



Law Council  
OF AUSTRALIA

Office of the President

20 March 2019

Ms Louise Sylvan AM  
Financial Counselling Review  
Department of Social Services  
GPO Box 9820  
Canberra ACT 2601

By email: [Financial.Counselling.Review@dss.gov.au](mailto:Financial.Counselling.Review@dss.gov.au)

Dear Ms Sylvan

### Review of the Coordination and Funding of Financial Counselling Services

1. The Law Council welcomes the opportunity to contribute to the Department of Social Services' review of the coordination and funding of financial counselling services across Australia (**the Review**).
2. At the present time, the Law Council does not wish to make substantive submissions to this Review, but rather highlight the synergies and complementary interactions between financial counselling services and the legal assistance sector.
3. The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**) found that there is an 'asymmetry of knowledge and power between consumers and financial service entities'.<sup>1</sup> While the Final Report of the Royal Commission recommended the simplification of financial services laws, it widely acknowledged that financial service law will always involve a measure of complexity.<sup>2</sup>
4. As a result of this complexity, matters which arise within financial disputes can often be difficult for individual consumers to articulate or to progress without legal assistance. As noted in the Issues Paper accompanying the Review, financial counselling may connect with or complement other support that assists in improving client outcomes, including legal assistance services.<sup>3</sup>
5. The benefits of collaboration between the legal assistance sector and financial counselling services was most recently highlighted in the final report of the Royal Commission, as was the difficulty each of these sectors face in meeting demand for their services.<sup>4</sup> The challenge for the legal assistance sector in meeting civil law needs has also been well-documented in the Productivity Commission's 2014 report

---

<sup>1</sup> *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Final Report, February 2019) vol 1, 490.

<sup>2</sup> *Ibid*, 491.

<sup>3</sup> Department of Social Services, '*Issues Paper: Review of the coordination and funding of financial counselling services across Australia*' (2019), 2.

<sup>4</sup> *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Final Report, February 2019) vol 1, 491-2.

'Access to Justice Arrangements',<sup>5</sup> in addition to the Law Council's 2018 national review into the state of access to justice in Australia, 'The Justice Project'.<sup>6</sup>

6. The Justice Project highlighted the benefits of collaborations between legal and non-legal services across a range of areas, and this is seen as an important means of addressing fragmentation by enabling clients to better access holistic, comprehensive support. This extends to collaboration between legal assistance providers and financial counsellors.
7. The legal assistance sector has been pioneering multi-disciplinary servicing collaborations for some time and joined-up servicing is integral to its future. In the financial counselling space, there are a small number of specialist community legal centres with a focus on the rights of consumers, and who also provide legal support and training to financial counsellors.
8. Noting the need for improved resourcing of services such as these, the Law Council is supportive of the proposal contained in the joint submission by Financial Counselling Australia and the National Association of Community Legal Centres to the Royal Commission, which calls for the creation of a properly funded network of community financial counselling and community legal services.<sup>7</sup>
9. It is submitted that consideration for this proposal to boost funding for community financial counselling and community legal services should form part of the current Review.

Thank you for the opportunity to provide comments to the Review. Please contact Dr Natasha Molt, Director of Policy, on (02) 6246 3754 or at [natasha.molt@lawcouncil.asn.au](mailto:natasha.molt@lawcouncil.asn.au) in the first instance, if you require further information or clarification.

Yours sincerely



**Arthur Moses SC**  
**President**

---

<sup>5</sup> Productivity Commission, *Access to Justice Arrangements*, Inquiry Report No 72 (2014).

<sup>6</sup> Law Council of Australia, *The Justice Project: Final Report* (August 2018).

<sup>7</sup> Available at:

<[www.naclc.org.au/resources/20181026%20NACLC%20and%20FCA%20Banking%20RC%20Submission\\_2.pdf](http://www.naclc.org.au/resources/20181026%20NACLC%20and%20FCA%20Banking%20RC%20Submission_2.pdf)>.