

FINANCIAL COUNSELLORS — FUNDING

Grievance

MS M.M. QUIRK (Girrawheen) [9.40 am]: My grievance is to the parliamentary secretary representing the Minister for Child Protection and concerns the failure to understand the implications of savage cuts to funding for financial counsellors. Despite the minister telling the media on the weekend that government would not back down, we ask the government to reconsider its flawed decision. Failure to do so will unnecessarily consign many Western Australians families to a debt spiral from which they will be unable to recover. I acknowledge a number of financial counsellors in the gallery. On behalf of the community, I thank them for the valuable and important work that they do. They know implicitly what the government is not prepared to acknowledge—that replacing often lengthy personal contact with an enhanced phone service or online contact in the interests of efficiency is not a viable substitute. They know that substantially reducing capacity has serious consequences. They know from research recently undertaken by the University of Adelaide that the benefit–cost ratio of financial counselling services generates \$5 in benefits for every \$1 of cost. We are mindful that financial counselling services already had cuts in the 2014–15 budget resulting in staffing reductions. With this year’s more substantial withdrawal of funding, it is estimated that approximately 50 financial counsellors will lose their jobs. Many services may need to close altogether. Some services have been serving their local communities for 20 years or more. This withdrawal of funding will inevitably put more pressure on local governments in the future, especially in the Cities of Wanneroo, Joondalup, Stirling, Fremantle and Cockburn. In addition, rural financial counselling services have a 12-month reprieve, but it is unclear what will happen at the end of this time.

Many circumstances can lead to debt requiring the intervention of a financial counsellor: loss of income due to severe illness, unemployment, family breakdown and violence, economic inflation, decreased housing affordability, increased rental costs, and rising food and utility costs. It may be due to behavioural factors such as excessive spending, credit use and debts, a lack of budgeting skills, gambling, drug and alcohol problems, and factors such as low socioeconomic status and predatory credit practice. These are a number of things that financial counsellors assist with. They negotiate debt reductions, moratoriums or waivers, access to hardship programs and grants, avoidance of bankruptcy, avoidance or curtailment of legal actions, improvement in financial literacy, stabilised housing and improvement in health and wellbeing, including possible suicide prevention. This kind of assistance could not be readily addressed in one or two brief phone conversations. After the initial appointment, much time is spent in follow-up and negotiation. Had the minister fully appreciated the amount of work involved in these cases, she would never have appeared in the media last weekend with ludicrous claims of inefficiency, claiming that counsellors saw too few clients. I know that in the City of Wanneroo, for example, over 600 clients were seen in the last six months of 2014 and that there was often a waiting list of more than a week before a counsellor could be seen, such is the demand. Many of my colleagues are able to produce statistics and case studies that demonstrate both the work ethic and the effectiveness of counsellors. Our concerns are that in the absence of access to counselling, the rise of predatory lending practices now routinely advertised on TV might seem a way out for the desperate. *Choice* consumer magazine has highlighted that the annual comparison rate for a two-week \$250 payday loan from a well-known lender is 742 per cent. Another charges the maximum allowed by law—a 20 per cent establishment fee, plus four per cent interest a month, which translates to 92 per cent annually if compounded monthly—and also charges \$35 for missed repayments and \$7 a day until the overdue debt is cleared.

It is ironic that the department is rebranding as “Child Protection and Family Support”, yet such valuable support is being withdrawn from families. The rationale for these cuts is a focus on both effectiveness and efficiency, and to line up with the department’s statutory obligations of protecting children and supporting the most vulnerable in our community. If the department is refocusing on child protection, I remind members that the outcomes of unmanaged debt include homelessness; a lack of money for essential food, clothing and utility bills; and aggravation of depressive illness. All these will directly and adversely impact on the wellbeing of children. The Children’s Society in the United Kingdom, in a 2014 study on the impact of debt on children, also noted that families trapped in problem debt are more than twice as likely to argue about money problems, leading to stress on family relationships and causing emotional stress for kids who worry about whether their family has enough money. The study found that the presence of problem debt also damages kids’ relationships with their peers as they are embarrassed because they lack the things their peers have, and many are bullied as a result. That problem debt can also lead to children facing difficulty in school, with a danger that it may have a long-term detrimental impact on their prospects. Problem debt can also have a profound impact on the ability of children to engage in social activities as their parents find it hard to pay for them.

