

Australian Institute for
Disaster Resilience



Recovery Matters webinar series

Navigating the financial impact of disasters

📅 29 June, 2021

🕒 2pm AEDT

👉 aidr.org.au/events

GUEST SPEAKERS

Julie Barrow and Peter Gartlan | Financial Counselling Australia

AIDR Recovery Matters webinar series

Australian Institute for
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Welcome

Amanda Leck

Executive Director, AIDR

Acknowledgement of Country

AIDR acknowledges the Traditional Custodians of the various lands on which you all join us from today and the Aboriginal and Torres Strait Islander people participating in this event.

We pay our respects to Elders past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters across Australia.

Housekeeping

- You will remain muted and your camera will not be activated for the duration of today's event.
- Today's event will be recorded and made available after the event.
- Please enter questions for our speakers in the Q&A function, not the chat box.
- Please use the chat box to share any thoughts or reflections during the presentation – remember to select 'all panellists and attendees' to ensure everyone can read your message.
- Please be respectful to each other when posting your comments or questions.

AIDR Recovery Matters webinar series

Speaker introduction

Julie Barrow

Financial Counselling Australia

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Financial
Counselling
Australia is the
peak body for
financial
counsellors in
Australia.

The Financial Impact of Disasters

Presented by Julie Barrow

In a nutshell...

Today I will cover:

- What is financial counselling?
- Financial Counselling Australia's role in recovery
- Engaging with community
- Financial issues
- How financial counsellors have assisted
- We will hear from financial counsellors

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What is financial counselling?

- Financial Counselling is a free, confidential and independent service
- Work in not-for-profit community organisations
- Are generally funded by State and Federal governments
- Are experts in consumer and credit law, hardship processes, counselling and work on an empowerment model
- There are only 900 financial counsellors in Australia
- Assist people in financial hardship



Financial Counselling Australia's role

- ❑ Financial Counselling Australia (FCA) is the national peak body for financial counselling
- ❑ The National Debt Helpline is staffed by qualified financial counsellors and provides information, advice, resources and warm referrals to local agencies Ph: 1800 007 007
- ❑ FCA received federal funding to provide coordination and support to 22 funded agencies across SA, Vic, Tas, NSW and Qld as a result of the Black Summer bushfires.
- ❑ Financial Counselling in disaster recovery is longtail work, ongoing funding is a challenge for agencies providing local responses.



Engaging with community following a disaster

- ❑ Community development approach
- ❑ Every community is different, we engage based on community needs
- ❑ Connect with local champions
- ❑ Ensuring good relationships with key stakeholders in community
- ❑ An integrated service model approach works best



Financial counselling provides practical help for people in recovery

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Financial issues

- Grants* (individual and small business)
- Access to income
- Insurance claims, underinsurance, no insurance
- Referrals for housing support and other identified needs
- Support with debts
 - Mortgages
 - Personal debt
 - Utilities
 - Other debts



*Small Business bushfire financial counselling support line
Ph: 1800 413 828



How financial counsellors have assisted

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- ❑ 22 agencies were funded by the federal government
- ❑ One of these agencies alone has returned \$2.2 million to the local community through casework outcomes for individuals including:
 - ❑ Insurance claim reviews
 - ❑ Negotiating debts
 - ❑ Accessing payments for special utility assistance and some grants
- ❑ This can be the difference between a person being able to rebuild or not

Financial counselling can support economic recovery

Let me tell you a story...



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Peter Gartlan

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The Financial Impact of Disasters

Peter Gartlan

Fred's story



- Before the fires, Fred, from Mid North Coast, fell behind in his mortgage payments and eventually he decided to sell the property as he did not have any other option.
- He contacted a real estate agent who arranged for the house to be sold. The house was valued at \$450,000 and he owed \$200,000. They reached a stage in the sales process where they had a buyer, however, as his deceased wife was still on the title it delayed the sale.
- The house sold, to be settled in early December 2019.
- The house was burnt down in the November 2019 fires, two days before settlement.
- The sale fell through. Unfortunately, the client had failed to maintain insurance.
- He now has a \$200K debt and a property scarred from the fires
- He is 72 and renting in a nearby town
- The financial counsellor is advocating with the bank
- He has received \$80 000 from bushfire grants and other donations

The 2019/20 Bushfire financial counselling response - data to April 2021

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FCA data
shows

Financial counsellors have **engaged with over 20,000** Australians impacted by the 2019/20 Bushfires **resulting in 7445 casework sessions.**

SOFTWARE UPDATE 11:50 am
macOS Big Sur 11.3.1 is available and will be installed later tonight.



Based on 7500 casework sessions, the main themes were:

Access to grants

Insurance – claims
issues, no
insurance,
underinsurance

Mental health

Debts – banking,
non banking



What we have learnt about the key financial issues following a disaster

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1. Insurance makes the individual assumes risk. This needs to change.

2. Insurance issues (estimation of sum insured, premium affordability)

3. BAL ratings adds between \$53K and \$273K in additional costs

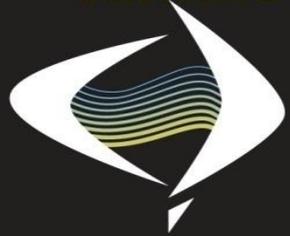
4. Banks response generally positive...but watch out

5. Our work begins immediately, and we start with access to grants

6. Disaster recovery will now be a permanent part of our work

Contact us

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Q & A

Don't forget to enter you questions into the Q&A box.

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Event concludes

Thank you for attending today's webinar.



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Voting now open



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