



Financial Stress

Financial stress is defined as the difficulty that an individual or household may have in meeting basic financial commitments due to a shortage of money.

DID YOU KNOW?

Financial stress can impact on anyone – there is no formula to determine who may need to access practical support from a community organisation. **Unexpected events - a large bill, family & domestic violence, or a major natural disaster - can trigger financial stress.**

Families in ongoing financial stress often live from week to week with no chance of saving for a large bill or emergencies.

The cost of living is an issue of growing public concern (eg electricity prices), but it is people on low incomes who have been hardest hit by recent price increases. Targeted assistance is needed to ensure people on low incomes can continue to make ends meet:

- individuals, couples & families from all age groups may need to seek support from services for a range of services such as financial emergency relief, food, clothing, furniture, energy vouchers, firewood and hot meals. **One symptom used by some services & agencies when determining financial stress**

is when a household has the inability to raise a moderate sum of money to deal with an emergency of the kind created to pay an unexpected bill.

SEIFA - the Index of Relative Socio-Economic Disadvantage - shows that Katoomba Township is the most disadvantaged Area (934.3) sitting below the standardised mean score of 1000 with the highest proportion of low income households in Blue Mountains City (low income households refer to those receiving less than \$600 per week before tax) (2011 Census).

The City of Blue Mountains in general is more advantaged than WESROC's area (998.8), & NSW (1015.36). **The socio-economic pattern is that Areas are progressively worse off - on a range of indicators - on a continuum from Lower to Upper Mountains. However, there are 'hidden' households in every Blue Mountains settlement struggling to make it through each week.**

Our Goals

- Provision of a coordinated response of services delivering practical support to those vulnerable in our community, thus reducing the necessity for people to repeat their stories, or experience inappropriate referral to other services.
- Provision of nutritious food options or community meals to individuals and families unable to access food (either food parcels or a warm meal).
- Partnerships with businesses and other organisations to educate & collaborate on responses to financial stresses, thus encouraging a caring and proactive community.
- Educating & informing the community to promote effective referral pathways to service programs supporting those experiencing financial disadvantage.
- Advocating, and influencing funding opportunities for support services - thus ensuring sustainability of local services rather than larger charity organisations which don't have Blue Mountains knowledge and networks already established.
- Provision of an overall community response to financially stressed families by providing, where possible, financial or other assistance. This would in turn reduce immediate financial pressures, so support for families around parenting and other issues is then undertaken (aimed at reducing children's vulnerabilities).

What We're Doing to Achieve Our Goals

- **Continued advocacy representing those in need, and being flexible and creative in seeking funding sources** for this client group; plus creating opportunities for information-sharing about financial & practical programs available to vulnerable people.
- **Successful and ongoing partnerships between** Upper, Mid- and Lower Mountains services to distribute emergency relief support to people that may be geographically isolated – eg East Blaxland, Winmalee and Katoomba:
 - **the efficient, coordinated & whole-of-community response by the BM community services to the 2013 bushfires – both in immediate relief and ongoing Recovery – clearly demonstrated the efficacy of this approach.**
- **An elderly couple ('Fred' & 'Lily') accessing energy vouchers and financial assistance at a local service, informed the intake worker that they had taken to going to bed in winter as early as 4 pm, so they were able to keep warm under blankets rather than using heaters that would increase their energy bills.**
- **As there is a severe shortage of affordable housing in the BM** (and in NSW), it is not surprising that **all services report an increase in the number of people identifying as homeless or at risk of homelessness, and that larger numbers than ever before are accessing community services seeking assistance with basic food, blankets and clothing.**

Roger's Story

'Roger', an Aboriginal man, accessed financial emergency relief from Blue Mountains Family Support Service to purchase food. During the drop in/intake assessment process he discussed the need for permanent housing and support with drug & alcohol issues. 'Roger' had recently been released from prison & had been staying with friends, couch-surfing; however, this arrangement had ceased a few days earlier and he had been sleeping on the streets the past few nights. He had tried to access support from a service he had previously visited upon his release from prison, but he learned that they were no longer able to assist him. The Drop-in/Intake worker assisted 'Roger' by contacting community housing for help to find a secure, affordable & permanent home to help with his passage back into the community. The worker also contacted a support group that could provide support with 'Roger's' drug and alcohol problems. A list was provided & discussed of other local groups and agencies, & he was encouraged to make contact with these organisations when he felt he was ready to do so (such as the Aboriginal Culture & Resource Centre, and the Men's Shed). He was encouraged to revisit the service if he needed to make any calls to these organisations. Drop-in workers were able to provide not only emergency relief but access to a wider support system to help with issues that are preventing 'Roger's' transition back into the community with understanding and continued support.

Cora's Story

Contact was made from a local women's refuge service, where a family was staying (the mother - we'll call her 'Cora' - with two children aged 6 years and 9 years old). 'Cora' was in hiding from a violent partner and due to the suddenness of their departure from Sydney, they arrived in Katoomba essentially with the clothes they were wearing. The refuge contacted the local family support service to see what support could be provided and if both services could provide a coordinated response to the family's financial and other needs. Both services developed a shared plan to support this family, breaking up 'tasks' to address their expressed

requirements, as well as planning for a more sustained future and safe goals, to assist them. The refuge contacted community housing and advocated for the family, assisting them to complete relevant applications for permanent housing options. The family support service met with the family and was able to provide emergency food and some clothing; and also supported 'Cora' in contacting Centrelink, and assisted with basic budgeting when considering the family's changed financial position. The BMFSS also contacted other local charities and organised for additional clothing, household items and financial relief to assist the family in settling into their new community; and school uniforms for the children so they would not 'stand out' from other children at their new school. This family was fortunate in securing community housing, at which time the family support service coordinated with other charity groups for furniture, including beds, lounge and other necessities. Since their original referral the family has accessed energy vouchers for their electricity account and are well linked-in with services in their community, should they experience financial stress or emergency in the future. The immediate support obtained focused on the family's safety and their practical needs. Not one service involved with the family had the capacity to provide financial and practical support addressing all the family's needs, but coordinating their resources and being aware of other services in the community that could assist, allowed their pressing needs to be met, so services were able to move on to providing the sustainable support that this family required.

 **Elizabeth Evatt Community Legal Centre** is an independent community organisation providing equitable and accessible legal services. CLCs work for the public interest, particularly for disadvantaged and marginalised people and communities. CLCs not only provide legal advice and assistance, but also encourage and enable people to develop skills to be their own advocates. They promote human rights, social justice and a better environment by advocating for law and policy reform; and provide practical assistance (eg Tenants' Advocate).

✓ **How is State Government Contributing to These Achievements?**

- ✓ **Legal Aid NSW** provides a range of legal advice, and has Fact Sheets available online around a range of common issues (eg: Seeking urgent recovery orders in the Family Court, Appealing to the Social Security Appeals Tribunal, My ex-partner isn't following the court orders about our children - What can I do?, Mortgage stress handbook, or Kids in care)
- ✓ **Financial Counselling services** - the Government announced that it will provide ongoing funding for financial counsellors, as money management and credit problems continue to increase for individuals and families. This funding supports 65 dedicated services, including the Consumer Credit Legal Centre.
- ✓ The Office of Fair Trading funds several BM Neighbourhood Centres to deliver **No-Interest Loans** (NILS). These provide low income families with loans of up to \$1,200 to help purchase essential household or medical goods & services (including white goods, computers for children & other essential items to support family stability & success). It is a vital safety net for many people struggling with financial stress.

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Mountains Community Resource Network is the peak body for the Blue Mountains Community Sector.