There has been a unanimous community backlash. Anglicare WA’s chief executive officer, Ian Carter, told the media that —

Ms Margaret Quirk; Ms Andrea Mitchell; Mrs Michelle Roberts; Mr David Templeman; Mr John Day; Speaker;
Mr Bill Johnston

“It’s one of the worst decisions I’ve seen in my entire career and I’m still reeling from it,” ...

“My team are just remarkable and I know many of the personal stories where they have turned families around in a few sessions.

...

“The cost will appear in relationship breakdowns, bankruptcy, a whole range of other issues, including, at the extreme end, an increase in family and domestic violence.”

Financial Counsellors’ Association of Western Australia executive officer Charlie Brown said that the Barnett government was effectively creating fires and taking away fully trained firemen. Kate Davis from Tenancy WA explained that it will —

... routinely refer clients to financial counselling in an effort to better manage their limited finances, in order to prevent homelessness. Tenant Advocates need to show a Court evidence that the tenancy can be sustained, without the budgeting work of a financial counsellor ...

And so it goes on. I implore the parliamentary secretary to make representations to the minister to restore vital counselling funding. I will leave members with a thought: a hardness to change reveals a hardness of heart.

[Interruption from the gallery.]

The SPEAKER: You are quite entitled to sit in the gallery and listen to the proceedings, but you are not entitled to clap, shout or make a noise. Thank you.

MS A.R. MITCHELL (Kingsley — Parliamentary Secretary) [9.47 am]: I thank the member for the grievance. Let me say at the outset that this situation could have been and should have been handled a lot better—there is no question about that—and that has been acknowledged. I will take a little time to give a bit of the background to the subject so that people are aware of the situation and understand what has happened. The member has referred to the fact that the Department for Child Protection and Family Support is undertaking an organisational review and a realignment. We have all acknowledged, and this government has proudly supported, this sector because of the increase in services that have been, are and will be required. However, that does not mean that that organisation can just keep doing the same thing that it has always done. That review is being undertaken, and one of the outcomes of that review has been brought forward through this decision, which is one that I will need to give more background on. Firstly, financial counsellors work in a couple of ways throughout the Department for Child Protection and Family Support. The first one is through the hardship utility grant scheme. That was a budgetary decision made earlier, and it was done in consultation with the Partnership Forum, which I will refer to later. We are well aware of that. In that case, instead of a person seeing a financial counsellor, who was a sort of intermediary between the person and the service provider—the agency that sent the bill that the person was having difficulty paying—support was provided for that person in working through the system. Rather than having a double-up, the person did that just once. That process was planned for and dealt with.

The second part came with financial counsellors and that was a separate area within the Department for Child Protection and Family Support. Funding was received through a number of agencies, but also with the Financial Counsellors Association of Western Australia, so a number of organisations were involved including the Financial Counsellors Association. It also became apparent that within the Financial Counsellors Association of Western Australia there were five FTEs—I am not sure whether they are actually full-time positions—who were not involved with financial counselling. They were more involved in the administration—that is, training people within the service and that sort of thing—and perhaps that was not the best use of those funds. There was also a need to continue investigating what their core business was and whether this service was able to be provided, or was being provided, through other means, and it certainly was. It was being provided through the commonwealth of government, which works through Centrelink for starters, but financial support was also being provided to many of the same organisations. Services were being provided and there was opportunity for support through the commonwealth government and their own means as well. It was evident that there was a way this could perhaps be rationalised and that was what was worked through. One of the other things —

Mrs M.H. Roberts interjected.

The SPEAKER: Member for Midland!

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro!

Mrs M.H. Roberts interjected.

Ms Margaret Quirk; Ms Andrea Mitchell; Mrs Michelle Roberts; Mr David Templeman; Mr John Day; Speaker;
Mr Bill Johnston

The SPEAKER: Member for Midland!

Ms A.R. MITCHELL: One of the other things that became clearer as more investigation was done into the system was that sometimes the counselling service or person actually became the case manager—as in looking after the whole family all the time. That was not the intent of the process, so what was considered to be something to get people started may still have continued on for a very long time.

