



Minister for Fair Trading  
Minister for Youth  
Minister for Volunteering

RML: M07/6958  
Min No: EA1235757

The Hon R M Parker MLC  
Committee Chair  
General Purpose Standing Committee No.2  
C/- Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

11 JAN 2008

Dear Ms ~~Parker~~ *Robyn*

I refer to your correspondence of 29 November 2007 in relation to Anglicare North Coast and the General Purpose Standing Committee No.2 inquiry into Budget Estimates 2007-2008.

Thank you for providing me with the opportunity to clarify information provided at the General Purpose Standing Committee meeting on 15 October 2007 in relation to issues raised by Anglicare North Coast.

I am advised that Anglicare is one organisation which covers the coastal areas of New South Wales from Port Macquarie to Tweed Heads. However, it should be noted that funding has also been provided to Anglicare South East from 1 July 2007 to 30 June 2010 to provide financial counselling services within the Bega Valley area.

While the drought may not directly affect the area serviced by Anglicare North Coast, the socio-economic impacts of the drought can be seen filtering throughout most areas of New South Wales. It is agreed that the more immediate reasons for the increase in demand for financial counselling services in this area may be directly related to low incomes, small business collapses, mortgage issues, credit related debts and an increase in homelessness. It should be noted that most financial counselling services throughout New South Wales are experiencing increased demand on their services due to similar socio-economic impacts.

The Office of Fair Trading has advised me that Anglicare North Coast was not provided with additional funding for training as there was no application made by this service for financial counsellor training under the Financial Counselling Services Program 2007-2010.

It is proposed that a training program, aimed to benefit financial counsellors throughout the whole of New South Wales, would be developed in early 2008.

It should be noted that an increase of 3.3% in funding was provided to Anglicare North Coast on 20 December 2007, which was backdated to 1 July 2007. The increase relates to an indexed figure provided by New South Wales Treasury taking into account increases in the Social and Community Services Award.

In relation to the source of funding, the Office of Fair Trading oversees two funding sources under the Financial Counselling Services Program: the Financial Counselling Trust Fund and the Credit Counselling Program.

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An overview of the two separate funding sources is as follows:

1. **Credit Counselling Program** – operates within the Office of Fair Trading budgetary framework. Up until 31 December 2006, funding was provided totally by NSW Treasury as part of the overall consolidated funding contribution to Fair Trading. In December 2006, the then Minister for Fair Trading and the Rental Bond Board approved the proposal from Fair Trading concerning financial advice to tenants that the Rental Bond Board contribute funding from the Board's Interest Account of 70% of the total value of the Credit Counselling Program. The increase in the Credit Counselling Program from the Rental Bond Board Interest Account became effective from 1 January 2007.
2. **Financial Counselling Trust Fund** – operates outside the Office of Fair Trading and NSW State budgetary framework and is administered in accordance with a Trust Deed and by Trustees appointed by the Minister for Fair Trading. The Trust utilises interest generated from capital funds to contribute to an overall Financial Counselling Services Program.

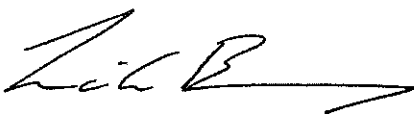
The Financial Counselling Services Program funding applications are assessed by a Grants Assessment Committee which includes representatives from the Office of Fair Trading and the Department of Commerce, together with the Trustees of the Financial Counselling Trust Fund. All applications are assessed for compliance with Financial Counselling Services Program Guidelines, the applicant's administration and management abilities, the merit of the application, the budget submitted by the applicant, the funds available under the Program and a needs analysis of the relevant areas.

As suggested by the General Purpose Standing Committee, on 20 December 2007 Fair Trading representatives participated in a meeting, via teleconference, with Anglicare North Coast to clarify their funding needs and identify any action that may be required by the Office of Fair Trading. I am advised that at that meeting Ms Estelle Graham, Executive Director, Anglicare North Coast and Mr Jim Hodge, Director of Client Services, Anglicare North Coast gave a brief history of the service and an overview of local trends and the increase in demand for financial counselling services in their area.

The agreed outcome at that meeting was that Anglicare North Coast would make an amended application seeking an increase in funding of approximately \$13,126 per annum to reflect the service's funding needs to enable them to maintain the same level of service as the 2004-2007 triennium. Once this application is received it will be assessed and a recommendation will be provided for consideration.

I trust that this information is of assistance.

Yours sincerely



Linda Burney  
Minister