

Research  
Report

# Collaborating for Outcomes:

NETWORKS IN THE FINANCIAL  
SUPPORT SERVICE SYSTEM



Written by: Kathy Landvogt | July 2014



# Collaborating for Outcomes: Networks in the Financial Support Service System

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**Kathy Landvogt**

## Abbreviations

ASIC	Australian Securities Investment Commission
CALD	culturally and linguistically diverse
CBD	Central Business District
CLAN	Carlton Local Agency Network
CNLC	Carlton Neighbourhood Learning Centre
CPI	Consumer Price Index
DHS	Department of Human Services
DSS	Department of Social Services
ER	emergency relief
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FIS	Financial Information Service
FLS	Fitzroy Legal Services
FMP	Financial Management Program
FS	Financial Support
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GSYFS	Good Shepherd Youth & Family Service
ICAN	Indigenous Consumer Assistance Network
LGA	Local Government Area
MOU	memorandum of understanding
NAB	National Australia Bank
NAO	network administrative organisation
NICRI	National Information Centre on Retirement Investments
NILS®	No Interest Loan Scheme
NJC	Neighbourhood Justice Centre
OECD	Organisation for Economic Co-operation and Development
SHAC	Shelter Housing Action Cairns
SNA	social network analysis
SVDP	St Vincent de Paul
TI	Thursday Island

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# Executive Summary

Service integration has been pursued by successive state and federal governments. While the language of 'joined-up', 'integrated' and 'holistic' is now common, models of service collaboration and investigations of integration in practice are in their infancy. Understanding how local service networks operate, and therefore how they can be improved, is crucial in the pursuit of effective integrated services.

The research presented in this Report offers a snapshot of service collaboration, which is occurring through referral and other links within local networks in financial support services. The research aimed to uncover the elements of effective local financial support service systems. Social network mapping and analysis was used to document and describe existing financial support services and their integration with other local programs.

Networking, both formal and informal, is the main method of cross-sector service integration in this sector. It is usually at the worker level, but is also found at the service level in mechanisms such as formal referral protocols. Wider system-level integration does not generally exist between financial support services themselves, although they may have experience of systemic service integration through area-based arrangements, linking them to other sectors such as homelessness.

Community support services are increasingly 'placed-based', responding to localised needs and 'neighbourhood effects' where residents of specific geographic areas experience complex, interconnected and entrenched social barriers. Currently, placed-based initiatives are being pursued in public housing, outer urban areas, rural areas and remote Indigenous communities. These four types of locality are presented in this study.

## Key findings

### Informal networks

The research identified the following characteristics associated with greater networking activity and informal service networks:

- Staffing models that utilised paid, or both paid and volunteer positions, were associated with more network links.
- Volunteer organisations more frequently lack the resources to establish links and attend network meetings.
- Co-location is neither a necessary nor sufficient condition for effective service integration. Services that are co-located do not necessarily have more links with other services, although purposeful use of colocation does increase links.
- The number of links is affected by both structural factors such as partnerships and staffing resources, and more local determinants such as distance and worker longevity.

### **Formal service networks**

Formal networks were also investigated. Formal networks include local or regional networks for specific sectors (emergency relief (ER), financial counselling or microfinance), local inter-agency networks linking services from multiple sectors in an area (often convened by local government), central networks (such as the NLS network or financial counselling peak bodies) and the internal networks of large multi-site (usually faith-based) organisations.

These networks not only increase opportunities for information flow about day-to-day practice, but also value-add to informal links through the organisational relationships that go beyond worker-to-worker relationships and enable collaborative planning to develop innovative services, gain funding and increase service quality.

The research found that most financial support services still do not include local formal networks within the program design and funding arrangements, and this has resulted in patchy coverage and a plethora of ad hoc local arrangements.

Key findings related to existing formal service networks include:

- Larger organisations play a critical supporting role for local service networks. They provide resources as specialised knowledge to the network, which can be accessed by smaller organisations.
- Larger organisations are able to build networks across a diversity of areas, in line with their range of programs. This means they are well placed to act as a bridge between small specialised services and larger generalised services.
- Larger organisations are able to contribute the most to the network when they are decentralised, providing staff with the autonomy to build local connections.
- Local government, community hubs or 'one-stop shops', and Centrelink can all play a role in facilitating local networks in financial support services, although they do not necessarily do so in all localities.
- Networks are relational and often driven by personality. This means that retaining staff within organisations, or the network more broadly, is critical to the successful functioning of the network. High staff turnover is likely to be barrier to establishing robust local networks and service integration.
- Networking is at the low intensity end of the service collaboration continuum; it requires fewer resources than fully 'joined-up' services, is more organic and flexible, and can operate without system-wide coordination. This type of worker-level horizontal networking is also essential to the success of any more formal, vertical service integration.

### **Conclusion**

Delivering more effective and collaborative services requires good working relationships and adequate knowledge of other services. Clients' multiple and complex needs often go beyond the ambit of a single agency. This is why abundant and dynamic links between services are needed: to provide options in assisting clients, to respond to changing patterns of need in the community and to support and learn from other services in meeting these challenges.

The design of service systems (at the national, state and local levels) needs to recognise the critical importance of local context and avoid a one-size fits all approach. Geography, history and other local and cultural variations require that service systems are 'bespoke'. However, all services need to support the horizontal networking activities that lead to collaboration and innovation in the community sector, while developing vertical mechanisms that readily link these horizontal network clusters to each other, both within the Financial Management Program (FMP) and across sectors. Networks add value and need to be acknowledged and adequately resourced by service funders. Cost-savings could be achieved by shifting away from models that have intuitive appeal, but which may lack evidence of effectiveness in practice (e.g. co-location). These savings could be re-directed into new models or investment in existing staff.

### **Key recommendations for policy and practice**

Service integration can be supported through:

- Providing resources explicitly for networking. This can be done at the government level (federal, state or local), or the organisational level.
- Ensuring a locality has a mixture of small and large service providers, who will build and contribute to the network in different ways.
- Up-skilling Centrelink and local government workers to play a role in connecting local service networks.
- Creating working conditions that will support workers to stay in their jobs and/or the sector. This can be done at the organisational level, but is likely to require additional resources from governments.
- Co-location will not automatically produce links within networks, and can be expensive.

# 1. Introduction

Current Commonwealth and state government policies promote greater service collaboration in the community service sector through a range of integrated service models. While the language of integration and joined-up services is now common, contextualised discussion of different models of service collaboration is less available, and comprehensive understanding of exactly how services collaborate with each other locally remains patchy.

The research documented in this Report offers a snapshot of the service collaboration that occurs through local networking between services in the financial support (FS) service sector. This research, conducted through 2011 to 2012, investigated the referral links and secondary consultations that enable holistic service delivery, along with the service attributes and network infrastructure that promote these links.

Local service networks are less resource-intensive than fully 'joined-up' options on the continuum of service integration, yet can improve client outcomes considerably. By providing an analysis of current service networks within the financial support sector, this Report contributes to discussion of the types of networks and collaborative structures called for in different service sectors. It also explores the utility of 'social network analysis' methodology for these and similar questions concerning the community service sector.

As an agency dedicated to addressing poverty, Good Shepherd Youth & Family Service (GSYFS) has long provided practical assistance to those living on low incomes. GSYFS developed what has become Australia's largest microfinance network – the No Interest Loan Scheme or NILS® (now hosted by Good Shepherd Microfinance) – and continues to deliver microfinance, financial counselling and financial education in and around Melbourne. These services are offered alongside a suite of family support, family violence and other programs. GSYFS also supports innovative responses to financial hardship through its pilot programs, action research and working with partners to build sector capacity.

Through these multiple vantage points, we identified a need for greater understanding of how local service networks can augment service delivery. In 2009, an opportunity arose to initiate research into this question when the Commonwealth Government announced an \$18.5 million commitment to the microfinance programs coordinated by GSYFS, including a small research component. The Department of Social Services (then Department of Families, Housing, Community Services and Indigenous Affairs) was also keen to know how services in the Financial Management Program (FMP) could develop more effective and comprehensive local networks, and approved the funding of this research as part of that commitment.

## 1.1 Financial Capability

Over the years, the Social Policy Research Unit of GSYFS has undertaken many research projects relating to FS services, all underpinned by the Good Shepherd mission to remove the barriers preventing full participation in society. Common to all of these projects is a concern with providing both evidence of unmet need and recommendations for action to ameliorate exclusion and deprivation. Reversing financial hardship can take more than individual effort and often demands systemic solutions, such as policy adjustments or reversals, service system reforms, or legislative change.

The framework of 'financial capability' offered by Amartya Sen (1999) embodies the Good Shepherd approach because it holds the individual's abilities in balance with

the socio-economic context that allows them to express those abilities. To be financially capable, a person needs not only to be able to manage money but also to have adequate financial resources to cover costs, and build up a financial buffer against a 'rainy day'. In our market-based society, people also need financial inclusion: access to financial products and services offered within a fair, regulated market-place. Most people access financial products such as advice or a loan through the market. For people living on low incomes, however, this assistance is often provided through community-based rather than market-based institutions.

This current research is aimed at improving the financial capability of our most financially vulnerable citizens, connecting them via the shortest possible referral pathway to the support services needed. This requires strong, effective networks of local services that are appropriate to the local area.

## **1.2 Understanding Local Service Networks**

Local service networks – both formal and informal – have long been a part of the service landscape in Australia. Specialised services need to know about and connect with each other when their clients have multiple or overlapping needs. As the community service sector becomes larger and more differentiated, networking becomes more necessary.

Recently, service networks have gained increased attention and salience as governments promote greater collaboration between community service organisations, hoping to improve outcomes and increase efficiencies as a result.

With disadvantage concentrating within certain localities, governments have become more aware of the benefits of place-based service systems that can adapt to the particular conditions and opportunities of the area.

In some service sectors in particular, individual needs have become more complex and numerous than before, increasing the demand on services to work with each other to address each individual's situation comprehensively and holistically. Services grouped under the Commonwealth Government's FMP are one such sector.

## **1.3 Financial Support Services and the Financial Management Program (FMP)**

Through the key programs of emergency relief (ER), financial counselling, microfinance and financial education services, the FMP aims to foster the improved use and management of money and help people address immediate needs in times of crisis. In this Report, the term '**FMP services**' is used to connote both those services funded under the Commonwealth Government's Financial Management Program and similar services funded from other sources.

The recipients of FMP services all require some form of assistance to avoid material deprivation and/or economic, social or financial exclusion. Many also experience other problems frequently associated with financial insecurity, such as housing insecurity, physical disability, mental ill-health or stress in family relationships.

Each FMP service type is a sector in itself, arranged along a continuum from immediate crisis support to financial capability building. ER and financial counselling address different types of individual financial crises, while microfinance and financial education have asset-building and protective functions. There are, however, crossovers between these service types: both ER and financial counselling can also deliver financial education, given the resources, and microfinance and financial education can also act as conduits for a crisis response when indicated.

There have been major recent developments in FS services. Microfinance programs have undergone the greatest change, with rapid expansion in both diversity and reach across Australia due to new funding partnerships with the Commonwealth and state governments and increased support from banks (NAB and ANZ). The ER sector has also had increased funding and recognition of the need for a casework service, but the sector continues to struggle to meet the complex needs of people in financial crisis and the increased demands for accountability and compliance in the context of very limited funding for staffing. Similarly, the financial counselling sector has had some expansion but continues to experience disproportionate demand on services. Financial education is also generating small areas of activity in community services.

Having developed under a wide variety of historical and geographical conditions, FMP services are extremely diverse. They are funded through multiple sources, set up under different governance arrangements and uniquely configured to address needs in their area. The ways in which these services are linked and networked are also diverse, both within and between each of the sectors. Networks are local, statewide or even national. They may be specific to a sector or generic, and can be hosted in various ways. They have different purposes and levels of formality. Nevertheless, the needs of the individuals that FMP services work with, and the demands of funders and policy-makers, make it increasingly important for service providers to link with each other.

There is now recognition in the government and community sectors of the importance of responding to financial capability needs within communities through a range of services that:

- meet a continuum of needs from prevention to crisis;
- are locally accessible; and
- are effectively linked into a service network.

Developing FMP services in the most efficient and effective manner will require better knowledge of local service networks. Many such networks exist, but little is known about their structure and composition, the relationships between different organisations within service networks, how they function, how they vary or the challenges they face.

This Report also investigates the networks of local Centrelink offices, specifically the Centrelink social workers and in one case the Centrelink Financial Information Service. Their inclusion in the study was based on evidence from previous GSYFS research that Centrelink social workers are often critical 'door-openers' for people in financial crisis, especially those experiencing such a situation for the first time. The Financial Information Service is considered to be the only nationwide, face-to-face financial education program, albeit one focused on financial education in planning for retirement. In this Report, the FMP services and these Centrelink services are together termed '**financial support (FS) services**'.

## 1.4 The Research

The conceptual starting point for this research was the understanding that the capacity of FS services to support financial capability is dependent on the presence of a range of targeted services, good referral pathways, strong network identification and shared understanding of roles.

The research aimed to provide a basis for improving the policy and service response to people living on low incomes experiencing, or at risk of experiencing, financial exclusion and hardship. It set out to do this by describing the networks of selected

FS services and investigating correlations between the size of these referral networks and certain attributes of the services, before proposing a set of requirements for a comprehensive, effective network of such services.

The overarching research question was:

*What are the elements of an effective local FS service system?*

The following sub-questions were identified:

- How are local/regional community financial service networks currently configured?
- How can FS service networks maximise financial wellbeing, including identifying the necessary (minimum) suite of services and the service demands they will meet?
- What is the potential role of microfinance programs in local financial support networks?

The research design involved:

- identification, in consultation with DSS, of four 'case study' localities representing different geographic types of locality;
- examining the four FMP service models plus the Centrelink Social Work Service model and their policy contexts to identify their purposes, scope, issues and outcomes;
- interviewing key personnel in participating organisations concerning their referral pathways, types of collaboration, and networks of services;
- identifying gaps and opportunities in the partnerships and collaboration at the local level across the continuum of services and supports.

The research data were examined using network mapping methods and qualitative analysis and were contextualised by a literature review of the policy and practice context. Case studies have been selected to illustrate aspects identified as potentially important to effective service links. This methodology is presented in more detail in Chapter 4.

## **1.5 Chapter Outline**

This Report consists of eight subsequent chapters. Chapter 2 details the nature of financial needs and the policies and services involved in meeting those needs. Chapter 3 explores concepts of service integration and networks.

Chapter 4 considers the research methodology and the nature of service networks. In Chapter 5, the four case study areas are explored in depth and network maps showing the total links identified in each are presented. Another level of knowledge, outside of the scope of this Report, is local network information that identifies the networks of participating agencies. The undertaking to participants was to keep this data out of the public domain, but to share the local network maps with the participating organisations in the same area.

Chapter 6 offers an exploration of each of the program service models and their attributes and networks and explores correlations between network links and staffing types, partnerships and co-locations. In Chapter 7, formal networks are explored, and the correlation between formal network membership and informal referral networks is examined. Chapter 8 examines several aspects of the connections between other organisations and networks.

Finally, Chapter 9 offers concluding remarks addressed towards government and non-government service-providers, peak bodies, policy-makers and other community sector leaders.

The Report stops short of applying the findings to sectors other than FS services, although the analysis has broader implications for the service system issues drawing the attention of current governments, Commonwealth and state. The research is also instructive in terms of the social network analysis methodology itself and its suitability for investigating area-based service systems.

## 2. Financial Hardship, Financial Capability and the Landscape of Financial Services

Financial support services sit within the context of individuals' financial and other needs, and government, market and community responses to those needs. This Chapter provides a snapshot of the needs before outlining the specific service responses that are the focus of this Report. The challenges facing those services, which are part of the impetus for the service system reforms centred on integration, are also included in this overview.

People seeking help from FS services are usually in financial need. There are myriad possible reasons for this, ranging from individual and interpersonal circumstances through to complex, structural forces beyond any individual's capacity to change.

Communities and governments alike wish to prevent this type of financial hardship, but the proposed solutions depend as much upon ideology as evidence. There is a current trend back to the harder-edged policies that existed prior to the welfare state, where deficient individual behaviour is seen as the problem, and policies focus on coercion to get people into paid work. These types of policies also suit the current economic environment in which government programs are seen as a financial drain and risk, rather than an investment in the common good and future prosperity.

This punitive trend co-exists with an increasing body of research about the realities of rising costs of living, lack of secure and accessible employment, and complex patterns of physical and mental ill-health, all of which can undermine a person's ability to become financially independent. The evidence points to the need for intensive and multiple strategies, tailored to individual needs and available over an extended period, to lift people out of persistent poverty. Governments are using some of this knowledge to re-design service systems, probing more deeply into causes and trying to integrate the programs that address different problems in the same individual or family.

On the ground, service providers implement government policies, but they also observe and mediate the interactions between individuals and this complex array of policies. Hence, service providers are active agents in the policy process, and their knowledge of how policies are hitting or missing the mark needs to be continually tapped through multiple communication channels including research, peak bodies and public consultations (Lipski 2010).

### 2.1 Complex Needs and Disadvantaged Localities

Increasingly, people being supported by FS services and programs experience a wide range of difficulties that underlie their need for financial help; issues such as gambling debts, mental or physical stress or becoming recently unemployed.

In their research on the use of ER in Sydney, King et al (2009) demonstrated how 'interrelated, compounding and complex need' is now more common than the simpler needs that can be met by providing a food voucher to tide over the household until the next pay. Research shows that chronic poverty and financial stress negatively affect physical and psychological wellbeing (Xiao et al 2006; Lobo 2009; Dalziell 2010; Ryan et al 2010; Arashiro 2011). Tony Vinson's work on geographical disadvantage is instructive on how disadvantage can accumulate in particular locations. His *Dropping off the Edge* (2007) survey findings show how the pernicious ramifications of limited education, insufficient labour market qualifications, indifferent health and disabilities, low individual and family income and engagement in crime can occur in chronically disadvantaged postcode locations (Vinson 2009). Locations

that show patterns of deprivation and social exclusion are more likely to have higher levels of family breakdown, single-parent households and homes where child maltreatment occurs (Hayes et al 2008; Lobo 2009; Vinson 2009).

