers themselves, as these will be covered by their own complaints mechanisms required under these Program Guidelines and included in Funding Agreements.

If a service provider or client is dissatisfied at any time with our handling of their complaint, they can also contact the Commonwealth Ombudsman.

Contact information

Information on service strategies is available from your FaHCSIA State/Territory office.

New South Wales office and Australian Capital Territory office:

GPO Box 9820, Sydney NSW 2001
 Phone: 1300 653 227 (local call cost only)
 Fax: 02 8255 7778
 Email: nswactfmp@fahcsia.gov.au

Queensland office:

GPO Box 9820, Brisbane QLD 4001
 Phone: 1300 653 227 (local call cost only)
 Fax: 07 3004 4805
 Email: ER.Qld@fahcsia.gov.au

Western Australian office:

GPO Box 9820, Perth WA 6848
 Phone: 1300 653 227 (local call cost only)
 Fax: 08 9229 1598
 Email: WAFinancialManagementProgram@fahcsia.gov.au

Tasmanian office:

GPO Box 9820, Hobart TAS 7001
 Phone: 1300 653 227 (local call cost only)
 Fax: 03 6211 9399
 Email: communitiestas@fahcsia.gov.au

Victorian office:

GPO Box 9820, Melbourne, VIC 3001
Phone: 1300 653 227 (local call cost only)
Fax: 03 8626 1217
Email: FMPVictoria@fahcsia.gov.au

South Australian office:

GPO Box 9820, Adelaide SA 5001
Phone: 1300 653 227 (local call cost only)
Fax: 08 8400 2199

Northern Territory office:

GPO Box 9820, Darwin NT 0801
Phone: 1300 653 227 (local call cost only)
Fax: 08 8936 6331

Further information can be obtained by contacting:

Money Management Branch
Department of Families, Housing, Community Services and Indigenous Affairs
PO Box 7576
Canberra Business Centre ACT 2610

or by emailing Financial.Management@fahcsia.gov.au

Local contact details for service providers are listed in funding agreements.