



## **Devastating impact of cuts to financial counselling predicted.**

Representatives from community legal centres across Western Australia have expressed alarm about the impact which the State Government's decision to cut financial counselling services will have on the vulnerable and disadvantaged clients that they see.

Helen Creed, Executive Director of the Community Legal Centres Association of WA, said that financial counselling assisted clients with budgeting, negotiating with institutions such as banks, utility companies and housing providers as well as assistance with navigating financial hardship applications and bankruptcy.

Four metropolitan community legal centres (Fremantle, Gosnells, Sussex Street and Youth Legal Service) will lose their funding for financial counsellors from October this year, with three regional centres (Geraldton, Pilbara and Kimberley) only given funding for one year.

"While a number of community legal centres directly employ financial counsellors, others will also be affected as financial counselling is often a critical aspect of assisting people with legal problems." Helen Creed said today.

As Kate Davis, from Tenancy WA explained: "Tenancy WA and the network of Tenancy Advocates across WA 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, more tenants will face eviction to homelessness."

Similarly, the cuts make no sense to Lesley Kirkwood, the Manager of the Women's Law Centre "Some clients get told by DCPFS that they have to see a financial counsellor as part of the conditions of having their children returned to their care; it is the same Department that is cutting the funding."

Faith Cheek from the Consumer Credit Legal Service of WA explained that they constantly refer their clients to financial counsellors and work with financial counsellors to thrash out issues before they offer direct help to their clients.

"Usually financial counsellors' clients have battled for a while through a myriad of other personal challenges before they get meaningful help with their financial issues. If there is no financial counselling help for such consumers, their financial problems will simply fester and develop into far worse situations. It goes without saying that these situations would cost the public purse much more in the long term."

Cheryl Cassidy-Vernon, Director of the Youth Legal Service helps young people caught up in spiralling debt. "Without help with budgeting, negotiation with creditors, advice about the economic impediment of bankruptcy, our young clients are doomed to entrenched disadvantage" she said today.

"Community legal services across WA call on Minister Morton to reconsider this decision and recognise the role that financial counselling plays in helping people with their financial issues and preventing more drastic problems." Helen Creed concluded.

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Ms Creed can also provide contact details for any of the Community Legal Centres referred to in this release.

The Community Legal Centres Association (WA) Inc is the peak body for community legal centres. Located throughout the state, community legal centres are independent, non-profit organizations who provide legal services to disadvantaged and vulnerable people or those on low incomes who are ineligible for legal aid.