According to a number of measures, the most disadvantaged group overall are single mothers (Engels et al 2009; Lobo 2009). According to Wesley Mission research (2009), single-parent families face the toughest situation of all in a financial crisis. Financial stress severely impacts on their health (Lobo 2009).

## **2.2 Government Policies and Programs**

### **2.2.1 Service Sector Reform**

A substantial reform of the service sector in Victoria commenced in 2012, aiming to improve outcomes for users of services, create efficiencies and increase accountability. The government is in the process of implementing a range of changes based on ten principles, including some that address the question of fragmented service systems and lack of cross-sector collaboration through 'a holistic approach', 'partnership', and 'shared governance'.

### **2.2.2 Centrelink**

#### **Income Support Payments**

Access to adequate income support payments through Centrelink is fundamental to the financial capability of Australians living on low income. Previous research by the author examined the requirements for financial capability for those living on low incomes. The resulting model identifies adequate income as one of the four pillars of financial capability (Landvogt 2008).

Australia spends just 3.2 per cent of Gross Domestic Product (GDP) on income support, while the Organisation for Economic Co-operation and Development (OECD) average is 6.5 per cent (ACOSS 2011). There is widespread and growing concern at the low level of the current unemployment benefit payment, Newstart Allowance. The Age Pension has increased by approximately 75 per cent since 2000. During this same period, the Newstart Allowance has increased by only 40 per cent and the Youth Allowance by 39 per cent (ACOSS 2011).

There is also a major policy shift in income support payments for single parents. They are now moved from Parenting Payment Single to Newstart Allowance when their youngest child reaches eight years. The negative impact on income is not compensated for by the support provided to gain employment (see [http://www.acoss.org.au/media/release/un\\_asks\\_australian\\_government\\_to\\_explain\\_violation\\_of\\_single\\_parents\\_rights](http://www.acoss.org.au/media/release/un_asks_australian_government_to_explain_violation_of_single_parents_rights), accessed 20 April 2013)

#### **Income Management**

The Commonwealth Government has been trialling and expanding a new approach to income security that imposes greater government control over how recipients in certain areas and categories spend their money. It includes quarantining a percentage of the regular benefit to be spent through the Basics Card, which restricts purchase of items to certain stores and items. Income management is presented as a way to help people manage their money to meet essential household needs (see <http://www.humanservices.gov.au/customer/enablers/centrelink/income-management/about-income-management>, accessed 21 April 2013).

Income management is now a place-based initiative. First used in Indigenous communities, it has been extended to trial sites in other disadvantaged communities. In its voluntary form, income management is an aid to budgeting. In its compulsory form, it is being widely experienced as discriminatory, heavy-handed and counter-

productive, and evaluations remain inconclusive in terms of the benefits (Equality Rights Alliance 2011).

### **2.2.3 The Financial Management Program**

Through the operation of its Financial Management Program (FMP), the Commonwealth Government recognises the need for financial support. This program contains the following elements:

- Emergency relief
- Financial counselling
- Microfinance
- Financial education, including Indigenous Money Management Services.

### **2.2.4 Emergency Relief**

The DSS website describes ER as:

*services providing support to address immediate needs in time of crisis. Assistance often includes food parcels and clothing, transport, chemist vouchers, help with accommodation, payment of bills, budgeting assistance and sometimes cash. Importantly, Emergency Relief agencies provide appropriate referrals to other services that help to address underlying causes of financial crisis.*

The aim of ER is to treat each individual and family with respect and to provide assistance in a way that maintains their dignity and enhances their self-reliance.

DSS is a major funder of ER services, but it is by no means the only or even the main source of funds in a sector that is still dominated by volunteer and philanthropic activity. ER agencies are mainly auspiced by charitable organisations such as the Salvation Army and the Society of St Vincent de Paul. ER is also provided through state/territory and local government, and diverse community-based agencies such as community information centres, youth services, emergency accommodation and women refuges. A percentage of the total DSS ER allocation is also targeted for distribution through agencies servicing predominantly Indigenous clients (ACOSS 2003).

Sole parents, families and single males were found to be the most frequent recipients of ER assistance, according to Engels's study on 60 ER organisations. ACOSS indicates that 90 per cent of ER applicants are of workforce age. Indigenous Australians are over-represented (14 per cent) as a percentage of ER applicants, compared to their numbers in the general population (1.58 per cent) (ACOSS 2003).

The service delivery model of ER relies heavily on social capital in the form of volunteering (ACOSS 2003; Engels 2006; Gribble 2006; Landvogt 2006; Nguyen 2011).

#### **Issues Facing the ER Sector**

The literature suggests that the main issues facing the ER sector, and which are of pertinence to this Report, are:

- staffing issues, particularly a high reliance on volunteers, in particular an ageing volunteer staff demographic;
- unreliable and inadequate funding;
- increased demand for services;
- increasingly complex reporting and accountability procedures;
- increased operating costs, for example, insurance;
- service uses with increasing complex needs; and

- limited capacity for holistic assistance service – delivery models that have a large volunteer base have restricted capacity to respond holistically to clients with complex needs. (Engels 2005; Gribble 2006; Ngyuen 2011)

The major issue for ER agencies, in particular the smaller operators, is the paucity of funding for the work required (Landvogt 2006). Small ER providers without a larger entity or local government behind them struggle to employ staff and ensure quality and sustainability. Engels found that “almost one quarter of the respondents anticipate that they will have to close their doors in five years’ time” or “refocus their operations away from ER provision” (Engels 2006, 39).

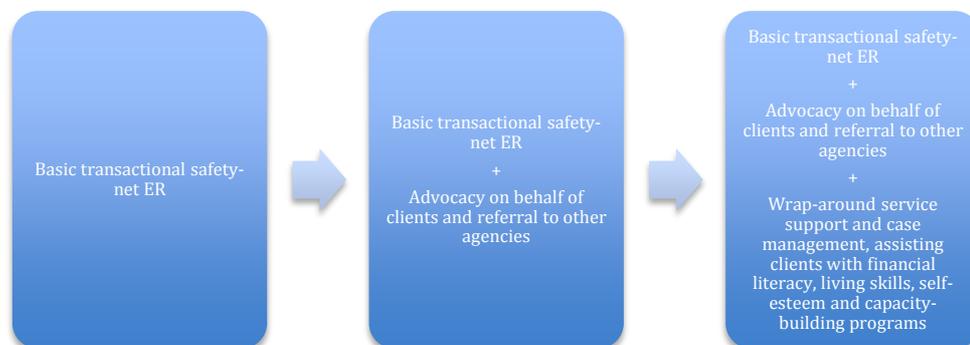
### ER Models

Nguyen (2011) suggests that a significant part of the Commonwealth Government’s policy position on ER is their recognition that one-off support cannot meet complex needs and ER providers need to be the gateway to specialist services.

Research into ER recommends close collaboration with other ER providers and with other types of financial services and programs such as case work, financial counselling and preventative financial programs (Engels 2006; King 2009; Gribble 2006; Nguyen 2011). Some research also promotes the idea that ER organisations need to bridge across to other types of assistance specific to an individual’s need, such as getting help with housing or legal matters or meeting mental health needs (King 2009; Andriotis 2009). Other research recommends the creation of new models that incorporate advocacy, community development and innovation as important functions for nongovernment agencies working with ER applicants (Frederick and Goddard 2008).

Researchers have put forward service delivery models that go beyond the basic ‘transactional’ model of ER (Engels 2006; Frederick and Goddard 2008; Andriotis 2009; King et al 2009). The thinking is that giving people assistance without also offering a range of other services aimed at tackling the underlying issues is unlikely to improve their long-term situation (Murphy, 1997, cited in Frederick and Goddard, 2008, 271). One suggested model incorporates using other internal agency services to ‘wrap around’ the client. This involves working with colleagues within an agency on financial counselling, crisis counselling and/or housing services. Another suggested model addresses more complex needs and works in parallel with other agency services such as financial counselling or housing (Andriotis 2009). King et al (2009) put forward more integrated models of ER that include a basic safety net of ER plus advocacy and referral, as well as services that can be wrapped around the client, such as financial literacy, living skills and self-esteem and capacity-building programs, depending on the need.

*Figure 2.1 An ER Model by King et al*



(King et al, Emergency Relief Model, 2009, 49)

## Local ER Networks

In her research of ER networks in Victoria, Gribble (2006) found that formal networks were defined as groups of organisations that met on a regular basis with a specific focus on ER. Of the 26 groups identified, three were also affiliated with a broader community sector network and could report back to that broader group about ER-specific issues arising from their own network meetings. Most of the groups had Centrelink, police, school, Magistrate's Court, other government and other community sector agency representation.

Gribble found that informal ER networks were defined as groups of providers that were in contact in some way but not on a regular or formal basis. She also identified broader community sector networks in which ER providers were involved. In areas where ER-specific networks were not feasible or sustainable, the linking-in of ER providers with these broader community networks was beneficial to all the organisations involved.

Gribble found that the following were the main issues that prevent or limit networking in certain areas:

- Many agencies are largely run by volunteers, who may be unable to commit further time to resourcing and sustaining a network.
- There are different approaches to ER service delivery among providers, which can prevent providers from working together successfully.
- The success of a network may be personality based, and may break down when a person in a key position leaves or is unavailable. network may break down.
- In some areas, long distances between ER providers and a shortage of staff make networking difficult.
- In some areas, there may be a lack of support from the local council.
- In some regional and rural councils, under-resourcing impedes capacity of a relevant council worker to initiate and convene a network.

In Gribble's study, the following are the main reasons given by providers why networking is beneficial:

- Agencies in an ER network, particularly if convened by a Community Information Centre or local council, can receive training, support and resources.
- Understanding of policy, procedures and privacy legislation may be shared through the local network.
- Better coordination of opening and closing times may occur with the result that ER is consistently available in the area.
- Networks can be a forum for keeping track of issues in the local area and for developing a better understanding of the different groups of people who use ER services, and the ways ER providers respond to them.
- Networks can link with the range of organisations that play a part in the community, such as schools and police, to raise awareness in these groups about issues that affect the lives of the people utilising ER.
- Networks can work together on publications.
- Having a Centrelink representative attend meetings may create strong relationships with them. Agencies can inform them about issues impacting on the people who use their service. Centrelink may also provide valuable information about policy and protocols.

These barriers to and benefits of networking deserve further investigation in the context not just of ER but of other services. This Report asks similar questions using a different methodology.

### **2.2.5 Financial Counselling**

Financial counselling is predominantly crisis assistance for debt through individual advocacy and paralegal assistance, but can also include financial education and budgeting assistance. Its goal is to stabilise the financial situation and put in place a sound framework for future management of the household finances. Frequently, it involves referrals to specialist statutory bodies dealing with financial breaches, as well as referrals to local services to assist with the problems that are either causes or consequences of financial hardship and debt.

Financial counsellors are often involved in community education and local networking, especially where funding enables this. They can play a critical role in building the capacity of other services to handle financial issues. They are represented at state and Commonwealth level by peak bodies, and the state peaks provide and sometimes resource statewide and regional sector networks.

While financial counsellors work at the individual level, they recognise the multiple causes of financial difficulty or financial stress (Livingstone et al 2008). A financial counsellor's plan with a client may consist of referrals to ER services to ameliorate financial stress, advocating on their behalf for correct Centrelink entitlements, or making repayment plans with utility vendors. Individual advocacy is a major part of their work, as is having a good working knowledge of the Consumer Credit Code (Legislation).

The fundamental principles that underpin the Australian financial counselling model are that:

- financial counselling services be provided free of charge to consumers; and
- financial counsellors act solely in the interests of their client/s and have no conflict of interest in their work (Tennant 2003, 2005; Pentland 2003, 2004; Brading 2003, cited in Pentland 2005, 12).

#### **Issues Facing the Financial Counselling Sector**

All states and territories experience high casework demand for financial counselling. Referrals primarily originate from community sector networks rather than directly from the public. Any promotion of financial counselling, including through community education and community development activities or the media, is likely to generate further casework demand, which may be difficult to meet within the current resources (Pentland 2005).

Research has found that structural problems exacerbating consumer indebtedness include:

- inadequate income for many financial counselling clients;
- decades of rampant consumerism;
- increasing complexity of financial products and services;
- deficiencies in financial literacy (Pentland 2005, 22)

Furthermore, when people are in debt, financial counselling services that struggle to meet demand cannot compete with the aggressive advertising and promotion of fee-charging services and alternative lenders and are often left to pick up the pieces when those arrangements go wrong (Pentland 2005, 19).

## **Models for Improving Financial Counselling Practice**

Livingstone et al suggest a public health-based model for financial counselling services. As such, they conceptualise financial counselling in 'a paradigm that acknowledges the need for a range of interventions across multiple "layers" of potential activity' (Livingstone et al 2008). Korn et al (2006), cited in Livingstone et al (2008), also suggest the need for collaboration between services in this model.

### **2.2.6 Financial Education**

The Commonwealth Government provides financial education services through its Centrelink Financial Information Service (FIS) program and through the Australian Securities Investment Commission (ASIC).

The FIS program is a universal education and information service that 'helps people to make informed decisions about investment and financial issues for the current and future needs' (see

<http://www.humanservices.gov.au/customer/services/centrelink/financial-information-service-seminars>, accessed 21 April 2013).

Through ASIC, the Commonwealth Government has a national financial literacy strategy with the following four elements:

- Education through schools and other pathways
- Providing trusted and independent information, tools and ongoing support
- Recognising the limits of education and information and developing additional innovative solutions to drive improved financial wellbeing and behavioural change
- Working in partnership with the many sectors involved with financial literacy, measuring their impact and promoting best practice (ASIC 2011).

Through the FMP, the Commonwealth Government also has the following programs in relation to financial education:

#### **Indigenous Communities**

The Money Management program is part of the FMP suite:

*Money Management services operate in remote communities, predominantly supporting Indigenous people including Income Management participants. They provide clients with education and information to help them manage their money. They do not provide financial advice or deal with complex financial/legal matters. ... Money Management services are particularly targeted at families and individuals with low levels of financial literacy in disadvantaged communities in remote locations in Australia. (FaHCSIA 2010)*

A recent Commonwealth Government initiative is 'MoneyMob Talkabout', providing financial education in regional and remote Northern Territory Indigenous communities.

#### **Women's Financial Capability**

Long-term financial security is being recognised as a significant issue for women. Governments acknowledge the challenge for women to establish and maintain financial security throughout their lives, particularly in retirement. Financial education is one strategy to address this. The community sector, especially women's health and information services, has also been active in this domain for the last decade.

#### **Financial Planning for Retirement**

While now ostensibly offering financial education to the general community, Centrelink's FIS, outlined above, still predominantly services people planning for their financial security in retirement. The National Information Centre on Retirement Investments (NICRI) is also funded by the Commonwealth Government to:

*provide(s) the public with free information on planning and saving for retirement, investment options and effective use of financial resources in retirement. NICRI does not represent government or the financial industry or provide financial advice (FaHCSIA 2010).*

### **2.2.7 Microfinance**

The concept of microfinance existed as early as the 16<sup>th</sup> century; however, the term itself originated in the 1970s with the establishment of the Grameen Bank in Bangladesh (Cabraal & Russell 2006, cited in Corrie 2011). As a 'set of tools, approaches and strategies addressing the needs of people who are financially excluded' (Burkett & Sheehan 2009, v, cited in Corrie 2011), microfinance offers people on low incomes access to a range of financial services that they would not necessarily be able to access via mainstream institutions, including small loans, savings accounts, insurance and other financial products.

Burkett and Sheehan state that '[t]he purpose of microfinance is to alleviate poverty, not further entrench it' (Burkett & Sheehan 2009, v, cited in Corrie 2011). To this end, microfinance needs to be appropriate, safe and affordable. In the absence of these caveats, there is a risk that products and services that further marginalise and disadvantage people can be included under the label of microfinance. For example, payday loans would not qualify as microfinance. Although they provide access to credit for people on limited incomes, their often higher costs can lead to hardship and further entrench a negative cycle of debt.

DSS discusses microfinance in terms of financial capability and inclusion:

*Microfinance schemes such as no or low interest loans or matched savings that are provided in conjunction with financial literacy education help build financial inclusion and capability by providing access to safe, affordable funds that may not be available through mainstream financial services. The Government supports these schemes which are delivered by not-for-profit community organisations in partnership with financial institutions. (FaHCSIA 2010)*

Good Shepherd Microfinance is one such not-for-profit community organisation that is in partnership with National Australia Bank (NAB) to provide microfinance loans to people on low and limited incomes. Good Shepherd has been providing these services since 1980.

Good Shepherd Microfinance now leads the development and facilitates the delivery of a suite of microfinance initiatives (see <http://goodshepherdmicrofinance.org.au/which-loan-right-me> , accessed 21 April 2013). These include:

No Interest Loan Scheme (NILS): These small loans (up to \$1200) have no interest or charges and are available to purchase essential household items. There are now more than 400 such schemes nationally.

StepUP Loan: These low-interest loans (up to \$3000) were developed in partnership with NAB and are available to purchase essential household items, second-hand motor vehicles, and computers.

AddsUP Savings Plan: This is a savings plan that has been developed in collaboration with NAB. It helps people on low incomes to develop financial independence through savings. Savings are matched dollar for dollar up to \$500.

NILS Network Coordination: This includes a variety of support for the fast-growing NILS network, such as coordinating training, advocacy, network administration, marketing development and promotion, database development and representation of NILS as the largest microcredit response in Australia.

The Brotherhood of St Laurence in partnership with ANZ Bank is another provider, offering Saver Plus (started 2003) and MoneyMinded (started 2003) for those on low income and limited incomes (see <http://www.bsl.org.au/Services/Money-matters.aspx>, accessed 21 April 2103).

### **Issues Facing the Microfinance Sector**

In many instances, microfinance workers have minimal resources for infrastructure and administration. In 2006, the Western Sydney Community Forum indicated that community organisations that auspice NILS projects reported that staff need recurrent funding to ensure that the viability of the microfinance projects are not compromised (Western Sydney Community Forum 2006). Microfinance projects receive capital funds to lend; however, the administration of each loan and support given to each applicant is not fully funded (Western Sydney Community Forum 2006). The administration of NILS programs relies on a combination of volunteers and leveraging off other funded programs such as financial counselling.

