

27 September 2024

Royal Commission into Domestic, Family and Sexual Violence
Government of South Australia
Via online portal

Dear Royal Commission into Domestic, Family and Sexual Violence,

Thank you leading a Royal Commission regarding the significant issue of domestic, family and sexual violence.

The South Australian Financial Counselling Association (SAFCA) is the peak body for Financial Counsellors in South Australia. We support financial counsellors to achieve the best possible outcomes for people experiencing financial difficulty and support the financial counselling sector to adopt and maintain best practice through professional development, advocacy and law reform within a social justice framework.

Financial Counsellors are skilled and qualified professionals who assist people experiencing financial difficulty by providing information, support and advocacy. Financial Counsellors have specific knowledge about the credit, bankruptcy and debt collection laws, concession frameworks and industry hardship practices. They are trained in negotiation and counselling, and offer emotional support when people need it.

Financial Counsellors help people to:

- Understand which debts are priorities
- Develop budgets and money plans
- Understand the pros and cons of different options to manage financial issues
- Access grants and concessions
- Advocate with creditors
- Access dispute resolution services
- Understand their rights and access legal help

Based in not-for-profit social service settings, community legal centres, and other outreach sites, their services are confidential, impartial, free, and available to everyone.

Financial counsellors play a vital role in supporting victim-survivors of domestic, family, and sexual violence. Their work is crucial in helping affected individuals regain financial independence and stability, which can be a significant barrier to leaving abusive situations and establishing safety.

There are a number of financial counsellors that work in roles where they specialise in supporting victim-survivors. In addition to this, it is a significant issue identified by financial counsellors generally when working with their clients, especially where there has been control over finances, debts taken out by a perpetrator in the client's name and much more. Financial Counsellors are reporting an increase in people utilising their services who are impacted by domestic and family violence, including what would be considered coercive control or economic and financial abuse.

While we are unable to respond to each of the questions in the discussion paper, SAFCA would like to offer the following feedback regarding the role of financial counsellors in the areas of early intervention, response, recovery and healing.





Early Intervention:

Financial counsellors play a crucial role in the early intervention of domestic, family, and sexual violence:

- Identifying warning signs: Financial counsellors are often among the first professionals to notice signs of economic abuse or financial control, which can be early indicators of domestic violence.
- Referral pathways: Financial counsellors have established strong referral networks with domestic violence services, enabling appropriate referral and support when they suspect a client is at risk.
- Financial independence support: By helping clients build financial wellbeing, financial counsellors may be able to reduce vulnerability to financial abuse and control.
- Debt and credit support: Early intervention by financial counsellors may assist to negotiate debts and even debt waivers as a result of abusive relationships to assist with the financial impact of the abuse.

Response

Financial Counselling services are responsive because they are flexible, with appointments available to support people over the phone, online and in person to accommodate a number of safety, convenience and resourcing needs. While financial counselling services generally triage urgent cases to support people as soon as possible, further resourcing of financial counselling services will assist to reduce waiting times to provide a quicker response.

Financial Counsellors have a good understanding of support services, working closely with legal services, housing support, and domestic violence services to provide relevant referrals.

To ensure a best practice response to domestic, family, and sexual violence, it is important that all workers on the front line of this issue (including financial counsellors) are well trained to support victim-survivors and also how they work with perpetrators. Ongoing training in areas such as (but not limited to):

- Implementing trauma-informed approaches
- Prioritising and understanding safety: Develop safety protocols for client interactions and information handling to protect victim-survivors from further harm.
- Regularly update knowledge on domestic violence practice, relevant laws, and support services.
- Cultural competence: Continuously build skills to work effectively with diverse communities

Recovery and Healing

Financial counsellors play a vital role in supporting recovery and reducing re-traumatisation:

- Help clients regain management of their finances, fostering a sense of empowerment and independence.
- Trauma-informed practice.
- Financial safety planning: Assist in creating financial strategies that can support safety and independence.
- Debt resolution: Work with creditors to resolve debts accrued during abusive relationships, reducing ongoing stress and financial hardship.
- Financial literacy education: Provide knowledge to build confidence and skills.
- Advocacy: Act as advocates with financial institutions, utilities companies, plus other services and creditors, reducing the need for clients to repeatedly recount traumatic experiences.
- Holistic support: In addition to supporting financial wellbeing, Financial Counsellors also promote personal wellbeing by listening and support their clients, referring to other support service options as appropriate.



Please refer to Attachment 1, which provides a brief case study of how a financial counsellor assisted a victim-survivor. This is just one example, but there are so many more that financial counsellors see every day. This particular example demonstrates the importance of the role of the financial counsellor working with financial institutions and negotiating and advocating for their client.

Summary

- Financial Counsellors are well placed to support early intervention, response, recovery and healing.
- Ongoing relevant training is important for all front-line workers.
- Connections between services in the whole system – community services, specialist services, legal services, businesses (and others) could help promote a holistic response.
- Further funding for front line services such as financial counselling can help reduce waiting time for support and provide earlier intervention.
- Integrating financial counselling services with other support services such as housing, health, mental health and others may also support earlier intervention.

Thank you for the opportunity to submit this feedback. If you would like to discuss any aspect of this response further, you are welcome to contact me on [REDACTED]

Yours sincerely,



Kate Fox
Executive Officer



Attachment 1

Case Study

██████ presented for Financial Counselling at a community service organisation in metropolitan Adelaide. She and her two pre-school aged children had recently left a violent relationship and had moved from regional Victoria to Adelaide to be near family.

At her first financial counselling appointment Jenny shared with the Financial Counsellor she was servicing a joint personal loan with her ex-partner of \$25,000. In addition to the personal loan, she was also paying the mortgage of the house her ex-partner was still living in. Her partner was not contributing to either of the debts nor were they supporting the children financially, including not paying child support.

██████ was unable to find employment and was struggling to keep up with the bills. She was keen to enrol in a university degree, but needed to sort out her finances and find suitable accommodation for her and her children to live before she could do this.

The Financial Counsellor negotiated with the bank on ██████ behalf to waive the \$25,000 personal loan completely. The mortgage was more difficult to negotiate as ██████ ex-partner was not replying to correspondence and eventually was unable to be found. With ██████ approval the bank foreclosed on the house and sold it for less than was owing on the mortgage, however this meant ██████ was no longer in financial stress trying to pay a mortgage on a house she could not afford or a house in an area that was no longer safe for ██████ and her children to live. Following the sale of the house, the Financial Counsellor continued negotiating with the bank to waive the shortfall on the sale of the house, which they did.

Approximately two years after ██████ case was closed, she contacted the financial counsellor to tell them how well she was going at university. She was achieving high grades, had obtained part-time employment while she studied, and her children were doing well in school and pre-school.

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