FCVic
Financial Counselling Victoria Inc.

Tuesday 9 September 2025

Commissioner Dr Alison Roberts, Commissioner Martin Stokie and Commissioner Dr Angela Jackson
Productivity Commission
Via email: 5pillars@pc.gov.au

Dear Commissioners,

RE: Delivering quality care more efficiently – Interim report

Financial Counselling Victoria (FCVic) welcomes the opportunity to respond to the Commission's Interim Report on 'Delivering quality care more efficiently'. As the peak body for financial counsellors in Victoria, we have a front-row seat to understanding how the cost-of-living crisis is eroding household stability. Debt-related distress is escalating, with calls to the National Debt Helpline in Victoria rising by 179 per cent in the first half of 2025 compared with 2021. The human toll is profound.

We strongly support the development of a National Prevention Investment Framework and emphasise that financial counselling is a proven, high-value prevention service that delivers both economic and social returns.

Financial counselling is one of the most effective prevention social services available. It is free, independent and non-judgemental. Financial counsellors prevent eviction, negotiate debts, reduce family violence risks, support small businesses, and help disaster-affected households rebuild. These interventions avert far higher downstream costs to government and society in housing, justice, health and social services. The cost-benefit of financial counselling has previously been calculated at a return of between \$5.00[1] to \$7.10[2] for every \$1.00 invested.

Upcoming research conducted by FCVic indicates that this previous calculation of economic and social return on investment is still current. We expect to have this research paper published in the next month and would be keen to engage further with the Productivity Commission on its contents. In the interim, we encourage the Commission to liaise with Consumer Affairs Victoria as the funder of this research to discuss receiving an early copy of the research to inform your ongoing work through this inquiry.

Underfunding financial counselling is a false economy. Every day people are turned away from a proven prevention service that could prevent homelessness, reduce suicide risk, and protect families. Without investment, government costs will escalate. With investment, Victoria and Australia can reap guaranteed returns through stronger communities, improved wellbeing, and reduced demand on crisis systems.

Embedding financial counselling within prevention planning ensures that governments act early, reducing both human harm and fiscal burden. We would support an independent Prevention Framework

[1] Mahmoudi, P., Hordacre, A-L., & Spoehr, J. (2014, Feb). Paying it Forward: Cost benefit analysis of The Wyatt Trust funded financial counselling services. WISeR, The University of Adelaide. https://wyatt.org.au/wp-content/ uploads/2018/03/Wyatt-WISeR-Financial-Counselling-Cost-Benefit-FINAL.pdf
[2] Price AMH, White N, Burley J, et al. Feasibility of linking universal child and family healthcare and financial counselling: findings from the Australian Healthier Wealthier Families (HWF) mixed-methods study. BMJ Open. 2023;13(11):e075651.

Advisory Board with representation from community service sectors such as financial counselling. Governance of the Framework should mandate transparent, regular economic and social return on investment assessments, supported through co-funding and streamlined reporting and data analysis arrangements across jurisdictions.

Commissioners, I would welcome further discussion on the opportunity presented by early investment into financial counselling as part of the National Prevention Investment Framework, recognising is as a cornerstone of effective, efficient prevention. Please contact FCVic's Advocacy Manager Amanda Chan on [redacted] to arrange a time to meet.

Regards,

[redacted]

Zyl Hovenga-Wauchope
Chief Executive Officer
Financial Counselling Victoria