## **2.3 Policies and Services in Tension**

Structural causes of poverty and financial hardship, such as lack of affordable housing or rising energy costs, have population-wide impacts that income support payments and other services can only partly ameliorate. In addition, coercive welfare-to-work policies of both Coalition and Labor Commonwealth governments have triggered financial hardship for many job seeker recipients and led directly to an increase in demand for assistance from ER providers (Frederick and Goddard 2008; Landvogt 2006). As a result, the income security safety net that has been part of the social contract appears to be under threat. No longer shaped by a cohesive 'welfare state', the financial support programs offered by governments are now a loose group of often competing policies and programs.

The individualised concept of financial capability needs to be viewed critically: it sets the bar too high for some, assuming that a bit more individual effort is all that is needed when in fact the barriers to financial independence are multiple and pervasive:

*[I]ndividualist perspectives about the causes of poverty where the problem is attributed in various ways to the characteristics of people who are poor ... this oversimplifies the many causal factors involved in a complex phenomenon such as poverty. ... It is also too reductive in that it singles out one factor and magnifies its significance. ... Change efforts are focussed on the individual or group, structural or environmental change is not addressed and questions of injustice are bypassed. (Frederick and Goddard 2008, 271)*

To remove a structural cause of financial hardship, system-wide changes can be more effective than individually focused policy solutions. For example, some of the practices of the rapidly increasing alternative credit industry ('pay-day lenders') have been shown to cause more financial problems than they solve, but major policy reforms to regulate these practices foundered in the political storm created by the 'fringe lenders' (Banks 2012).

Financial education is a relatively new policy direction, and while laudable in itself, its growth results in part from the failure of governments to adequately regulate the financial services industry (Landvogt 2006). The 'buyer beware' approach puts responsibility overwhelmingly on the financial consumer to understand dense and lengthy contracts, calculate interest from misleading advertising spin, and manage household budgets that even an accountant could not balance.

This is the context in which FS services seek to assist growing numbers of Australians.

### 3. Service System Design: A Review of Australian and International Experience

Those with entrenched disadvantage have multiple co-existing causes of vulnerability. An increasingly complex service system has often meant that an individual's or family's needs are met with isolated rather than holistic service responses. A person could appear at any service 'door' but in fact needs a service somewhere else in the complex service system, resulting in unmet needs.

Funders now expect more holistic service provision which is capable of addressing underlying and interconnected issues and needs. The policy solution promoted in many current policies is service system re-design to ensure integration. This section provides an analysis of the key Australian and international literature on service integration and networks, highlighting the main concepts, and weighing the benefits, requirements and pitfalls of building systems or inter-organisational collaboration.

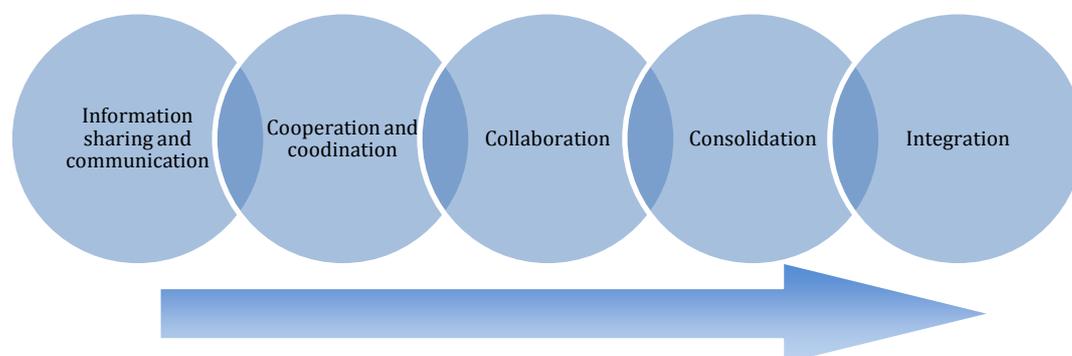
#### 3.1 Service Integration

The concept of service integration is seen as a method of achieving joined-up services. In the literature, the common notion of integration is 'joint working'. Browne et al (2004, cited in Flatau 2010, 9) say that 'service integration is the [type] of collaboration, partnerships or networks whereby different services that are usually autonomous organisations, work together for specific community residents to improve health and social care'. Konrad (1996) suggests that integration is 'a process by which two or more entities establish linkages for the purpose of improving outcomes for needy people' (cited in Flatau 2010, 9).

##### 3.1.1 Integration Typology

Konrad's (1996) typology of integration has two main principles: the intensity of integration and the dimensions of integration. The intensity of integration means its extent or strength. This 'Integration Continuum' starts with fragmented or independent service delivery undertaken by autonomous agencies and then moves through various stages, ending finally with 'integration' (Flatau et al 2010,11). This continuum is shown below:

Figure 3.1 Konrad's Integration Typology (Konrad [1996] cited Flatau et al 2010, 11)



Konrad's (1996) typology highlights the interconnections between service organisations, mapping a continuum from information sharing and communication





management (such as financial counselling, emergency relief (ER) and other financial inclusion initiatives).

However, it is not just about co-location. The success of this partnership could equally be attributed to a shared vision and common purpose of how the organisations want to achieve good client outcomes. The evaluation by Arashiro (2011) found that physical co-location alone was not sufficient. Successful integration of a financial health service required the host agency staff to promote it, and case workers with an established relationship with clients to make referrals to it.

This evidence suggests that networking between different service providers is just as crucial to service integration as co-location, and perhaps even more important.

### **3.2 Costs and Benefits of Service Integration Options**

Even with the best of intentions, things can go wrong with service integration. In their research on models of collaborative service delivery in child protection, Tomison and Stanley (2001) found a range of barriers to improving inter-agency coordination, including limited resources, conflicting agency goals, distrust of other agencies, ambiguities in protocols, organisational tendencies towards autonomy, the failure to use formal methods of communication and coordination and the use of informal cooperation to supplement the formalised system. Resourcing a specific role for network administration and coordination may mitigate these barriers, but makes the integration goal more expensive.

International experience supports this, showing that service system reform such as full service integration demands considerable workforce capacity-building and complex lines of accountability (Eisenstadt 2011). In the United States context, Ketti explains the major challenges that must be met to effectively deliver services through complex (integrated) service systems:

- **Mission:** Defining an organisation's mission becomes harder with programs that are increasingly interrelated.
- **Resources:** collaboration multiplies the demands for larger budgets for inter-organisational managers.
- **Capacity:** As hard as it is to manage a program, it is also difficult to manage inter-organisational networks. It is a different job that requires different skills.
- **Responsibility:** With networks increasingly sharing the job of service delivery, it becomes more difficult for government, public/private and private/non-profit partnerships to determine their role in contributing to a program's success.
- **Accountability:** When responsibility is shared, it becomes more difficult to assign accountability to individuals.

(Ketti 2006, 16)

This analysis points to the considerable investment and risks involved in achieving full service integration. Service system reform demands a proper examination of the existing system strengths and thorough analysis of the costs and benefits of alternative approaches. An integrated service system requires a number of advances, including increased cross-sector case practice, area-based integrated service planning, and service integration. The reality is that FMP services need to find less intensive (and expensive) ways to link up, such as improved referral networks and other inter-agency coordination. This may mean that full service integration is not the ideal approach, and network coordination is a key priority. In this context, the dimensions and benefits of approaches at the lower end of the integration continuum, including networking, deserve closer examination.

## 3.3 Unpacking Networks and their Role in Service Integration

Service integration initiatives need to be based on an understanding of the existing service links and referral pathways. Network analysis provides a conceptual framework and a methodology for understanding some of the dimensions of these networks. Reviewing key literature, this section explains the role of networks in service integration, and outlines how networks operate.

### 3.3.1 Defining Networks and 'Networking'

In their broadest sense, networks are social structures comprised of individuals and/or organisations and the relationships or ties that link them. Inter-organisational networks are now a reasonably understood phenomenon, even though the term 'network' is not always used. Other terms used to describe networks are partnerships, strategic alliances, inter-organisational relationships, coalitions, cooperative arrangements or collaborative agreements (Provan et al 2007). Common themes in relation to networks are social interaction (of individuals acting on behalf of their organisation), relationships, connectedness, collaboration, collective action, trust and cooperation.

The process of 'networking', as Trevillion outlines, involves:

*...the development and/or maintenance of any set of cross-boundary linkages designed to promote choice and empowerment which enables its constituent individuals, groups or organisations to work with one another for common purposes without merging their identities. (Trevillion 1999, 6)*

Trevillion also points out that networking is a knowledge-driven activity concerned with intervention and that it promotes flexibility and informality, maximises communication possibilities and builds communities (Trevillion 1999).

### 3.3.2 Networks and the Importance of Social Capital

The literature on networks emphasises the necessity of trust and reciprocity (Putman 2000; Sheppard 2005; Stone 2003; Miller in FaHCSIA 2011). Trust and reciprocity are also vital elements of social capital, which Stone describes as:

*...networks of social relations characterised by norms of trust and reciprocity. The essence of social capital is quality social relations. (Stone 2003, 13)*

The operational elements of social capital are bonding, bridging and linking (Stone 2003). Homophily is an important concept in social network analysis and social capital literature, referring to the bond with people with whom we share similar characteristics (Mcpherson, Smith-Lovin & Cook 2001, cited in Yuan and Gay 2006). It can be the factor that makes communication and relationship formation easier. It may also divide a network, that is, the likelihood of interacting with dissimilar others is reduced.

This is why 'bridging' is important in human services networks. Bridging is when we connect with those with whom we do not share similar characteristics. As Mollica et al (2003) points out, for people working in knowledge groups, the capability of reaching out to dissimilar others is as important as reaching out to similar others (Yuan and Gay 2006). Inter-organisational networking can be like this (Sheppard 2005). For example, one organisation may work on financial management issues and another organisation may work on mental health issues. Yet they may want to connect because they share a common client base, such as working with people with

complex needs (Ryan et al 2010). Trevillion hints at this when he talks about 'the development and/or maintenance of cross-boundary linkages' (1999, 6).

In other words, bridging is connecting horizontally and the organisations doing the connecting usually do not share similar characteristics. Burt's (2001) structural hole theory is also pertinent in understanding this:

*While it is important for groups to achieve high cohesion via closed, dense internal networks, it is also crucial for groups to exploit structural holes outside the group in order to gain access to unique, diverse information. (Cited in Yuan and Gay 2006, 9)*

Networking in microfinance projects functions in this way. The workers are key brokers, linking their loans applicants to a powerful institution such as a bank. The aim is that, when this has been successfully done, the worker no longer needs to mediate this link because the applicant may be able to obtain their next loan by themselves. Trevillion (1999) talks about this type of linking as 'social pathways' or 'walks'. He uses the example of linking disadvantaged people to educational or vocational opportunities as a way of developing their networks of empowerment. He also says that the further the 'walk', the more marginalised the individual.

When we become better connected, we increase our connection to the whole social network (Christakis and Fowler 2011). As Christakis and Fowler remind us:

*understanding why social networks exist and how they work requires that we understand certain rules regarding connection – the structure and function – of social networks. These principles explain how ties can cause the whole to be greater than the sum of the parts. (Christakis and Fowler 2011, 16)*

Similar principles apply to inter-organisational networking, helping us to understand that no single policy or program can address multifaceted disadvantage on its own – it is the very connections and collaborations that may prove to have greater success in addressing complex needs (McDonald and Zetlin 2004, Alter and Hage cited in Provan and Milward 2001, and Andriotis 2009). This indicates that the level of complexity of networks calls for a sophisticated and multi-lateral response.

### **3.3.3 Network Governance**

The governance of a network needs to match the level of integration required. Returning to Konrad's typology, a network may be formed by the interconnectedness of organisations that are independent of each other. Leadership and decision-making may be shared to fulfil a common purpose. As pointed out by Diane Smith in her examination of cultures of governance in Indigenous institutions in West Arnhem Land:

*A "governance network" ... refers to the interconnected distribution and exercise of a group's decision making and leadership to achieve their collective goals. (Hunt, Smith et al 2008, 96)*

In terms of network governance, some of the lessons learned by Hill and Delauney (2003) are that:

- leadership of the development, implementation and evaluation of alliances may be optimally located in a single entity that has the authority to mandate change.
- lack of adequate financing or the use of multiple public and private sources of revenue may disrupt the system and lead to conflicts among service providers.
- a chronic lack of adequate resources, stagnation of thinking or practice and failure to meet the needs of internal and external constituencies may result in

extinction or dissolution of inter-organisational relationships. On the other hand, the continuous infusion of new resources, innovative thinking and open participation among relevant parties and an orientation to high-quality service provision may lead to long-term success.

- decision-making concerning may be most effective if it includes the various parties with a direct or indirect interest in the outcomes of the deliberation process.

(Hill and Delauney 2003)

### **3.3.4 Networks Are Dynamic**

Informal networks, usually at the operational level, arise when there is no formal network (Tomison & Stanley, 2001). Workers can use their personal relationships with other professionals to seek advice and make informal referrals (Tomison & Stanley 2001). The use of informal cooperation can supplement the formalised system (Tomison & Stanley 2001).

Maintaining autonomy and independence is a characteristic of many discussions about networking. This is important because the horizontal nature of networking and close collaborations usually bring up notions of consensus decision-making and resource sharing. This can cause conflict, especially when organisational resources are scarce. The literature suggests that networks based on hierarchical relationships (more formal) are less conducive to building reciprocity and collaboration than are those built on horizontal relationships because of imbalances in power and information access. Hierarchical relationships, however, provide valuable resources to support ongoing coordination, which in turn may aid in building trust and maintaining professional networks among members who represent their organisation. However, conflicts between a lead agency and other members can thwart a coalition's ability to accomplish key goals and objectives (Goodman et al 1998).

As a network evolves, other agencies can be added. Over time, mature networks broaden their web of ties, moving from the provision of critical core services by a limited number of closely linked agencies, to inclusion of agencies and services that might be seen as more peripheral and thus more loosely connected. Highly effective, mature networks have a seamless quality allowing information, resources and clients to flow smoothly across agencies and programs (Provan and Milward 2001).

This chapter has examined some of the literature on service integration and networks. Service integration emerges as a key goal in current service system reform but it cannot always be delivered intensively due to limited resources. Service networks appear to be a possible solution to this challenge, providing a means of cooperation and collaboration for under-funded services to deliver holistic services to meet complex needs.

It is therefore important for those designing new service systems to understand how networks are currently being used by service providers to contribute to service integration. The following chapter outlines the methodology used to explore this question in FS services.

## 4. Research Methodology

As the previous chapters have demonstrated, it is important to understand how local service networks operate, and how they can be improved to achieve optimal service integration.

With this objective, this research used a network mapping methodology to describe service networks in an innovative way, providing both a quantitative and qualitative picture of the links between FS services and with other local services. Network dimensions such as centrality and reciprocal ties were used to analyse referrals, client consultations, co-locations, partnerships and formal network memberships. Case studies and the reflections of key network players provided context and depth to these interpretations.

### 4.1 Research Questions

The overarching research question was: *What are the elements of an effective local FS service system?*

Several sub-questions were also identified:

1. How are local/regional community financial service networks currently configured?
2. How can FS service networks maximise financial wellbeing, including identifying the necessary (minimum) suite of services and the service demands they will meet?
3. What is the potential role of microfinance programs in local financial support networks?

### 4.2 Research Design

The research design included:

- identification, in consultation with the Department of Social Services (DSS) of four 'case study' localities representing urban, interface and regional/rural and remote areas respectively;
- interviewing key personnel in participating organisations concerning their referral pathways, types of collaboration and networks of services;
- examining, with the assistance of reference group members, the key service models and their policy contexts to identify their purpose, scope, and outcomes;
- identifying, through network and thematic analysis, systemic gaps and opportunities occurring in collaboration at the local level; and
- checking the interpretation and main conclusions with key informants in three of the four case study areas.

#### 4.2.1 Research Stages

The research was divided into the following stages:

- Stage 1: Preparation, which involved developing the project brief, refining the conceptual framework and methodology, obtaining ethics approval and forming the reference group;
- Stage 2: Literature and policy review, which involved defining the policy and practice contexts of local service networks and FS services, summarising key relevant research into service collaboration, and briefly outlining selected social network analysis research literature;

- Stage 3: Data-gathering, which involved identifying and recruiting participating organisations, developing and piloting a data collection tool (survey), conducting telephone surveys, and undertaking selected agency visits and face-to-face interviews;
- Stage 4: Data analysis, which involved network analysis of links and thematic analysis of qualitative interview, survey and case study data;
- Stage 5: Consultation, which involved face-to-face briefings of key participants about the interpretation of findings and consulting with them about the recommendations in three case study areas; and
- Stage 6: Written output, including documentation of the findings and recommendations.

#### 4.2.2 Scope

As has been previously outlined, this research was focused on the FS service sector, which is a subsector of the community services sector and is itself comprised of the further subsectors of emergency relief (ER), financial counselling, microfinance and financial education services. Some of the participating services were funded under the Commonwealth Government's Financial Management Program (FMP), and some were funded from other sources, largely state governments and philanthropic donations.

Centrelink Social Work services and Financial Information Service (FIS) were included within the scope of the study as potentially important to the local service networks, although these government services are not part of the community sector as such. The Centrelink Social Work service provides counselling and support to people with difficult personal or family issues, information about or referral to community support services and help with claims for Centrelink payments. with people who experience multiple disadvantages.

The decision was made to include Centrelink social workers because of their importance to the financial support referral pathways and because they were known to play a crucial role in some local ER networks. In the process of assisting an individual, Centrelink social workers may consult with a wide range of other services. Workers from these services and programs also refer people into Centrelink, and it is common for these workers to consult with other Centrelink social workers about how Centrelink can assist the person with whom they are working particularly in complex cases. The FIS was included as it is responsible for providing financial education in every local area, although it has focused largely on retirement financial planning.

All of these surveyed services are together termed '**FS services**' in this Report.