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro!

Ms A.R. MITCHELL: Therefore, it could possibly be suggested—I am not referring to any particular counsellor—that their work was not achieving outcomes it was supposed to, which is to get people back on their feet, to be able to operate, to be able to work —

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale, I call you to order for the first time.

Mr P.B. Watson interjected.

The SPEAKER: Member for Albany, I call you to order for the first time.

Ms A.R. MITCHELL: The outcome of those investigations has seen that there are 26 services and 21 organisations that will be affected in the metropolitan area. At the same time, services will continue in regional areas and the telephone service will continue to operate, as will the web chat run by the Financial Counsellors Association.

Ms L.L. Baker interjected.

The SPEAKER: Member for Maylands!

Ms L.L. Baker interjected.

The SPEAKER: Member for Maylands, I call you to order for the first time. I want to hear what the parliamentary secretary has to say and so do people in the gallery.

Ms A.R. MITCHELL: It is most unfortunate that the timing has been difficult because the contracts for that service close on 30 September. Something needs to be done quite quickly and that is what has been done.

Ms L.L. Baker interjected.

The SPEAKER: Member for Maylands!

Ms A.R. MITCHELL: Two people will be included to help with the telephone service at the moment and commonwealth support will continue. It is also very regrettable that the —

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale, do you want me to call you a second time?

Dr A.D. Buti: Not really.

The SPEAKER: Okay, keep quiet.

Ms A.R. MITCHELL: Mr Speaker —

Ms J.M. Freeman interjected.

The SPEAKER: Member for Mirrabooka, I call you to order for the first time.

Ms A.R. MITCHELL: This matter is being taken very seriously and, as I said, one regret is that we have had to work quickly.

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro, I call you to order for the first time. This is outrageous.

Several members interjected.

The SPEAKER: Member for Mandurah!

Ms A.R. MITCHELL: I wish to get to the point of explaining what is going on, given the time I have left.

Several members interjected.

The SPEAKER: Member for Albany, I am putting you on notice now.

Ms Margaret Quirk; Ms Andrea Mitchell; Mrs Michelle Roberts; Mr David Templeman; Mr John Day; Speaker;
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Ms A.R. MITCHELL: I apologise to the people in the gallery if I cannot get to the point of responding to the queries. It is my intention to do so if I am given the opportunity. The Western Australian Council of Social Service and the organisations met with the minister on Monday this week and looked to the best way forward, the decisions made and how that can be worked. That process is now ongoing. WACOSS and its members are looking at ways it can move forward using the funds allocated in the best possible way. That is being done very quickly and involving the organisation. As I said, we are very proud of the Partnership Forum; we are very proud of its effectiveness and how it has worked well for the sector. Until that report on the model that will best serve for the future and the other situation comes back to the minister —

The SPEAKER: Time please, thank you.

Standing Orders Suspension — Motion

MRS M.H. ROBERTS (Midland) [9.55 am] — without notice: I move —

That so much of standing orders be suspended as to allow the parliamentary secretary up to another 10 minutes to conclude her response to the grievance.

The SPEAKER: Parliamentary secretary, do you require any more time?

Ms A.R. Mitchell: No.

The SPEAKER: No, you do not. I thank you for that. Member for Joondalup.

Several members interjected.

The SPEAKER: We should deal with this appropriately. The question is that the motion be agreed to. Member for Mandurah, you are entitled to speak to the motion.

MR D.A. TEMPLEMAN (Mandurah) [9.56 am]: I have great respect for the parliamentary secretary, so I do not hold her personally responsible for this. This morning we have an appalling situation faced by many, many Western Australians in many communities throughout the state who are bearing the brunt of the effect of this government's cuts to services and increases to the cost of living. This government is having a very real effect on some of the most vulnerable people in the state. We have seen this morning in the grievance presented by the member for Girrawheen a very clear articulation to the government of the day that these cuts that have been announced that will affect financial counselling in the state will have a very real impact on the most vulnerable people in our communities. It is absolutely the responsibility of this government to hear not only the plea by the member for Girrawheen on behalf of many people in the gallery this morning, but also on behalf of the thousands of people who need crucial financial counselling services. That plea must be heard. In the last minute of her response, the parliamentary secretary indicated that she was apologising that she was not able to give the full information that she wanted to. I believe that the motion we have moved will allow the parliamentary secretary to give a very clear indication about why she is now delivering to this place the feeble words of the minister. This is not a personal reflection on the parliamentary secretary. I have a great deal of respect for her, but I know that in her heart she understands that the grievance this morning is a very real plea to the government to listen to the people who we know will be affected by these cuts.

