

What do financial counsellors do?

Financial counsellors provide advice and support to people in financial difficulty. They work mostly in welfare organisations, including gamblers help services, courts, prisons and hospitals. A number work mainly with indigenous communities. Services are delivered face-to-face or by phone through the National Debt Helpline on 1800 007 007.

In contrast to financial planners who provide wealth creation strategies, financial counsellors provide practical advice to help people who have debts and are struggling to meet ordinary living expenses. They are experts in consumer and social security law, bankruptcy law, industry hardship obligations/codes and working with industry ombudsmen, as well as being skilled counsellors.

How many people are assisted each year?

- **Face-to-face:** Approx 120,000 clients per year
- **National Debt Helpline** (1800 007 007): 160,000 calls per annum and growing

How effective is financial counselling?

- 66% resolve their financial difficulties
- 74% avoid legal action
- 53% avoid bankruptcy
- 63% improve their mental wellbeing
- 45% improve their physical health
- **Cost-Benefit:** \$5 return for every \$1 invested

FINANCIAL COUNSELLING

Who funds financial counselling?

Financial counselling is funded by both the Federal and State governments. The service is free so that people in acute financial difficulty get professional advice, without conflict of interest.

The Federal Government currently provides annual funding of approximately \$12 million for generalist financial counselling services, \$2.5 million per annum for the National Debt Helpline, (the phone financial counselling service) and \$6 million for specialist problem gambling financial counselling.

State Government funding is approximately \$26 million per annum.



What causes financial difficulty?

- Unemployment (or under-employment)
- Illness
- Relationship breakdown
- Low income or poverty
- Exploitive or unfair financial practices
- Addictions and mental health issues

How big is the problem?

- Based on the ratio of debt to either income or assets, around three-in-ten households (29%) are over-indebted (ABS)
- 9.7% of households could not pay an electricity or gas bill on time (ABS)
- 2,990,300 million people (13.3% of the population) are living below the poverty line (ACOSS)