#### 4.2.3 Sample and Recruitment

Four locations were selected to serve as case studies of particular types of geographic profile. They were selected in consultation with DSS. All had a relatively high proportion of socio-economically disadvantaged residents. The selected locations and postcodes were:

- Inner urban: **Yarra City Council** (inner Melbourne) – 3054, 3065, 3066, 3067, 3068, 3078, 3121
- Outer urban: **Blacktown City and surrounding areas** (Western Sydney) – 2146, 2147, 2148, 2155, 2164, 2747, 2760, 2761, 2762
- Rural/regional: **Cairns and hinterland** – 4849, 4850, 4852, 4854, 4855, 4856, 4857, 4858, 4859, 4860, 4861, 4865, 4868, 4869, 4870, 4871, 4872, 4873, 4874, 4875, 4876, 4877, 4878, 4879, 4880, 4881, 4882, 4883, 4884, 4885, 4886, 4887, 4888
- Remote: **Thursday Island** (TI) – 4875, 4816

The social network analysis methodology that was used has primarily been designed to create sociograms of links between individuals rather than organisations, so in this study the person interviewed became the 'proxy' for the service. Their knowledge had to be as closely aligned with their service practice as possible, and great effort was made to identify the most appropriate person to interview in each service. This was generally a program manager or senior manager. Where neither existed, a senior practitioner or volunteer was recruited.

The goal was to interview every ER, financial counselling, microfinance, financial education and Centrelink Social Work service in the selected areas. Given the lack of a comprehensive database, especially of ER, and the nascent nature of financial education activity, this was a challenge. However, a number of key financial support organisations that may have been missed in the first listing of participants were identified through the survey interviews and followed up.

The number of services surveyed varied between the four case study areas. There were 14 financial support agencies surveyed in Yarra, 22 in the Blacktown area, 28 in Cairns and hinterland, and three on TI. A list of the participating agencies is provided in Appendix 3.

All financial support agencies that were contacted agreed to be surveyed, but the sample is not comprehensive as some were missed, particularly if they were not linked to other surveyed agencies. The outer urban area of Blacktown and surrounds was the most difficult area in which to identify and recruit participants. This was due to several factors:

- The researcher's lack of local knowledge of the Western Sydney area (GSYFS is based in Victoria and has its headquarters and a service base in the City of Yarra);
- The lack of formal financial support sector networks (unlike Cairns where key personnel holding this information were readily identified);
- The larger population size and larger community sector of the Western Sydney area;
- The lack of clear geographic or other boundaries: there are several possible 'hubs' in Western Sydney.

#### **4.2.4 Data-Gathering**

Surveys were conducted by telephone with the relevant practitioner, manager or volunteer. All surveys of ER, financial counselling, microfinance and financial education services were conducted by the same person. They had experience of community-based ER, microfinance and other support services, as well as experience in program design, evaluation and management. The Centrelink surveys were conducted by a different person, who had previously been a Centrelink social worker.

The survey was piloted with one of each type of service type.

See Appendices 1 and 2 for a copy of the survey, information statement and consent to participate.

#### **4.2.5 Data Analysis**

Two types of analysis were used to develop a comprehensive picture: social network analysis described the essentially quantitative network data, and thematic analysis was used to extract the main messages from the qualitative data.

## Social Network Analysis of Quantitative Data

'Social network analysis' methods were used to describe and map the FS service networks in the selected areas. A social network is a social structure made up of individuals (or organisations) that are linked (connected) by one or more specific types of connection.

Social network analysis is highly visually engaging and accessible to the audience, making it particularly suitable to study service networks. The network maps are able to represent complexity effectively and to quantify information that otherwise remains anecdotal, or is restricted to qualitative description .

In this study, the identity of individual services was not the focus. Instead it was the patterns of linkages between different types of service and across the different case study areas that was of interest. The use of social network analysis to map relationships between services rather than individuals was innovative, and could be justified on the basis that the services studied would be expected to have reasonably consistent, internally shared, practice protocols. The benefit of this adaptation of the methodology was that it could be used to study service systems, not just key actors in those systems.

Social network analysis has allowed us to turn basic survey information into visual and quantitative representations of those links. These concepts can be displayed in a social network diagram, or sociogram, where individuals/organisations are the points and connections are the lines. Network connections can be described and analysed both visually and statistically, using concepts such as the distance between points, the density of the network and centrality. Analysis proceeds from whole to part, and from structure to individual relationships. See overleaf for a guide on how to interpret sociograms in this Report.

In the survey, five types of network questions were asked, concerning co-locations, partnership, networks, referrals and secondary client consultations. Specifically, respondents were asked:

1. Is your service **co-located** with any other services/programs? (please name)
2. Is your organisation in **partnership** with any other local organisations to deliver the service/program? (give details)
3. What **service networks (formal or informal)** is your service a member of?
4. What are the main services/organisations, local and statewide, that:
  - a. **refer clients** to your service/program?
  - b. your service/program **refers clients to**?
5. What are the main services that:
  - a. **seek secondary client consultations** from your service/program?
  - b. your service/program **uses for secondary client consultations**

The social network analysis was conducted using UCINET software. An academic researcher with experience in network analysis using UCINET provided expertise and advice on the design, data collection, data entry and analysis, and interpretation stages. Some of the research participants who were key informants in each area were then involved in reflecting on and interpreting the meaning of the data collected.

Each named service was identified with a code number for analysis purposes, but these are not published both for privacy reasons and because they are not pertinent to the research questions.

## How to 'Read' Sociograms (Network Maps)

Network maps are a visual representation of the 'ties' (links, relationships) between 'nodes' (points). In this study, the points represent organisations, or more accurately, people speaking for those organisations. Each line represents a tie between a research participant and another organisation as reported by the participant.

Points each have an identifying number. Individual organisations are not generally named in this report, with a few exceptions explained later.

Points and links can also be colour-coded to represent different features.

The UCINET software used to create the sociograms has its own 'logic', including:

**Clusters:** automatically places points closer to those it is linked with, with the cumulative effect of clusters where networking activity is more intense, and alternatively spaces where there is none.

**Centrality:** the organisations that are more often named as links are more centrally placed in the network. Centrality describes the prominence of a point (in this case, a service) in the network, i.e. which services are connected to the most other services. This can be represented statistically, but in this study the sociograms (network maps) show centrality visually.

**Bridging:** the network maps make it clear which points are key linkages between clusters of network activity.

**Pendants:** the software places points with a single link around the outside of the network map: these are called 'pendants' and can be removed to show clusters more clearly.

**Isolates:** points with no links named for that relationship are called 'isolates'.

**Out-degrees:** the term used to describe the number of links a participating organisation names.

The network maps are not geographical: distances between organisations do not show actual distances and positions do not correspond with geographic locations.

Four types of sociograms proved most useful to this research:

- total links: these mapped all of the links named by all the participating services
- total links with 'pendants' removed: these mapped only those organisations that were mentioned more than once by the participating services in an area
- reciprocal ties: these showed with a red line those links that were mutual, when organisations mentioned each other
- links between participating organisations only: these showed only the FMP and Centrelink services interviewed.

## **Statistical analysis**

Some statistical calculations were also conducted on the data to determine if there were statistically significant correlations. These drew upon some of the descriptive survey data, such as the staffing type of the organisation. Correlations were also calculated using some of the 'network' data. Partnerships, co-locations and formal network memberships (which had also been mapped on sociograms) were treated as attributes that a service either had or did not have, and correlated with the number of other links (referrals and secondary consultations). This analysis was based on separating the 'client-based links' – referrals and secondary consultations – that create informal referral networks, from the 'organisational links' – partnerships, co-locations, and formal network memberships.

## **Thematic Analysis of Qualitative Data**

While the network data, sociograms and correlations can stand alone, useful interpretation of their implications requires a consideration of context. For this reason, researchers using social network analysis often include qualitative information in their surveys and use this to understand why certain patterns emerge and to avoid erroneous conclusions. For example, a service type that routinely has smaller networks such as financial education may not need to receive or make many referrals, as participants do not come with complex and multi-layered situations.

Several evaluative questions were included in the survey, namely:

- What are the unmet needs for FS services in your local area?
- Have any new community needs been identified and responded to by your FS service or networks in the past 3 years?
- How well do the services in your area understand each other's roles overall?
- How effective are the local service networks?
- What sustainability issues about the local community financial services or networks concern you?
- Any other comments or suggestions about improving local FS services and networks?

Themes were generated iteratively after interviews were conducted in the first geographic area, and added to or modified with the data from each successive area surveyed. This was also the manner in which case studies were identified, highlighting particular themes or findings.

## **Participant Feedback on Initial Analysis**

In three of the four areas (Yarra, Western Sydney, Cairns), participants were invited to a meeting to discuss the local findings and draft report recommendations arising from the research. This presentation included a hardcopy of the local network maps. Names of the agencies represented on the sociograms were available but not distributed. Confidentiality required the network maps and findings to be de-identified for public distribution unless the information was already in the public domain; was innocuous, or was a case study of best practice.

## **4.2.6 Reference Group**

Reference group members provided research expertise and practice and policy knowledge on ER, financial counselling, microfinance and financial education services. The reference group met four times and considered the research and questionnaire design, the literature review, the findings and the interpretation of findings.

## 4.3 Ethical Issues

The research was approved by the Research Ethics Committee of GSYFS.

The confidentiality of participating organisations in the published material was safeguarded by agreements that identities of informants or their organisations would not be linked with any specific published information unless they gave express permission. Despite this, there is some risk that the sociograms will be misinterpreted by readers of the Report. They are visually very accessible, but as the discussion of findings will make clear, they need to be contextualised and explained with equal reference to the qualitative data.

The informants were asked to agree to identifiable information being shared locally with other participating services. This was to allow participating organisations to benefit from the information more directly, by providing greater insight into how local service networks operate and might be improved.

## 4.4 Limitations and Advantages of the Methodology

There are some limitations to the research design. Being an innovative method to study service networks, there were some 'trade-offs'. First, social network analysis is essentially a sociogram of links between individuals, not organisations, so the person interviewed had to be treated as a 'proxy' for the service. If the person interviewed did not have all of the information, or if there was a lot of variation in the knowledge between different personnel, the picture created would be less accurate. This limitation affects all research that uses worker questionnaires to some degree, but should be kept in mind when interpreting the data.

A lack of local knowledge affected the capacity to identify the direct service personnel in the Blacktown case study area particularly, and so senior managers were often the contact. This may have made a difference to the type of data collected, especially about attendance at formal networks. This limitation was also an asset in that it provides information about how different levels of an organisation might relate differently to local networks. Furthermore, initial analyses were checked through face-to-face visits and follow-up stakeholder interviews in all the areas, except for TI where the remoteness made it impracticable.

The exploratory nature of the research and the diversity of the services surveyed also meant participants might have differing interpretations of some concepts, such as 'partnerships' or 'networks', and this makes the data less reliable.

Finally, there is a danger that the research design may encourage an unwarranted assumption that more links create better services. For example, a service that is already well known may operate through high numbers of client self-referrals and 'street-knowledge' rather than professional referrals, or a service using an empowerment model may support the person to find a service, rather than making a referral (especially if it is not a crisis situation). At the other end of the spectrum, a service that is unable to meet needs for whatever reason may make a lot of referrals elsewhere as a strategy to manage workload. Checking the network data against qualitative data, and consulting participants, as well as using multiple measures of networking, helps to overcome these limitations. Nonetheless, caution should be exercised in interpreting the number of links of participating organisations in a simplistic and value-laden way.

Finally, the fact that the Report cannot show names of participating services on network maps to protect organisations' confidentiality limits the readability of the network maps.

The difficulties of using social network analysis to study service networks were, however, out-weighed by the unique opportunities this methodology provided. The most robust research in the community sector often combines both qualitative and quantitative data. Social network analysis, while in itself a quantitative method, is best used with supplementary qualitative data to assist interpretation of the sociograms.

The quantitative nature of the network data allows correlations to be made, and this provides us with powerful evidence about the association of selected organisational attributes with larger referral networks.

Another interesting benefit, satisfying the participatory/emancipatory impulse, is that this methodology provided information that both the researchers and the research participants could use. In studying our service networks, we are examining ourselves. The methodology is also ideal for 'studying up' – researching the policy decision-makers themselves.

## 5. Geographic Diversity and Networks

Community support services are predominantly locally based and have been so historically. Generally, people accessing them have cost or other barriers to travel, but just as importantly from a community development point of view, the neighbourhood is the site of change, not just the locale for services. More recently, increased recognition of how disadvantage is concentrated within specific neighbourhoods has inspired government initiatives that situate policy interventions within neighbourhoods and/or strengthen the local nature of service systems.

Current attention to the additional problems experienced in certain types of locality includes public housing neighbourhoods in inner city areas, the mortgage stress of outer urban areas, the lack of access to opportunity and employment in rural areas and the Indigenous disadvantage in remote areas. These four types of locality are represented in this study.

At the same time as services are being urged to be more locally accessible and responsive, there is widespread recognition that people are bringing more complex and multiple issues to community services for help. In the financial support sector, people living on low income often now have multiple ongoing issues, rather than one financial crisis event. Yet resources are limited, and the full range of specialist assistance cannot be available in every neighbourhood. Referral has always been an integral part of social work and community welfare practice, and can easily be taken for granted. Under these new demands for more holistic care to be locally available, however, referrals have a more critical role than ever in meeting needs.

Further, there is a renewed call to address the more deep-seated troubles that may be causing regular life crises or financial hardship. Governments are keen to use funding to prevent further problems, rather than continue to patch up situations. There is increased scrutiny of the outcomes of government spending and an expectation that interventions will lead to more long-term improvements, rather than temporary remedies. This adds to the importance of local services being able to make effective referrals.

In order to design services that are better able to link up locally in the interests of their service-users, it is important to understand more about how various geographic factors impact on service networks.

The local service networks of FS services were studied in four geographic locations, each chosen as a case study of one of the following settlement types: inner urban (City of Yarra), outer urban (Blacktown area), regional and rural (Cairns area and hinterland), and remote (Thursday Island (TI)). The areas chosen do not 'represent' similar geographic types, but rather provide in-depth case studies that give insight into types of service networks and what geographic conditions produce them.

### 5.1 The Four Case Study Areas

Some basic demographic dimensions of the four case study areas provide a context for the analysis of service networks and serve as a caution against simplistic comparisons between areas. More detail about the areas is included in the sections discussing each.

Table 5.1 describes the physical size, total population and population density of the case study areas. While the physical size of each area is vastly different, the variation in population size, although still considerable, is less.

*Table 5.1 Physical Size and Population Size of Case Study Areas*

Settlement Type	Case Study Area	Physical Size (approximately)	Total Population	Pop Density
Inner urban	City of Yarra	20 sq km	78,041	3,902 people per sq km
Outer urban	Western Sydney (Blacktown and surrounds)*	240 + 120 = 360 sq km	c 300,000 + c150,000 = c450,000	1,250 people per sq km
Regional and rural	Cairns/ Atherton area**	4,135 + c6,477 sq km = 10,600 sq km	c168,000 + c32,000 = c200,000	0.5 people per sq km
Remote	TI area	491 sq km (land mass only)	5,082	10 people per sq km

\*The Western Sydney case study is impossible to describe with precision, as it includes City of Blacktown (240 sq km and pop. 300,000) plus parts of Fairfield, Baulkham Hills and other areas. For illustrative purposes, the area studied (size and population) has been calculated here as City of Blacktown plus 50%.

\*\* Cairns/Atherton area is also impossible to describe precisely as it includes Cairns Region (population 168,251) and the most populated section (although a very small proportion of the area) of Atherton LGA (population 46,937), so is estimated at approximately 200,000. The physical size is calculated as Cairns (4,135 sq km) plus one tenth of Atherton's 64,768 sq km (6,477 sq km), totalling 10,600 sq km.

The population density and the physical size of each area create very different contexts, needs, opportunities and difficulties for local service networks to operate. This needs to be kept in mind in all interpretations of the network data.

The number of financial support agencies within each case study area also gives an indication of the geographic differences. In general, the larger the area covered, the larger the number of financial support agencies identified. The exception is TI in the Torres Strait, which has unique geographic characteristics and a tiny population by comparison.

Table 5.2 places the number of financial support agencies in each area within its geographic context, with an approximate calculation of comparative density of financial support agencies.

*Table 5.2 Density of Agencies in Case Study Areas*

Case Study Area	Financial Support Agencies Surveyed*	Physical Size	Total Population	Financial Support Agency Density (pop)	FMP Agency Density (area)
City of Yarra	14	20 sq km	78,041	5,574 people per agency	1 agency for every 1.4 sq km
Western Sydney (Blacktown area)	22	360 sq km	450,000	20,454 people per agency	1 agency for every 16.4 sq km
Cairns Area and Hinterland	28	10,600 sq km	200,000	7,142 people per agency	1 agency for every 378.6 sq km
TI Area	3	491 sq km	5,082	1,694 people per agency	1 agency for every 163.7 sq km

\*Financial Management Plan (FMP) agencies plus Centrelink

While the number of agencies surveyed ranged from three agencies to 28, the number of agencies per person was somewhat more consistent. Yarra and Cairns

had a similar ratio despite Cairns covering 500 times the area, with one agency for every 5,500 to 7,000 (approximately) residents.

However, in the Blacktown area, the ratio of people to agencies was more than three times that of the other urban area, Yarra. This could well be explained by the relatively large size of several key agencies in that area, as well as by the probability that not all small agencies were sampled, especially if they were not well connected with other agencies. It is, however, not possible to extrapolate from this that larger agencies are more typical of outer urban areas in general.

On Thursday Island, there were a third the number of people per agency as in Yarra, and a tenth the number as in Blacktown area. The remote location, island populations and majority Indigenous population with low local employment may be some of the factors explaining the relatively high density of agencies serving the Thursday Island community.

Each of the areas will now be described in more detail, including qualitative and network data.