Why should we not hear this clear explanation? We know that the government has already had its conscience pricked on this issue because the back-peddalling and comments have started. But today the parliamentary secretary, on behalf of the Minister for Child Protection, should be making a very clear statement that the government now understands why so many people have come along to Parliament this morning and are in the public gallery. These are the people who see the most vulnerable in our communities. These are the people who understand what it means when people cannot make ends meet. These are the people who see in our communities those who feel hopeless about the state of their financial circumstances. These are the people who might spend a couple of hours with one or two people for good reason, the good reason being that those people may even contemplate suicide because of the situation they are in. That is a real, real issue. There are people in our communities in Western Australia who, when faced with the hopelessness that they see, have a personal contact, a real person—not someone on the end of a telephone line—who sits down with them and can map out a way forward. They are people in our electorates. Liberal members have them in their electorates. They are not confined only to Labor electorates. They are in every community in Western Australia. There is an obligation on behalf of members opposite, those backbenchers from the Liberal Party and those members of the National Party who are not even in this place, to start standing up for the people who are the most vulnerable. That is why we have moved to extend the time for the parliamentary secretary to respond. Yes, we did interject and maybe we were not parliamentary, Mr Speaker. You said yourself that this was an outrage. We agree with you that this is an outrage. However, this motion now says to the parliamentary secretary, "Right; respond." These people have given up their time to come here this morning. She wanted to spend most of the time going through the background. We already know that. We want to know what the government is going to do about the situation it faces. The example this morning is an example of why the people of Western Australia are increasingly seeing

Ms Margaret Quirk; Ms Andrea Mitchell; Mrs Michelle Roberts; Mr David Templeman; Mr John Day; Speaker;
Mr Bill Johnston

the Premier of the state out of touch, arrogant and disdainful of the most vulnerable people. It is the reason that this Premier and this government are now being seen by more and more people as mean and absolutely out of touch. I have said to the people in this place before, the backbenchers of the Liberal Party, “Be it on your heads. Stand up against this person. Stand up against this Premier and start to say that the actions of this government are affecting the most vulnerable.” The people in this place in the public gallery, Mr Speaker, are trying to do their very best to help them. Keep on funding these people. Keep on funding them because they are absolutely making a difference to the most vulnerable Western Australians in this state.

[Interruption from the gallery.]

The SPEAKER: Members of the gallery, I have already warned you; now, please, thank you.

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park, I call you to order for the first time. Right, Leader of the House.

Question to be Put

MR J.H.D. DAY (Kalamunda — Leader of the House) [10.03 am]: I move —

That the question be now put.

Division

Question put and a division called for.

Bells rung and the house divided.

Several members interjected.

The SPEAKER: Thank you; that is enough.

Several members interjected.

The SPEAKER: Member for Cannington! Member for Warnbro, I call you to order for the second time.

Point of Order

Mrs M.H. ROBERTS: Mr Speaker, can I inquire about whether the Premier asked you to give Hon John Day the call next so that he could move the gag?

The SPEAKER: No, he did not, quite frankly. I do not have to answer that, but he did not.

Several members interjected.

The SPEAKER: Sit down, please! Member for Midland, I want you to come and see me in my office afterwards and then I will talk to you about it, okay; thank you.

Several members interjected.

The SPEAKER: Member for Armadale!

Several members interjected.

The SPEAKER: Member for Warnbro, you are going to be asked to leave.

