

## 2019 Financial Wellbeing and Capability Activity Redesign

In 2019, the Australian Government changed the Financial Wellbeing and Capability (FWC) Activity to ensure services aligned with the Government's policy priorities, were appropriately targeted to vulnerable people, and were based on a firm legislative footing. The Government is responsible for ensuring activities undertaken by organisations funded under the FWC Activity are aligned to a head of power in the Commonwealth of Australia's Constitution.

The Department of Social Services introduced eligibility criteria to ensure access to services were aligned to a Constitutional head of power as well as targeted to vulnerable people. These changes took place from 1 January 2019 and only applied to Commonwealth funded services. The eligibility criteria did not apply to other sources of funding such as state government funding.

Under the redesign, the total funding amount remained the same and FWC services continued to focus on vulnerable people and those most at risk of financial and social exclusion and disadvantage.

The FWC Activity includes the following services:

- Emergency Relief
- Food Relief
- Commonwealth Financial Counselling and Financial Capability
- National Debt Helpline
- Problem Gambling Financial Counselling
- Microfinance (Financial Resilience).

### **Eligibility**

From 1 January 2019, eligibility criteria was applied to clients accessing FWC services. As part of the changes, services were required to engage with potential clients to determine if they met the eligibility criteria. This provided an opportunity to identify underlying issues (such as mental health issues, housing instability or addiction), undertake triage processes and facilitate referrals to other support services, where appropriate. Services were required to confirm on an annual basis that clients have been eligible for assistance.

### **Emergency Relief**

The Emergency Relief grant supports community organisations to help with immediate basic needs for individuals and families in times of crisis. This includes providing food, supermarket vouchers, petrol vouchers or assistance to pay utility bills. Emergency Relief is available for people who are not able to pay a bill or are at imminent risk of not being able to pay a bill.

## **Food Relief**

The Food Relief grant aims to increase Commonwealth funded Emergency Relief providers access to a cost effective supply of food items, on a national scale, to provide food to eligible people.

## **Commonwealth Financial Counselling and Financial Capability**

### **National Debt Helpline**

### **Problem Gambling Financial Counselling**

These services help eligible people to address their financial problems, make informed choices and build longer-term capability to budget and manage their money.

Since 1 January 2019, services are available to people who are not able to pay a bill or at imminent risk of not being able to pay a bill.

Financial Capability services, which are delivered in conjunction with Commonwealth Financial Counselling services, help eligible people to build longer-term capability, to budget better, and make informed choices. Financial Capability workers deliver financial literacy education, information and coaching.

Eligibility to access Financial Capability is for:

- those in receipt of a Commonwealth social security benefit, allowance or payment
- newly arrived migrants/non-citizens (priority to be given to newly arrived refugees), and
- women experiencing family violence for the purpose of assisting these women to become financially independent.

## **Microfinance (Financial Resilience)**

Microfinance services provide access to safe and affordable financial products including no interest loans, microenterprise development loans and matched savings that are not available through mainstream providers of financial services.

The No Interest Loan Scheme (NILS) provides access for eligible people to loans, with no interest, fees or charges and a repayment period of between 12 to 18 months.

Eligibility to access NILS is defined as:

- people and couples with income/s at or below the single or partnered pension rate, where the person or couple is otherwise unable to meet their immediate and basic needs and has no other capacity to obtain financial support to satisfy their basic needs;
- women experiencing family violence for the purpose of assisting these women to become financially independent;
- parents and guardians on a low income with dependent children to ensure an adequate standard of living for their children; and
- persons with disabilities or their family members who are on a low income to support them with disability related expenses.

Community Development Financial Institutions (CDFI) services support participants to enhance workforce participation through increased business planning and workforce skills, development of sustainable microenterprises and creating opportunities for employment, including self-employment.

Eligibility to access CDFI services is restricted to:

- people in receipt of an unemployment benefit; and
- women experiencing family violence for the purpose of assisting these women to become financially independent.

Saver Plus is a matched savings program that provides participants with financial education training, personal guidance and support over a 10-month period.

Eligibility for Saver Plus is for those in receipt of a Commonwealth social security benefit, allowance or payment.