### **5.1.1 Inner Urban Case Study: City of Yarra, Melbourne, Victoria**

Located in inner Melbourne, the Local Government Area (LGA) of Yarra has undergone considerable gentrification. Its close proximity to the Central Business District (CBD) has led to an increase in the area's popularity, which 'has attracted more young, single, professional, tertiary educated, middle to high income residents' (i.d. Consulting 2009, 3). The City of Yarra has a diverse mix of private homes, public housing, community housing and high-rise developments (i.d. Consulting 2009). It is ranked highly in terms of relative socio-economic advantage (Australian Bureau of Statistics 2008). At the same time, it has one of the highest concentrations of public housing in the country and contains pockets of concentrated disadvantage.

The City of Yarra has experienced an increase in newly arrived communities. It has been stated that:

*Analysis of the year of arrival for the overseas born population of the City of Yarra in 2006 compared to the Melbourne Statistical Division shows that there was a smaller proportion of people who arrived before 1991 but a larger proportion of recent arrivals (those who arrived between 2001 and 2006). (i.d. Consulting 2009, 10)*

The City of Yarra has a proportionately younger population than the rest of Melbourne and a higher number of one-person households (i.d. Consulting 2009).<sup>1</sup>

This high-density inner city area has about 3,900 people per square kilometre. The service networks overlap to the west with Carlton and very slightly to the south with the CBD, but otherwise the service links largely reflect the LGA area of the City of Yarra.

Yarra includes some of Melbourne's oldest suburbs and historically housed its poorest populations. The overlay of gentrification is impacting on community cohesion and on poorer residents, as noted by one service provider in the survey:

*Changing demographics and gentrification of areas mean that some people who have lived in the community all of their lives and perhaps don't have sufficient super or have lost jobs, particularly single people, can't afford to live here anymore. For the first time in their lives they are accessing support services.*

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<sup>1</sup> The descriptions of the four case study demographics borrow heavily from T. Corrie's research 'Microfinance and the Household Economy' (2011), which used the same case study areas.

A significant amount of public housing is concentrated in several areas of high-rise blocks built in the 1960s in ‘slum clearance’ programs. Homelessness and housing stress remain major issues for many of the clients of Yarra’s community services, according to service providers:

*Housing is the biggest issue – a lack of public housing where there is a 12–18 month wait. There are 30,000 looking for housing in Melbourne. I’ll give you an example. One of our clients was the victim of domestic violence. She had to leave the family home quickly. All [local homelessness service] could offer her was a doona.*

As one ER provider said:

*It’s OK to give a food voucher but how can you help people to set themselves up in a home?*

### Services for Low-income Residents

The City of Yarra has a large number of agencies within a small area, with approximately one financial support agency for every 1.5 square kilometres. A total of 110 other organisations were identified by the research participants, many though not all within the LGA boundary, making approximately one for every 700 residents. As one of the oldest areas of the city, and one that has in the past been almost exclusively low income, it is not surprising that Yarra is the historic base and head office of a number of welfare services. This area is also home to a number of newer, innovative social services. Nonetheless a number of the services needed by residents are outside the local area:

*I send clients to Anglicare Preston [for financial education] – it’s a hike.*

Table 5.3 Yarra Participating Services and Links

Measure	Number Identified	Average per FS service	Density (Pop = 78,041)
Number financial support agencies surveyed	14	NA	5,574 people per FS service
Total organisations	110	7.9	709 people per organisation
Total links (all types*)	238	17	328 people per link
Organisational links**	178	12.7	438 people per organisational link

\*Types of links are: co-location, partnerships, service networks, referrals in and out, and secondary client consultations in and out.

\*\*Counting only one link per organisation for each service surveyed, i.e. some services connect to an organisation by more than one type of link.

There were approximately eight community service organisations identified for every financial support agency surveyed, with every financial support agency having on average 17 links with 13 other services. However, this average represents a very wide range, from one small emergency relief (ER) organisation listing only one link to Centrelink naming 41.

Figure 5.1 is a sociogram of all the links for Yarra, which is useful in order to see very broad patterns and some of the differences between the case study areas. This map is a ‘snapshot’ of the area, showing all of the links mentioned by any participant. It provides a sense of how clustered or spread out the network is and raises questions about these patterns of networking, which can be the subject of further investigation. Later discussions will select some of these links for closer analysis.

It should be remembered that these are not complete sociograms of service links in an area; they are only the links of participating services as reported to us.

An explanation of how to 'read' the sociograms in this Report is included in Chapter 4 Methodology.

*Figure 5.1 Yarra Area – All Links*

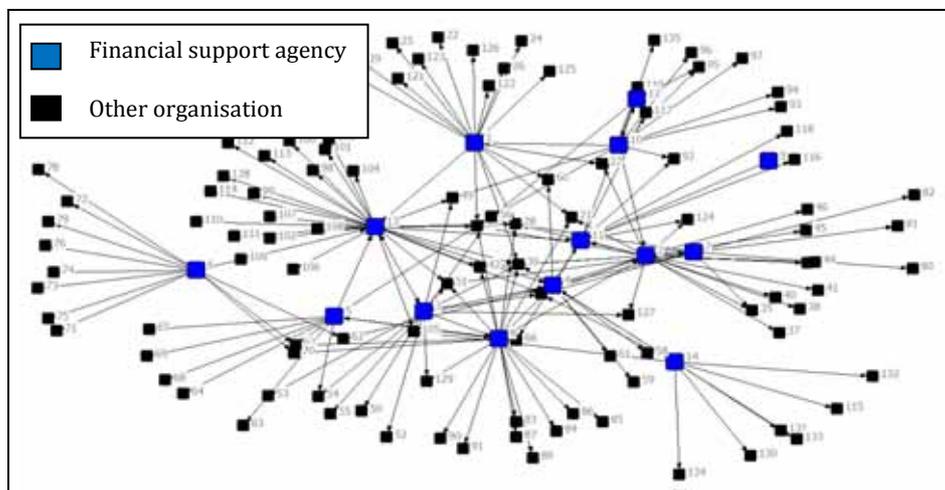


Figure 5.1 maps all links identified through the surveys based on client referrals, consultations, partnerships, co-locations and networks. The arrows are the links, and the points they travel towards are the services.

The participating agencies are shown as blue points with the black points representing organisations these agencies named as links. The arrows are directed out from the participating organisations to the organisations they name. Where participating agencies have named each other, the arrows are two-directional, although this is more easily seen in a sociogram of 'reciprocal ties', discussed later.

Although there are a large number of organisations named by the participating services, there is a relatively small group of organisations that are prominent in the network (that is, they receive a large number of links). Indeed, of the 110 organisations identified by respondents, only 22 have more than one link.

The core services of the network are more clearly evident in Figure 5.2, which excludes those organisations nominated only once (the 'pendants'). This figure reveals that some of the organisations are central to the network, but many others are peripheral. Many of these single links (pendants) are also outside the Yarra geographic area, and therefore the sociogram with pendants removed is perhaps a more helpful representation of the Yarra area.

Figure 5.2 Yarra Area – All Links, ‘Pendants’ Removed

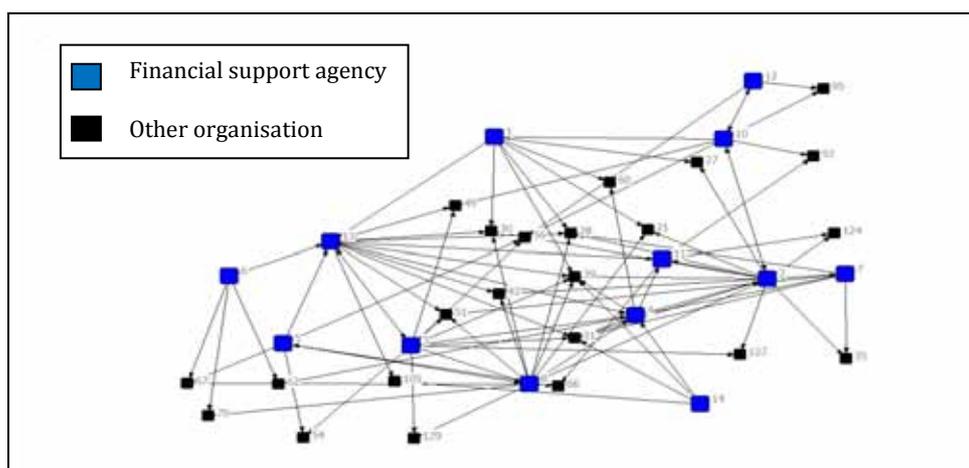


Figure 5.2 also shows that, in Yarra, the organisations most central to the map are usually not the FS services; there is not a natural ‘hub’ or centralised arrangement of FMP services. The non-FMP services that are linked to FMP services include homelessness services, community health services and community legal services. Their centrality in the network map indicates that FS services are sometimes only linked with each other *through* these other organisations.

The importance of the handful of agencies that are mentioned multiple times by the surveyed organisations will be discussed later in this Report.

### Referrals and Consultations

All but one of the surveyed FS services in Yarra area reported being involved with the delivery of more services than they were established to deliver. When clients presented with additional needs, the standard practice was to make a referral. For example, one noted:

*When we do workshops we get more involved with clients, for example we may try and help them with contact numbers and find out information for them on employment and training.*

On the other hand, some of the feedback indicated barriers to assisting clients with a broader range of supports:

*There is a lack of understanding of products available to those most in need.*

Further, while there may be a willingness to use other services, this did not always mean help was available:

*Services may be available but without capacity to take any more client referrals.*

### Co-location and Partnerships

Of those services interviewed, seven were co-located with other services and six were in partnerships. The network data including the correlations between co-locations and number of links are analysed later in this Report. In addition to network data, a number of qualitative comments indicated that, in general, referrals were frequently and easily made between co-located services. These services showed high levels of awareness of their co-located services and what they offered to clients over and above their own service provision. Where co-location existed, there was also more likely to be a structured process of referral, although this was not automatic. For example, the City of Yarra financial counselling service was readily able to list all of the co-located services, what they did and how they referred clients to those services both formally and informally.

Similarly, where organisations were in partnership with others, the ability to refer clients from one to another seemed to improve, at least where the partnership was based on overlapping service needs. For example, Carlton Fitzroy Financial Counselling Service is in an informal partnership with Fitzroy Legal Services (FLS). It delivers some of its counselling at FLS premises and regularly takes referrals from and makes referrals to FSL staff and volunteers.

### **5.1.2 Outer Urban Case Study: Blacktown and Surrounds, Western Sydney, New South Wales**

The largest area studied from the point of view of population was the Western Sydney area based around Blacktown and extending beyond the Blacktown LGA. The number of surveyed organisations and their links also exceeded that of other case study areas.

#### **Geographic and Socio-economic Description**

The outer Western Sydney area focused on Blacktown, an outer suburban area 35 kilometres from Sydney CBD (i.d. Consulting 2009). Blacktown ranks as the second highest area in Greater Sydney for socio-economic disadvantage (Australian Bureau of Statistics 2008). Thirty-four per cent of residents were born overseas, as opposed to 22 per cent Australia-wide (Australian Bureau of Statistics 2006). There is also a proportionately higher concentration of public housing, with 32 per cent of residents living in public housing, as opposed to 15 per cent nationally.

As an outer urban area, it is not surprising that the population density of the Western Sydney case study area was a third that of Yarra, but over 2000 times that of the rural/regional case study area of Cairns. With an estimated 360 square kilometres and 450,000 residents, it had a population density of 1,250 people per square kilometre.

It is not possible to look at Western Sydney as one area. Blacktown LGA alone is 246.9 square kilometres, with 308,000 people – making it the third largest LGA in Australia. As an outer urban area, Blacktown and surrounding suburbs are harder to define geographically than older inner city areas. Like most outer suburban ‘interfaces’, it consists of several townships or settlements that have been swallowed by the growth of the adjacent metropolis. This conurbation made it difficult to restrict the survey to the identified postcodes as organisations were based outside the area but worked in the target area, or covered the target area as well as providing services outside it.

Those interviewed covered service delivery in Blacktown LGA, Penrith LGA, The Hills LGA, Fairfield LGA, Kingswood, Mount Druitt, Baulkham Hills, Parramatta, Hornsby Shire, Hawkesbury LGA Toongabbie, Diocese of Parramatta, St Mary’s, Clairmont Meadows, Oxley Park, Colyton and North St Mary’s.

While socio-economic profiles varied across the area, the region has high numbers of disadvantaged households. Homelessness and housing stress were identified by the research participants as major challenges for low income clients:

*People cannot get housing, they are doubling up, 2-3 families in a house couch hopping from one place to another. Until the police found them recently, there were 15-16 people living in the basement of West Point.*

*We are now visiting people in around thirty emergency accommodation locations, motels and temporary accommodation. We have had to re-organise our volunteers and we are trying to be more responsive and see these people on the same day they call.*

*Most of the needs are generated from the high costs of rentals. It doesn’t leave a lot of money to cover the rest of their needs.*

Utility bills are another cost of living creating increasing financial stress and associated demand on services:

*It's a big issue, always has been but it seems to be getting worse.*

*Increasing costs is a problem. We have received training in how to assist our clients from the (utility) providers.*

### Services for Low-income Residents

There were 22 FS services surveyed in the Western Sydney area. This represents one for every 16 or so square kilometres and every 20,454 residents and is roughly four times as many residents per FS service than in Yarra. The survey identified another 235 community support organisations linked with those FS services, almost one for every 2,000 residents. This compares with one organisation for every 700 people (approximately). The ratio of community service organisations to survey respondents was approximately 11 to one. Each participant reported on average 27 links with 19 other services.

*Table 5.4 Community Support Organisations and Links Identified (Western Sydney – Blacktown and Surrounds)*

Measure	Number Identified	Average per FS service	Density (Pop = 450,000)
Number financial support agencies surveyed	22	NA	20,454 people per financial support agency
Total organisations	235	10.7	1,914 people per organisation
Total links (all types*)	585	26.6	769 people per link
Organisational links**	412	18.7	1,192 people per organisational link

\*Types of links are: co-location, partnerships, service networks, referrals in and out, and secondary client consultations in and out

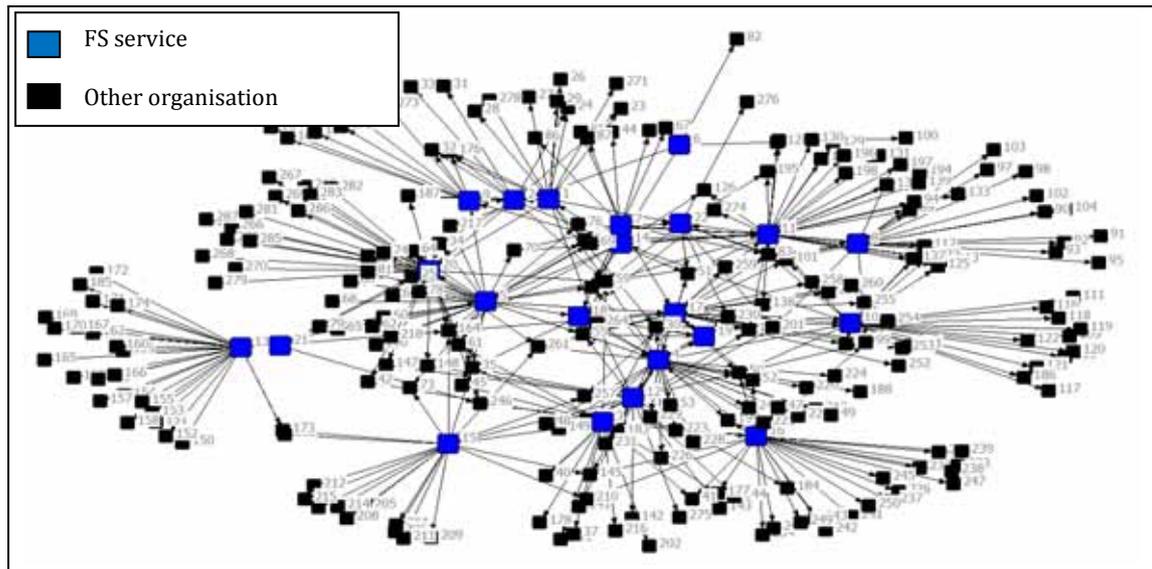
\*\*Counting only one type of link per organisation even if there was more than one

This outer urban case study identified the largest number of organisations of any of the case study areas, with over 230 community support organisations servicing the area. As elsewhere, some of these are outside the area itself, but most are within it. Despite the large number of contacts listed by participating agencies, there were fewer community service organisations per head of population. For every community service organisation identified in the Blacktown area, there were 1,914 residents, compared to 709 in Yarra and 1,058 in the Cairns area.

All but two services surveyed were involved with the delivery of more services than the FS services that the research focused upon. Compared to the City of Yarra, more Western Sydney services were part of larger organisations and described the additional services delivered by their own organisations.

One of the striking findings, especially apparent in a visual mapping, is the number of services used by an area. Figure 4.3 shows the total links in the Western Sydney area produced by just the 22 surveyed services. The sheer volume of community organisations serving FS services gives an indication of the extensive knowledge required by them to support clients with complex needs. Later discussion will return to this point, especially as it affects the service model of volunteer-based services.

Figure 5.3 Western Sydney (Blacktown and Surrounds) – All Links



The study focused on Blacktown LGA, but several key organisations serving that area were situated in neighbouring Baulkham Hills, Fairfield and St Mary's. Therefore, many service links crossed LGA boundaries, although geographically based groupings remained, as the sociograms show, with the distance between the different townships appearing to act as a barrier to networking across the wider area.