Division Resumed

The division resulted as follows —

Ayes (32)

| | | | |
|-------------------|------------------|--------------------|------------------------------------|
| Mr P. Abetz | Ms W.M. Duncan | Mr A.P. Jacob | Mr N.W. Morton |
| Mr F.A. Alban | Ms E. Evangel | Dr G.G. Jacobs | Dr M.D. Nahan |
| Mr C.J. Barnett | Mr J.M. Francis | Mr S.K. L'Estrange | Mr D.C. Nalder |
| Mr I.C. Blayney | Mrs G.J. Godfrey | Mr R.S. Love | Mr J. Norberger |
| Mr G.M. Castrilli | Mr B.J. Grylls | Mr W.R. Marmion | Mr D.T. Redman |
| Mr V.A. Catania | Dr K.D. Hames | Ms L. Mettam | Mr M.H. Taylor |
| Mr M.J. Cowper | Mrs L.M. Harvey | Mr P.T. Miles | Mr T.K. Waldron |
| Mr J.H.D. Day | Mr C.D. Hatton | Ms A.R. Mitchell | Mr A. Krsticevic (<i>Teller</i>) |

Extract from *Hansard*
[ASSEMBLY — Thursday, 18 June 2015]
p4653a-4658a

Ms Margaret Quirk; Ms Andrea Mitchell; Mrs Michelle Roberts; Mr David Templeman; Mr John Day; Speaker;
Mr Bill Johnston

Noes (17)

| | | | |
|------------------|----------------|--------------------|-------------------------------------|
| Ms L.L. Baker | Mr F.M. Logan | Mrs M.H. Roberts | Mr B.S. Wyatt |
| Dr A.D. Buti | Mr M. McGowan | Ms R. Saffioti | Mr D.A. Templeman (<i>Teller</i>) |
| Ms J. Farrer | Ms S.F. McGurk | Mr C.J. Tallentire | |
| Ms J.M. Freeman | Mr P. Papalia | Mr P.C. Tinley | |
| Mr W.J. Johnston | Ms M.M. Quirk | Mr P.B. Watson | |

Pairs

| | |
|-----------------|-----------------|
| Ms M.J. Davies | Mr R.H. Cook |
| Mr A.J. Simpson | Mr M.P. Murray |
| Mr J.E. McGrath | Mr D.J. Kelly |
| Mr I.M. Britza | Mr J.R. Quigley |

Question thus passed.

Standing Orders Suspension — Motion Resumed

The SPEAKER: Now I have to put the question. The question is the motion moved by the member for Midland that so much of standing orders be suspended. As this is a motion without notice to suspend standing orders, it will need an absolute majority in order to succeed. If I hear a dissentient voice, I will be required to divide the Assembly.

Point of Order

Mr W.J. JOHNSTON: Mr Speaker, what is the motion exactly? Can you read it out?

The SPEAKER: The motion is as has been put by the member for Midland.

Mr W.J. JOHNSTON: Can you read out the motion?

The SPEAKER: The member for Midland has moved that so much of standing orders be suspended as to allow the parliamentary secretary up to another 10 minutes to conclude a response to the grievance.

Division

Question put and a division taken with the following result —

Ayes (17)

| | | | |
|------------------|----------------|--------------------|-------------------------------------|
| Ms L.L. Baker | Mr F.M. Logan | Mrs M.H. Roberts | Mr B.S. Wyatt |
| Dr A.D. Buti | Mr M. McGowan | Ms R. Saffioti | Mr D.A. Templeman (<i>Teller</i>) |
| Ms J. Farrer | Ms S.F. McGurk | Mr C.J. Tallentire | |
| Ms J.M. Freeman | Mr P. Papalia | Mr P.C. Tinley | |
| Mr W.J. Johnston | Ms M.M. Quirk | Mr P.B. Watson | |

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| Mr P. Abetz | Ms W.M. Duncan | Mr A.P. Jacob | Mr N.W. Morton |
| Mr F.A. Alban | Ms E. Evangel | Dr G.G. Jacobs | Dr M.D. Nahan |
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| Mr I.C. Blayney | Mrs G.J. Godfrey | Mr R.S. Love | Mr J. Norberger |
| Mr G.M. Castrilli | Mr B.J. Grylls | Mr W.R. Marmion | Mr D.T. Redman |
| Mr V.A. Catania | Dr K.D. Hames | Ms L. Mettam | Mr M.H. Taylor |
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Pairs

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Question thus negatived.