

Frequently Asked Questions: Changes to the Financial Wellbeing and Capability (FWC) Activity

Q: What is the focus of FWC activities?

A: The FWC Activity supports eligible individuals and families to navigate financial crises and build financial wellbeing, financial capability, and resilience. These activities help vulnerable people and those most at risk of financial and social exclusion and disadvantage.

Services included under the FWC Activity provide crisis support, broad financial capability building services, financial counselling and access to microfinance products. Services are free, voluntary and confidential, and are generally delivered by community organisations.

Q: Why has the FWC Activity changed?

A: The FWC Activity was redesigned in 2019 to ensure Commonwealth funding to services was appropriately targeted and aligned with the Government's policy priorities, while providing a firm legislative footing for this Activity.

The Government has a responsibility to ensure activities undertaken by organisations funded under the FWC Activity are aligned to a head of power in the Commonwealth of Australia's Constitution. To address this, eligibility criteria will be applied to all FWC sub-activities.

Q: Which FWC sub-activities formed part of the redesign?

A: The following sub-activities formed part of the redesign:

- Emergency Relief
- Food Relief
- Commonwealth Financial Counselling Capability
- National Debt Helpline
- Problem Gambling Financial Counselling

Q: What's different about the FWC Activity?

A: On 1 January 2019, eligibility criteria was applied for clients accessing FWC services. The eligibility criteria for Commonwealth funding ensured a nationally consistent approach for service delivery.

Q: How is the redesign improving service delivery?

A: These changes provided a consistent approach to assessing clients and identifying those most in need. This assessment also provided an opportunity for agencies to identify underlying issues for their clients (such as mental health issues, housing instability or addiction) and facilitate referrals to other support services, where appropriate.

Q: What are the eligibility requirements?

A: The following services are available to people who are not able to pay a bill or who are at imminent risk of not being able to pay a bill:

- Emergency Relief
- Commonwealth Financial Counselling and Capability
- National Debt Helpline
- Problem Gambling Financial Counselling.

Financial Capability services, which may include budgeting support and financial literacy workshops, will be available to:

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

Q: How will providers demonstrate to the Department they are applying the eligibility criteria?

A: Providers are required to provide assurance in their annual service statement that their service has applied the relevant eligibility criteria.

Q: Will services be required to use a screening tool?

A: No. Agencies decide what approach they use to apply the eligibility criteria. Service providers are best placed to determine if clients meet the eligibility criteria.

Q: Will the services change?

A: The eligibility criteria did not change the purpose of services under the FWC Activity. Providers need to apply the eligibility criteria for services funded by the Commonwealth for each service.

Q: Does “redesign” mean funding cuts?

A: The purpose of the redesign was to ensure services are appropriately targeted and aligned with the Government’s policy priorities, while providing a firm legislative footing. Overall funding for the FWC Activity did not change.

Q: Do applicants need to be on income support to access FWC services?

A: Eligibility for most FWC services is linked to an individual and their circumstances. Clients do not have to be in receipt of income support to access the following services:

- Emergency Relief
- Commonwealth Financial Counselling and Capability
- National Debt Helpline
- Problem Gambling Financial Counselling.

Eligibility for Financial Capability includes those in receipt of a Commonwealth social security benefit, allowance or payment, as well as other people in need.

Q: Do clients already need to be in debt to access Emergency Relief, Food Relief or Commonwealth Financial Counselling services?

A: No. Eligibility for these services includes those who are not yet in debt. The following services are available to people not able to pay a bill or at imminent risk of not being able to pay a bill:

- Emergency Relief
- Commonwealth Financial Counselling and Capability
- National Debt Helpline
- Problem Gambling Financial Counselling.

Service providers are best placed to determine if clients meet the eligibility criteria.

Q: Does the redesign mean that FWC services will have less of a focus on early intervention and prevention?

A: No. Services continue to be encouraged to implement strategies that reach eligible clients early and prevent or minimise financial problems.

Q: What does “unable to pay their bills, or at imminent risk of being unable to pay bills” mean?

A: Imminent risk takes its everyday meaning of “close” or “near”. Each organisation exercises its professional judgement to assess if this is the case for a presenting client. A bill can include (but is not limited to): food, utilities, medical expenses, or basic household goods.

Q: What if advice is sought from a third party on behalf of someone who meets the

eligibility criteria?

A: The eligibility criteria is applied to the person who will benefit from the support.

Q: Was there any consultation with stakeholders on the Activity's redesign?

A: In January 2017, a consultation process for the redesign commenced. This involved the public release of a discussion paper on the Department of Social Services website. Written submissions were invited in response to the discussion paper. Additionally, some face-to-face meetings were held with selected peak organisations.

Around 100 submissions were received. All submissions were analysed and considered in the development of the redesigned FWC Activity.