Figure 5.4 Blacktown Area – All Links, Geographic Zones Marked

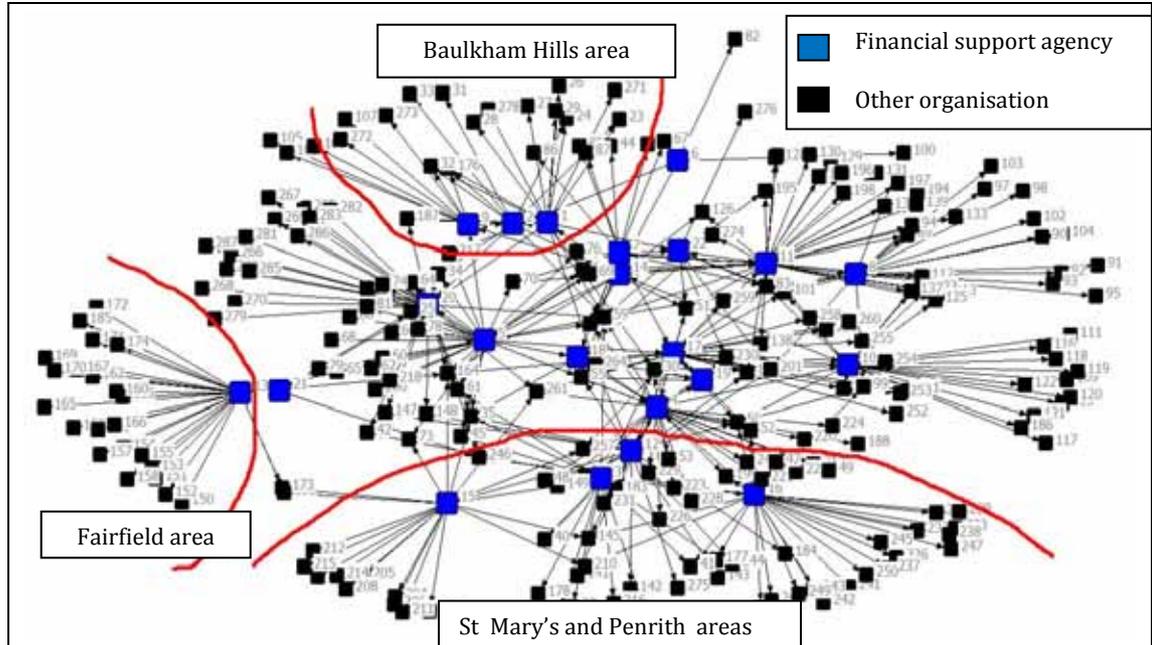
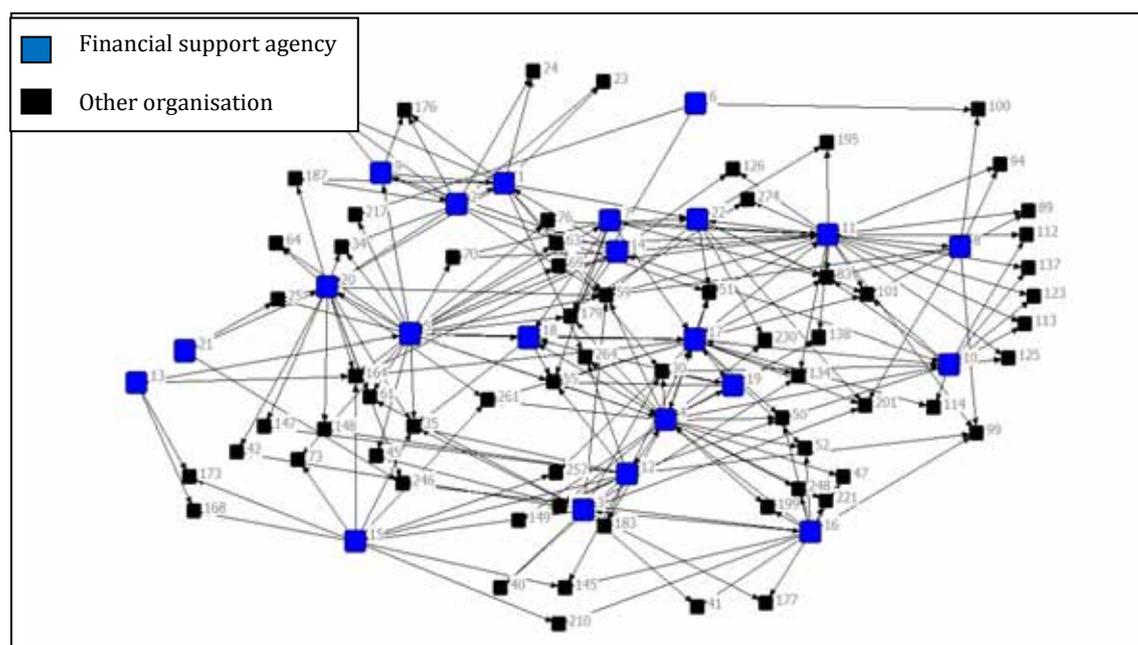


Figure 5.4 shows some of the main clusters of links, corresponding to the urban centres: the surveyed organisations (blue points) on the outer ring of the network are generally speaking in the peripheral areas such as Baulkham Hills to the east, St Mary's to the west, and Fairfield to the south. The busier clusters remaining in the centre represent Blacktown and Mt Druitt, which tend to be grouped together.

Figure 5.5 Blacktown Area – All Links, 'Pendants' Removed



Comparing Figure 5.5, which shows only those organisations mentioned more than once, with the full sociogram (Figure 5.3) reveals that only about one in 10 of the organisations named have more than two links. However, many of the 'pendants', as single-linked organisations are called, would be expected to be on the fringes of or outside the targeted geographical area. Nonetheless, these organisations were named and as such are important to the work of the FS services.

With more residents to assist, it is perhaps not surprising that the Western Sydney financial support agencies surveyed have on average a higher number of organisational links (26.6) than the financial support agencies in the other areas. Furthermore, a higher number of services, or even a higher ratio of services, does not necessarily mean that needs are better met. The higher ratio may simply indicate the presence of larger agencies, or may be a result of the research locating few smaller organisations.

In fact, the qualitative data indicates concern about unmet needs in outlying areas, and a number of agencies had recently established outreach services based in community centres in some of these areas. Other agencies had identified this need and were considering setting up outreach programs.

### Service Gaps

There were significant gaps in the FS services noted by participants. Financial education was seen as an answer to many of the issues, and local initiatives were springing up in response, although not in a coordinated fashion:

*There is a huge gap in financial education for young people and research has shown this. Our agency put together a program to try to get it into the curriculum which has not happened.*

Many financial counselling services were struggling with increasing demand:

*There is a huge call on financial counselling services and we can't meet the need. There are not enough people to do the work. There is a lot of debt and W. Sydney is a disadvantaged area with lots of social issues.*

Services noted increasing vulnerability of their clients to unsafe lending, due to the lack of awareness of or limited access to microfinance:

*A woman came in today; she is renting just a fridge and a washing machine over 4 years at \$61 per fortnight that is \$4758 in total. She could have bought it with a NILS loan for \$1029 and paid it off in 10 months at \$50 per fortnight.*

*There are 7 money lenders on the High St providing credit at between 28-47% interest rates. They call up and try and sell further financial services when loans are coming to an end.*

*More education is needed on pay day lenders and entrapment of loans, leasing of cars and rental firms.*

### **Referrals and Consultations**

The general consensus from the qualitative data and in-depth interviews was that the services in the area had good knowledge of each other and were sufficiently well linked informally, if not formally, to be able to make appropriate referrals. Where no formal network existed, workers described attempts to network in other ways, although the lack of an adequate and up-to-date database was noted as a shortcoming:

*We are well communicated. It would be really handy to have a database if you are going to do that. Baulkham Hills don't have many services available so we talk to each other.*

*We don't have a good network here and we don't have any way of 'googling' the services in the area for each community so we don't have a good database of local agencies, keeping up to date is also an issue.*

One interviewee felt that their organisation was well networked, but this did not necessarily extend to individual workers:

*There are so many services, there is a need to get out there which I try to do. The organisation may understand each other's roles but the individuals working with clients may not know.*

### **Co-location and Partnerships**

Of those interviewed, all but one were co-located with other services, and nine were in partnerships with other organisations. The features of partnerships and co-location and their benefits for networking will be discussed later in this Report.

## **5.1.3 Regional and Rural Case Study: Cairns Area and Hinterland, Queensland**

### **Geographic and Socio-economic Description**

Cairns region includes the regional city of Cairns, the smaller townships north and south along the coast about 100 kilometres and the Atherton/Mareeba areas inland. In the Cairns area, 7.8 per cent of people identified as Indigenous, against 2.3 per cent nationally. Cairns is also a popular tourist destination, with 9.3 per cent stating they were overseas visitors to the region, against only one per cent nationally.

Services in the Cairns region are strongly linked to the hinterland of the eastern fringe of the Atherton Tablelands region, from Atherton township in the south and stretching north to Mareeba, which are less than 100 kilometres inland.

Overall, this district is sparsely settled, holding only 10 people for every 20 square kilometres (an area equivalent to the City of Yarra). The highest concentration of agencies and the highest number of larger agencies across the region are based in Cairns, with other areas served by a higher number of smaller organisations. Specific areas covered in the research included Cairns, Mareeba, Marlin Coast, Port Douglas, Mossman, Atherton, Malanda, Ravenshoe and Kuranda.

## Services for Low-income Residents

This case study area has the largest number of participating financial support agencies (28). This is probably due both to there being more FS services (for example, microfinance development in the area has been extensive in recent years), and to these services being more readily identified through formal financial service networks, as later discussions will show. A further 189 organisations are identified as assisting these financial support agencies, most of these being local. However, in comparison to the other case study localities, there is a higher ratio of financial to other support services.

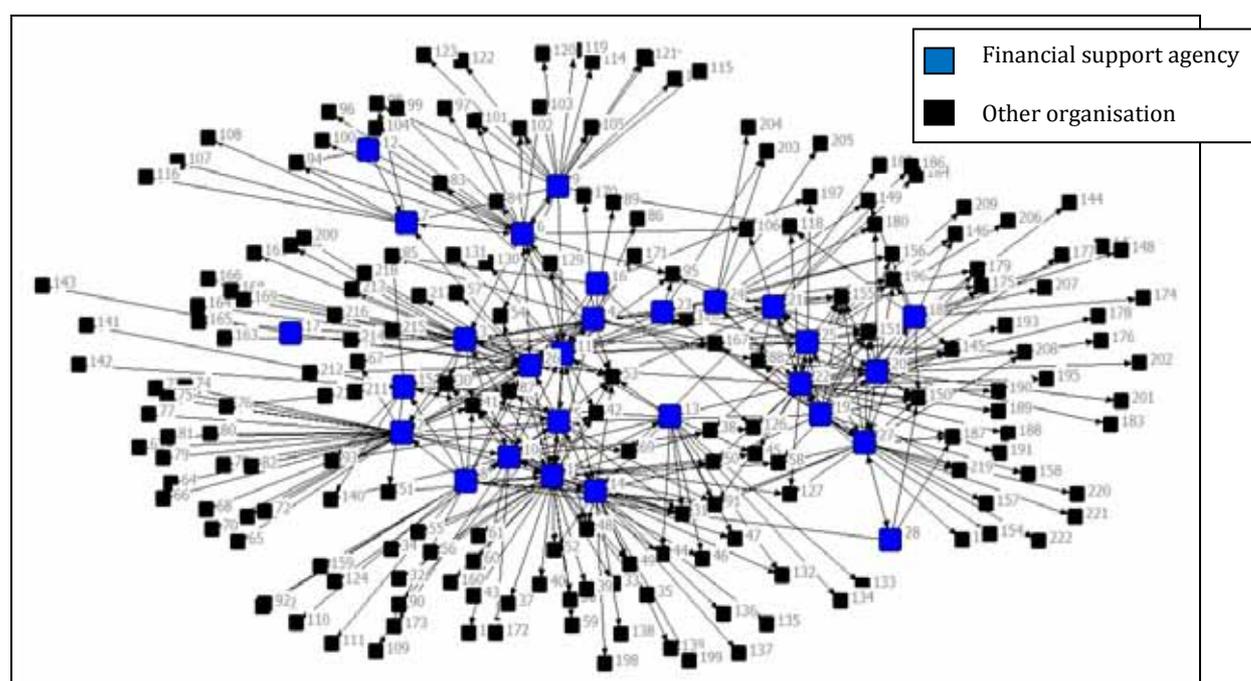
The other reason that could be responsible for a relatively high number of financial support agencies is the distance from one end of the region to the other: to be accessible to remoter locations, more services develop. On average there is only one agency for every 379 square kilometres, although these are of course clustered in more settled areas.

*Table 5.5 Community Support Organisations and Links Identified (Cairns Area)*

Measure	Number Identified	Average per FS service	Density (Pop = c 200,000)
Total financial support agencies surveyed	28	NA	7,142 people per financial support agency
Total organisations	189	6.8	1,058 people per organisation
Total links (all types*)	610	21.8	328 people per link
Organisational links**	440	15.7	454 people per organisational link

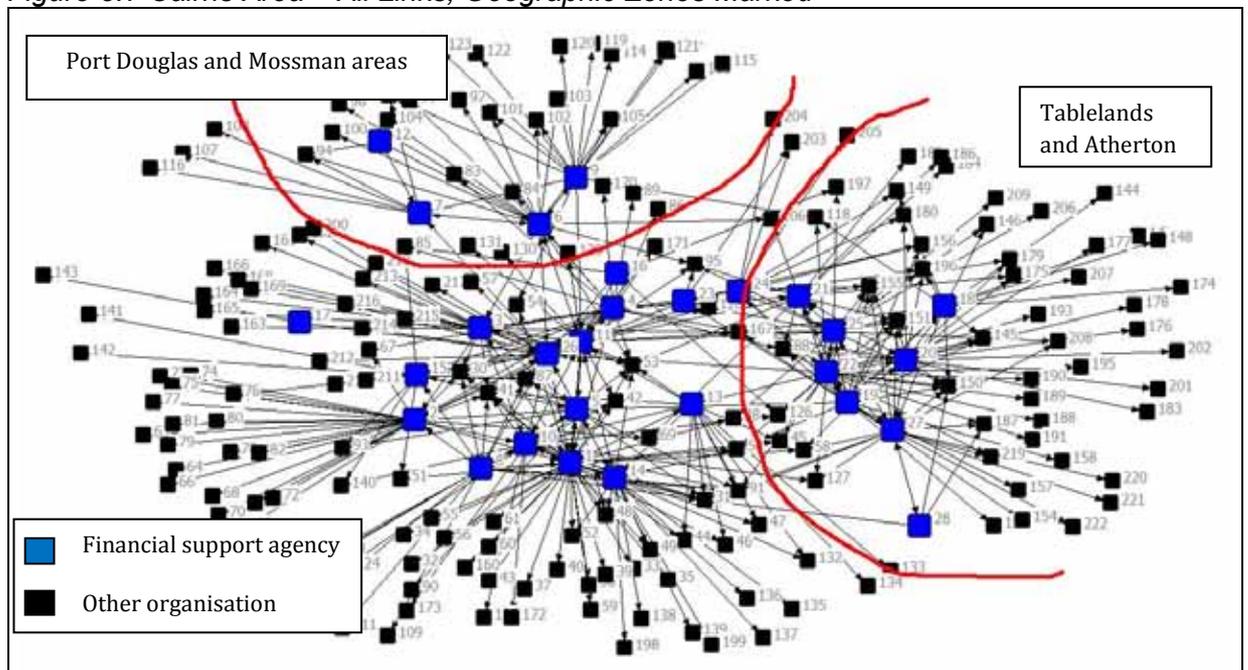
Cairns area has the largest number of links of all the case studies, although there are fewer community support organisations mentioned overall. Clearly, this means that more organisations are mentioned multiple times, as the sociograms will show.

*Figure 5.6 Cairns Area – All Links*



In comparison to the other areas, this network is denser, with clear informal network ties linking a number of organisations. It also has more robust networks, with even the more outlying financial support organisations linked in multiple ways rather than by a single thread.

Figure 5.7 Cairns Area – All Links, Geographic Zones Marked



While the network mapping does not correspond to geographic mapping in terms of space or direction, it can reflect it in interesting ways. This network shows clusters of activity around key centres: Cairns to the lower left, Mossman/Port Douglas above that, and Atherton and Mareeba to the right. These are easier to observe in the simplified map, without single links.

Figure 5.8 Cairns Area – All Links, 'Pendants' Removed

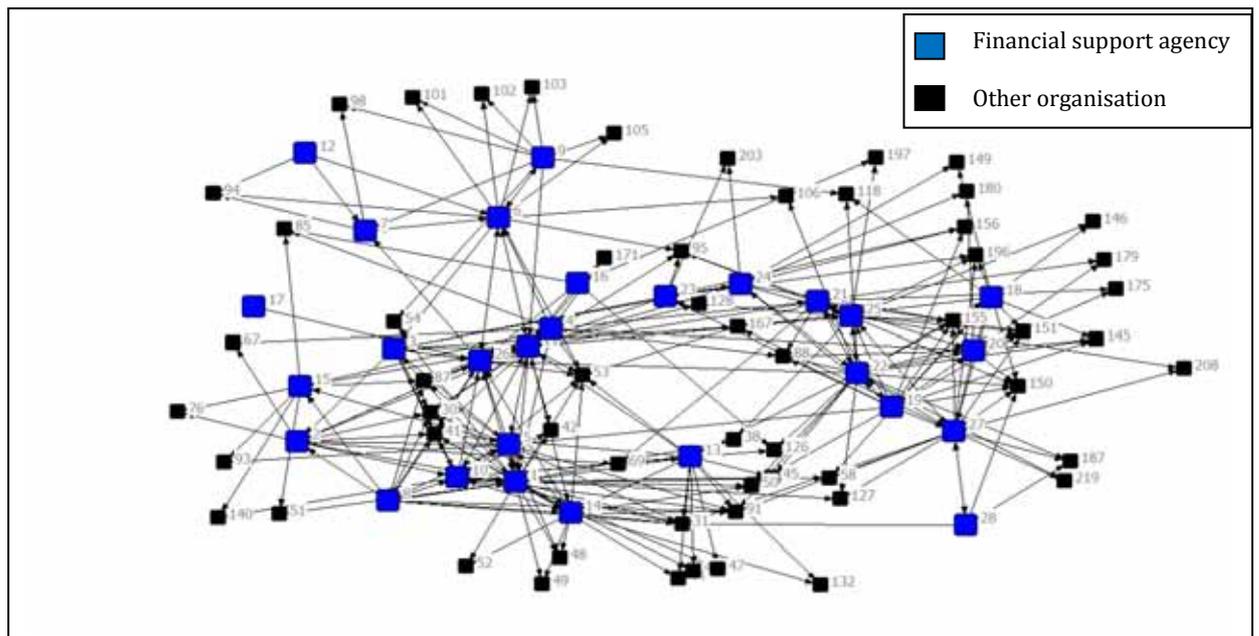


Figure 5.8 is a simplified sociogram showing only those services mentioned more than once. A greater proportion of the services are mentioned more than once in this area than in Yarra or Western Sydney, creating a 'denser' network.

### **Service Gaps**

Living on low income has a number of pressure points common to other areas. Housing stress and homelessness is one, both in Cairns and the outlying areas:

*There is no cheap housing up here or private rent that is at 25% of income. There is a need for increased financial assistance with rent.*

*I had a client the other day who can't afford to pay their mortgage this month. It is \$1800. This is a person who is in work – we can't help him.*

*Because Marlin Coast is seen as a middle class area, rent is higher and lots of single parent families or singles sharing can't pay rent.*

*The biggest thing is accommodation, especially for men. The number of fathers and kids needing support is becoming an increasing problem. Last year we saw 1 or 2, this year I have already seen 6 or 7. There is nowhere to place them – they are not accommodated.*

Utility bills are again an increasingly difficult issue:

*There is a monopoly on the power supply here. There is no choice and the increases are unaffordable for people on low incomes or with high outgoings.*

Services for those fleeing violent homes are also lacking:

*We found that homeless women without children did not fit stated criteria for re-housing and were not high up on anyone's priority list (particularly women fleeing DV). We set up a housing support program to help people with that [Cairns].*

For Indigenous people, the difficulties can be amplified:

*Not enough bespoke support for Indigenous people. I'm sorry to say but I think they are neglected.*

*Indigenous people can't get private rentals because they are Indigenous.*

The more rural areas have serious deficits in employment opportunities and services that those in major centres and cities can take for granted:

*There is no employment in Kuranda at all.*

*There is no bulk billing in Atherton at all. There is not enough money for health and doctors are not taking new clients so hospitals are overwhelmed.*

### **Gaps in FS services**

More trained financial counsellors are a clear need especially in the outlying areas:

*Gambling is rife amongst the communities here ... clients need support of better qualified and accredited people as counsellors.*

*A permanent financial counselling service full time in the [Mossman and Atherton] area is really needed. Once a fortnight is not enough. An additional issue is businesses going bust – every business that goes down is a family that goes down. We need some preventative stuff to support them before they go under.*

Financial education was again seen as a way to prevent some of the crises. For example:

*Funeral plans are something people are getting caught with – a 28 year old paying \$28 per month for the rest of their lives towards a funeral plan when*

*they could arrange with a local funeral director to pay off the price of a funeral for that money much sooner.*

### **The Impact of Distance**

Geography and distance is a big issue for agencies and clients across the region. Public transport in outlying towns is either infrequent or non-existent, and therefore if a whole suite of services is not available in a town, clients sometimes have to travel considerable distances to access support, or services have to provide outreach. As one agency said:

*Geographical distance to assess clients is a big problem. It is harder to reach clients in more remote areas and unless you are in a room with them it is very hard to accurately assess their needs.*

Distance also has multiplier effects on the cost of living:

*This is a big issue up here; public transport, the cost of petrol, patient transport costs and the availability of public transport. Also the higher costs are passed on to goods and services e.g. the cost of milk up here is more expensive than it is in Brisbane.*

*Public transport is not good so to get anywhere people need their own vehicles and they can't afford to upkeep them adequately. The police in this area [Ravenshoe] are onto it – they stop and fine people and the whole cycle gets worse.*

There was heightened awareness among agencies of this issue of distance, and there was evidence of strong cooperation across geographical areas, so that clients do not always need to travel; e.g. a NILS worker in Cairns may fax an application to an agency in Mossman, who will help the client fill the form in and return it to the NILS worker to save a journey by a staff member or client.

However, from interviews undertaken with services further away from Cairns, it became clear that there is a perception that Cairns gets most of the funding, and funding for services outside of Cairns is not a priority. A number of outlying services commented that, if the service did not exist in their area, clients had to go to Cairns. If they do, those agencies often have to use ER funding to support them with transport costs to get to and from Cairns. Agencies in the more remote areas generally perceived themselves as poor relations to agencies in Cairns. One interviewee commented that agencies in Cairns were given money on the back of statistics covering outlying areas to provide services in the region, but did not deliver adequate outreach services, particularly in close-knit communities where people prefer to speak to someone they know.

Remoteness and the impact of this were highlighted as a major issue for this region.

*The difficulty in living in a small remote community is that you have no choice. Prices are high so you either pay a lot or you don't get it.*

### **Referrals and Consultations**

All but two services were involved with the delivery of additional services in their communities, increasing their service links. The qualitative data showed that there was a high regard for the benefits of good networks in both the Cairns and outlying areas, with evidence of strong interagency working and partnerships. The women's centres in Cairns and Atherton were also both very important in the local networks. Anecdotally, it would appear that some of the outlying locations in the region were networked without the existence of formal networks.

*In Mareeba we have a good network but it's mostly informal, person to person.*

The staff longevity that is more common in regional areas was one factor aiding this. People have lived and worked in the area for a long time and are well known to each other. In Mossman, the attendance of staff and volunteers at regular network meetings was the reason given for why agencies believe they understand each other's roles very well and that as a network they are highly effective.

There was evidence where agencies work with joint protocols to support clients on behalf of each other; e.g. Cairns Women's Centre in partnership with other organisations assesses clients and then accesses brokerage money from the other agencies to support the clients and to avoid the need to refer clients to more than one service.

There were also comments from agencies indicating a strong awareness of which agencies were doing what and how much money they had to do it:

*I do NILS for x and if a client needs y, I know that (worker) at SHAC can do that so I send the client there.*

*If I run out of money, I ring around and find out who still has some and can arrange for my clients to be seen there.*

*We all know what we do and don't do.*

### Co-locations and Partnerships

Of the eight services interviewed that were based in Cairns, the two larger organisations had partnerships with other organisations and were located in sites where additional services were delivered by their organisations, while six services were located in their own buildings and had no partnerships.

Fifteen services were based in the outlying areas. Of these, six organisations were located in their own buildings and had no partnerships, while the others were co-located – the majority of them in Neighbourhood Houses or in Community Centres with other agencies. Co-locations and partnerships are discussed later as an attribute of organisations that may impact on their networking capacity.

## 5.1.4 Remote Case Study: TI, Queensland

### Geographic and Socio-economic Description

TI is the administrative and service centre of a remote group of islands off the tip of Cape York Peninsula, a two-hour flight from Cairns. The services interviewed consisted of an ER service, a NILS provider and a financial counselling provider.

### Services for Low-income Residents

Of the three service providers from TI, two services were run by a regional organisation and one was run by a local service. All staff were employed and there were no volunteers. It was stated by those interviewed that they run the only community financial services on TI. There was no Centrelink office.

*Table 5.6 Community Support Organisations and Links Identified (Thursday Island Area)*

Measure	Number Identified	Average per FS service	Density (Pop = 5,082)
Total financial support agencies surveyed	3	NA	1,694 people per financial support agency
Total organisations	28	9.3	181 people per organisation
Total links (all types*)	69	23	221 people per link
Organisational links**	50	16.7	102 people per organisational link

In terms of number of services per head of population, TI residents are better served than the other case study areas, with a fifth to a tenth as many clients per agency. However, this does not take account of the size or capacity of the services, the additional resources required to overcome the extreme distances and entrenched disadvantage of Indigenous populations, or of the lack of access to a wide range of other services provided in more populated centres.

Figure 5.9 TI – All Links

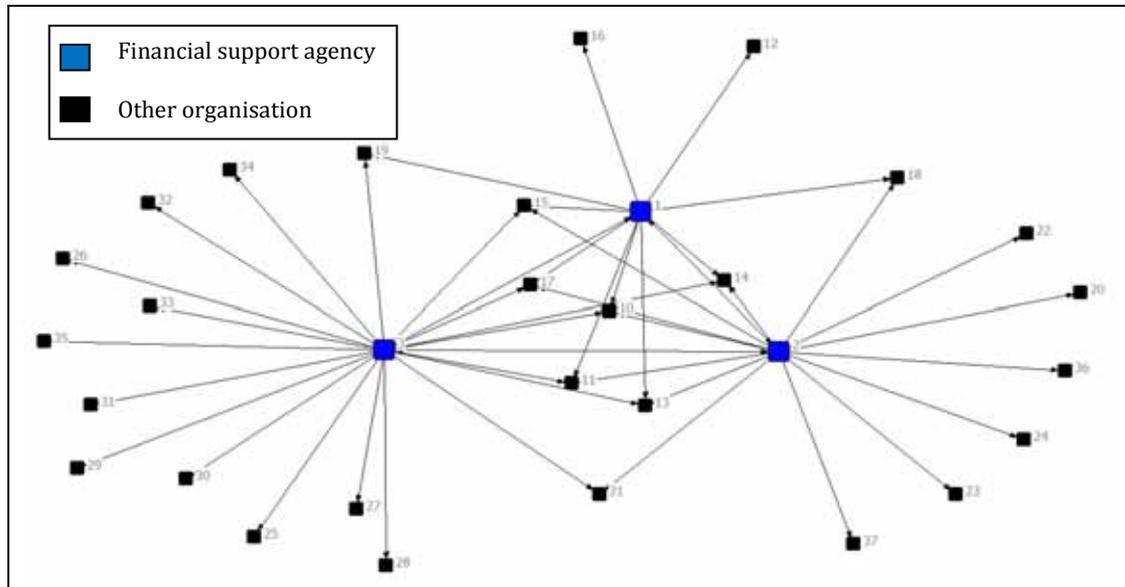
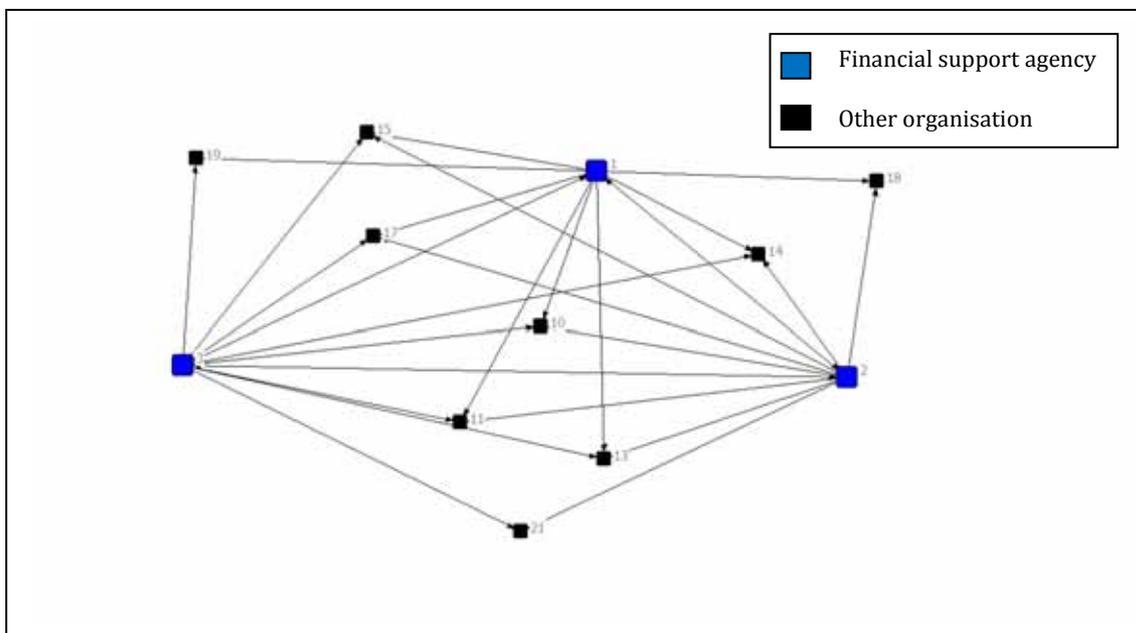


Figure 5.10 TI – All Links, 'Pendants' Removed



TI and the outer islands have a strong Indigenous and largely non-white culture, which means that the research criteria and assumed norms used to evaluate the other geographical areas may not be applicable in the same way here. Analysing networks without sufficient contextualised knowledge is not useful.

The NILS and financial counsellor are employed by Indigenous Consumer Assistance Network (ICAN) and based at Mura Kosker Sorority. *Mura Kosker* is a community-based women's organisation operating in the Torres Strait region, 'taking steps to meet social, economic, housing, educational, economical, health, cultural, spiritual and welfare needs of women in the region'. It hosts a number of services, including child and family support, legal aid, older peoples' support, and domestic violence services. Mura Kosker runs the ER program on TI, which is provided as part of a holistic case management program. There is no financial education program in place. Most government employees are not locals. Because of the case management model in place, Mura Kosker is also involved with supporting clients into work through employment agencies and supporting clients to secure housing.

The agencies on TI are funded to provide services to the outer islands, and this is more challenging due to distance and the availability of suitably trained outreach workers who will be accepted by the communities on the other islands.

*We fly in and fly out due to the lack of accommodation and for the safety of our staff. It costs \$60,000 every three months to deliver bi-monthly services to 10 of the outer island communities. Two communities where there are no runways cost an additional \$4000 per helicopter per trip.*

Of the three services interviewed only one, the ER service, was funded to attend network meetings. The ER provider is involved with a number of needs-based TI networks with varying degrees of effectiveness. The NILS worker and the financial counsellor are involved with the Cairns regional networks for NILS and ICAN. ICAN is an innovative service providing financial mentoring, advocacy and direct services to Indigenous people across northern Queensland.

Experience and continuity of staff are cited as important factors in how well services understand each other's roles, specifically in relation to the service provision on the outer islands.

*Here on TI we understand each other's roles very well. We are trying to sort the outer islands out at present. It isn't there at the moment. It is difficult to build and it is hard to be consistent when you have changes in staff.*

There is no FMP network, and it could be argued that none is needed as all three FS services are delivered from the same place in close liaison with the two agencies delivering them.

The highest need for a better network is on the outer islands.

*Being able to get out to the outer islands is an issue – they [clients] come to me from adverts I place in the paper and through flyers, through word of mouth and by picking up the phone. Without a good network of trained staff on the ground to support them to fill in forms, it can take forever to get forms back and even longer to get the forms back and filled in correctly.*

*ER in Badu is a good example. We rely upon the council offices as we have no real presence. We have got part-time community outreach workers and we try to get them to network with other agencies but it's difficult for our own people without a base.*

## 5.2 Summary

This Chapter has described each of the geographic case study areas and broadly sketched its FS service networks, both formal and informal. However, a simple comparison of the number of links between organisations across the four case studies cannot be used to draw evaluative conclusions.

While simple comparisons are inappropriate, it is clear that geographic factors, such as population density, physical size and density of services, play a significant role in determining the way services are delivered and the way service networks are configured.

Distance is one geographic feature that emerges as relevant to the service links. In Cairns, which covers the largest area, the network clusters are most obvious, and the participants themselves report that isolation from other services creates greater collaboration locally. TI's remoteness, small population size and Indigenous community organisations also clearly define its service networks, but a deeper analysis of the needs of remote Indigenous communities goes beyond the scope of this study.

It appears that delivering a range of services, both financial and non-financial, through one agency helps that agency to build a stronger referral network, whether this is due to agency size, to co-location, or to other factors.

Staff longevity and the relationships that come with it are another factor in effective referral networks, but this factor cannot readily be designed into service systems. The need to collaborate, due to isolation or few local services, for instance, also brings services closer together. Mutual understanding is the key element, and there were suggestions for increasing this. Local databases were mentioned by some as a partial solution that would be welcome.

Co-locations and partnerships were the other main measure of informal networks. Most participating agencies were in one or both of these types of relationships with one or more organisations. Co-locations were particularly significant in raising awareness of other co-located services and in adopting more structured referral protocols with each other. Partnerships and co-locations are discussed in greater detail later in the Report, as they impact on various service types, formal networks and other organisations.

Participants were asked about the needs and service gaps in their area, and what stood out was the dire need for affordable housing. Financial hardship and crisis would be reduced if the clients of FS services had secure housing that left them with an adequate amount to pay for utility bills, transport and food. Utility bills themselves were also a significant problem for low-income living. The need for more financial counselling services and for better access to financial knowledge and microfinance (especially to combat the spread of dangerous fringe lending) were also noted by many participants.

The simple lack of adequate capacity to meet needs should not be forgotten. Knowledge of local services and good working relationships may lead to the conclusion that there is no service available to refer that client to. Making a referral is not always the best solution: it may deliver a service performance measure without delivering a client outcome. However, there is strong evidence in the network maps of multiple referral links being the norm. The next chapter will explore the nature of these links and how they vary between service types.

## 6. Program Service Models, Attributes and Networks

The overall purpose of researching network activity in this study is to understand how formal and informal service networks can better assist service users. This Chapter has a particular focus on the referral networks, usually informal, that FS services use to deliver a holistic response. Referrals and secondary consultations were used in this research as the main measure of these referral networks. Factors impacting on referral and other networks are discussed, including differing service models, selected service attributes (staffing type, co-location and partnerships), local and historical factors, and resourcing.

This material is primarily descriptive and exploratory rather than explanatory. While much of the analysis is quantitative, the many other influences and unique settings of each service mean that any wider conclusions drawn from the data should be cautious. Other service systems may see some of the patterns observed here reflected in their own service networks. However, the specific program logic, funding arrangements and workforce capacity within a program will impact on service networks in any sector.

The logic behind service networks among FS services is that people seeking help for financial stress may be suffering from other sorts of stress as well. It is widely reported that, where in years gone-by people would come for financial help because of one unexpected crisis event, they now usually come with multiple and ongoing difficulties. Nor can it be assumed that these other issues are the cause of the financial problem: they may be an effect. As one research participant put it:

*The long term effects of lack of money are unbelievable e.g. increases in domestic violence and other family issues.*

Each of the four types of FS service studied in this research serves a different purpose, underpinned by its own program logic and theories of change. Within each sector, too, there is no single service model, organisational base or funding source.

Where these services are funded by the Commonwealth Government – through the Department of Social Services (DSS) – they are part of the Financial Management Program (FMP). There are also many such FS services that are funded from other sources. This diversity creates a challenge in describing the networking activity of these services. Just as geographic diversity requires a contextualised approach to networking, so too does the variation between service models.

What these services do have in common is local service delivery to individuals and families living on low income. Centrelink, the Commonwealth Government's income security agency, also has this brief, so was included in the survey of local service networks. It is a reasonable assumption that Centrelink is of great importance in the lives of any Australians who need to use financial counselling, emergency relief (ER) or microfinance, and of many who may benefit from financial education. However, specific discussion of Centrelink's role is included in the next Chapter exploring the interaction of other organisations with FS services.

The program logic of each service type is critically important in considering these findings about their service networks. The policy context and practice models of the four types of FS service, plus Centrelink, are explored in Chapter 2 on Financial Hardship and Financial Capability.

## 6.1 The Participating Services

Across the four case study areas, a total of 67 services were surveyed by telephone questionnaire: 11 financial counselling, 29 ER, 15 microfinance, 6 financial education and 6 Centrelink services.

*Table 6.1 Number of Agencies Surveyed by Questionnaire in Each Service Type and Geographic Area*

Case Study Area	Financial Counselling	Emergency Relief (ER)	Microfinance	Financial Education	Centrelink	TOTAL
City of Yarra	2	8	2	1	1	14
Blacktown and Area	6	6	4	3	3	22
Cairns and Hinterland	2	14	8	2	2	28
Thursday Island (TI)	1	1	1	0	0	3
<b>TOTAL</b>	<b>11</b>	<b>29</b>	<b>15</b>	<b>6</b>	<b>6</b>	<b>67</b>

The diversity of the sectors is clear from the outset in the variation in the number of different types of services. The greater number of ER agencies across all geographic areas is consistent with their traditionally smaller size and more local community nature. The variable number of financial counselling and microfinance programs in each area is difficult to attribute to any single reason. As an emerging sector, financial education has a very low presence in all areas. On the other hand, Centrelink's lower numbers are consistent with it being a large government agency with strategically situated branches across the nation to provide universal but cost-efficient coverage.

Although representing most if not all the services within each area, the numbers in each group are quite low, so caution is required in drawing conclusions about the service types overall. However, the qualitative data collected in the initial questionnaires and subsequent in-depth interviews of selected network members provides useful context to interpret the quantitative network data.

## 6.2 The Number of Links of FS service Types

Several types of possible inter-agency links were surveyed: referrals in and out, and secondary consultations in and out, co-locations, partnerships, and network memberships. The investigation of these links was based on the knowledge that membership of *formal* service networks is not the only way services interact and 'network'. The exploratory purpose of the research required a broad view of networking, as both the service sectors as a whole and the individual services varied in their levels of organisation, accountability and complexity.

Table 6.2 below shows the total and average number of links for each service type in each area. It is important to note that the questionnaire did not ask for all referral links, as it was judged this would be unnecessarily onerous for participants and provide more information than could be used productively. The questionnaire provided space for up to eight links, but the interviewer did not stop recording links over that number if they were offered. It is also important to bear in mind that different 'program logics' require different numbers and types of referral linkages. For example, crisis services (ER and financial counselling) typically require more referrals, while the NILS microfinance programs always require membership of the NILS network, partnership with Good Shepherd and co-location with another agency.

Table 6.2 Number of Links for Each Service Type by Area

	ER			Financial Counselling			Microfinance			Centrelink		
Area	In survey	Links	Ave links	In survey	Links	Ave links	In survey	Links	Ave links	In survey	Links	Ave links
Yarra	8	106	13.2	2	64	32	2	23	11.5	1	42	42
Western Sydney	6	143	23.8	6	158	26.3	4	144	36	3	125	41.67
Cairns	14	307	21.9	2	52	26.0	8	147	18.4	2	96	48
TI	1	30	30	1	22	22	1	17	17			
<i>Total</i>	29	586		11	296		15	331		6	263	
<b>Average All Areas</b>	<b>20.2</b>			<b>26.9</b>			<b>22.1</b>			<b>43.8</b>		
<b>Average Total Services</b>	<b>28.2</b>											

These numbers show the following:

- The overall average number of links for all the surveyed services was 28.2, although if Centrelink's consistently higher number is left out, the average is 22.05.
- There was not great variation overall between the average number of links per FMP service regardless of the type (ER = 20.2, FC= 26.8 and MF = 22.1), although in the Yarra area there was more variation, with fewer ER links than other types; Cairns is especially even across all service types.
- ER was more variable while financial counselling was more consistent in the average number of links.
- Centrelink's high number of links (overall averaging 43.8 links per service surveyed) is consistent with its government mandate to provide highly targeted support for people in complex and urgent situations.
- Financial education had insufficient numbers of survey participants to give meaningful averages.

While the total number of these links can provide a basic indication of the level of connection within a service network, it does not explain the variations, many of which result from the individual program logic, or the geographic, historical or organisational characteristics of the service.

Referrals are the most important inter-agency link for assisting clients directly. However, while clients may have multiple problems, referral may not be appropriate at that time even in a crisis. For example, seeking help with an urgent utility bill does not mean a person is able to discuss the addiction that got them into that situation. As participants explained:

*Specifics of specialist [non-financial] issues don't work with our clients. Our clients have general issues, though being networked with the specialists is important for our clients when we identify the specialist needs.*

*The 9-5 'pick up the phone and refer' doesn't work for a service that works after hours.*

For these and other reasons, making lots of referrals does not automatically indicate effective support: they may be inappropriate referrals or may be a consequence of the service failing to provide an adequate service themselves. For example, a service may have an explicit policy of empowering clients to make their own contact with services if they are able and provide them with information about how to do so, rather than doing this themselves.

Likewise, having a small number of referrals does not necessarily indicate poorly linked agencies: it may be due to highly effective screening by the receptionist or other intake processes within the organisation. For example, both the Brotherhood of St Laurence and GSYFS (in the Yarra area) are head offices with long experience of microfinance programs, and as a consequence, they have developed ways to handle multiple initial inquiries at the very first point of contact, filtering eligible microfinance applicants and making suggestions about alternative support organisations. As head offices, they also receive a large number of telephone inquiries from outside the geographic area they serve, and if services other than microfinance are indicated, they provide generic information (for example, about state-based financial helplines) rather than specific local information about the relevant services in the person's area.

Notwithstanding important contextual variables such as these, the preferred network was in general a busier one, with more connections named for each surveyed service. In other words, the more thickly woven and web-like the network, the more referral and other collaborative options were available.

### **6.3 Client-focused Links and Referral Networks**

The client-focused links of referrals and secondary consultations have particular importance to the goal of delivering a holistic response. These are the networks that services must draw upon to assist a person with complex and multiple difficulties. The other types of links surveyed (co-locations, partnerships and membership of formal networks) are organisationally focused and impact on the ability to provide a quality service in a range of ways.

Referral networks are essentially informal and dynamic, arising from practice imperatives and continual learning. Even a service located in a large multi-service agency must be well connected with other services in order to ensure that effective help can be given. In more heavily regulated systems such as child protection, more formal referral protocols play a major role in creating referral networks, but an active and evolving referral network remains imperative to effective, individually responsive services.

In this research, the concept of referral networks was operationalised by separating out the referrals and secondary consultations for analysis. The total number of referrals in, referrals out, secondary consultations in, and secondary consultations out for each service type was used as a proxy for the extent to which local services knew about each other and were able to use each other in the interests of their clients.

Importantly, this enabled correlations between the size of the 'referral network' and various service attributes. Some of these are discussed later in this Chapter.

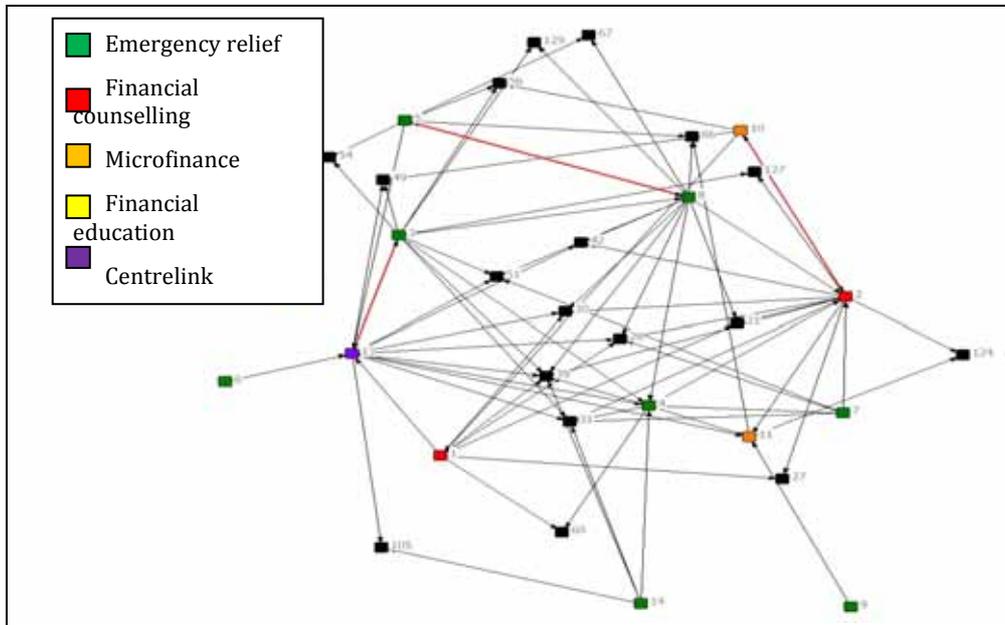
### **6.4 Referral Networks and Reciprocal Ties**

A visual snapshot of the referrals and consultations of the different service types is provided for the four case study areas below. These sociograms also include the element of reciprocity. Simply counting the links does not illuminate the quality of the link. One way of investigating the links that overcomes some of the limitations of

simply counting them is to identify reciprocity. When services have *named each other* as a referral or consultation contact, they are mapped as a 'reciprocal tie'.

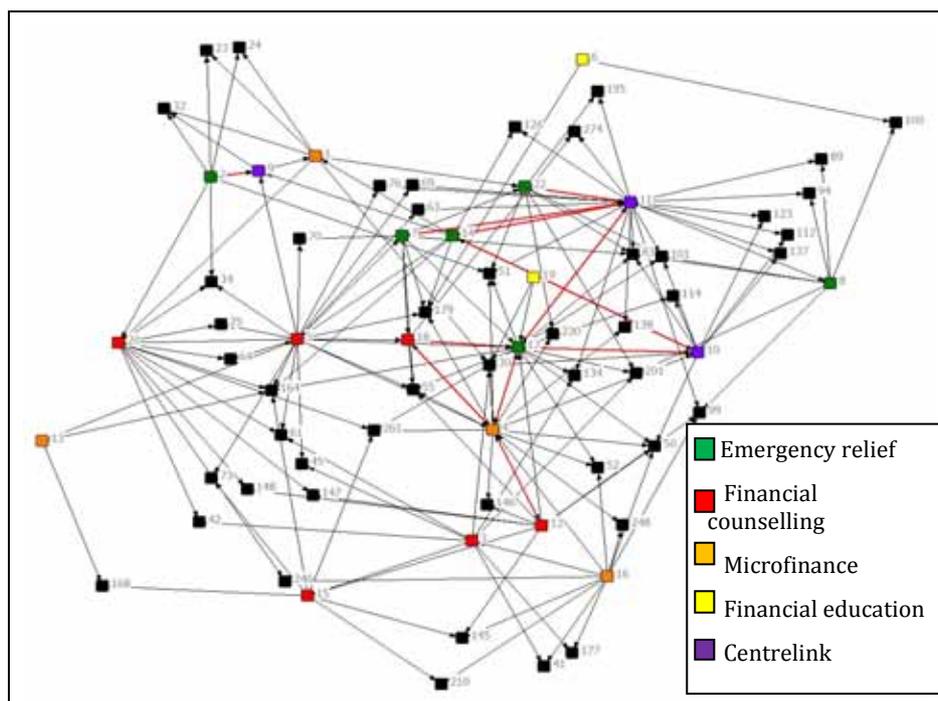
Reciprocal ties are regarded in network analysis as showing higher levels of social capital, collaboration and trust. While this cannot automatically be assumed, if the referral relationship is mutual, it is more likely to reflect collaboration in the interest of clients.

Figure 6.1 Yarra Area Referrals and Consultations Reciprocal Ties



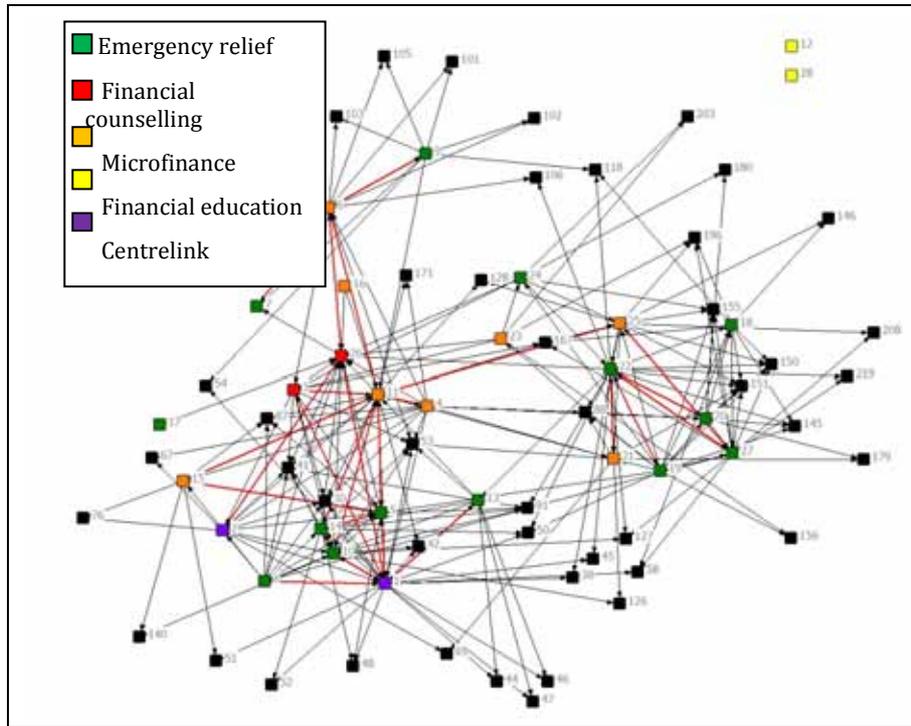
The red lines indicate reciprocal ties. The Yarra area has relatively few reciprocal ties, and they do not reveal any particular pattern.

Figure 6.2 Western Sydney Area Referrals and Consultations Reciprocal Ties



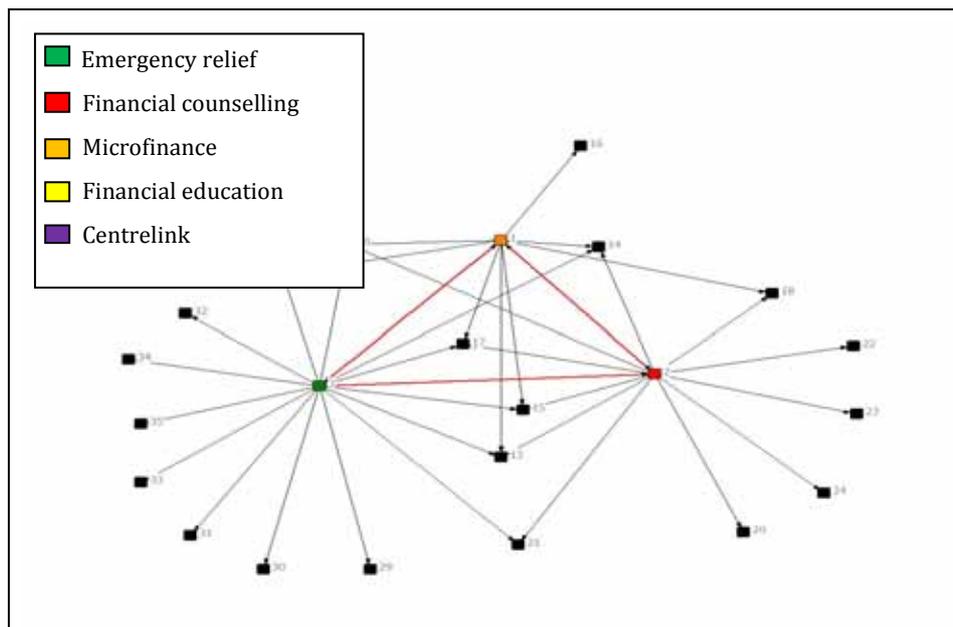
The Western Sydney area has several more reciprocal ties than Yarra, particularly between Centrelink offices and the more centrally located services in the network.

*Figure 6.3 Cairns Area Referrals and Consultations Reciprocal Ties*



The Cairns area has the most reciprocal ties, and they show the three clear settlement clusters – Cairns to the bottom left, above it the Port Douglas area and to the right Atherton and area (these clusters obviously do not represent distance or other actual geographic relations). Unlike the two previous areas, reciprocal ties also link the three clusters, indicating a robust referral and consultation network. The other difference is that all service types are equally involved in reciprocal ties.

*Figure 6.4 TI Referrals and Consultations Reciprocal Ties*



While the TI sociogram is sparse, reflecting its small population, there is a clear reciprocal relationship between the three informant services.

These four sociograms of the informal referral networks and their reciprocal ties pose potentially useful questions for further investigation, since reciprocal ties can be regarded as a goal for services within an integrated local service sector. For example:

- How much does geographic distance between services increase reciprocal ties? (e.g. Cairns)
- How much does having a similar ethos or value base increase reciprocal ties? (e.g. the same-faith agencies in Yarra and Blacktown have more reciprocal ties)
- How much does having a similar client base increase reciprocal ties? (e.g. Centrelink offices in both Blacktown and Cairns areas have reciprocal ties with a high number of ER agencies)
- How much does having trust and moral authority with other services increase reciprocal ties? (e.g. established agencies that have demonstrated their commitment over a period of time to supporting the whole informal network in the interests of clients – case studies in other parts of this report illustrate this leadership role)
- How important is avoiding competition to increasing reciprocal ties?

## **6.5 Attributes and Their Effects on Referral Networks**

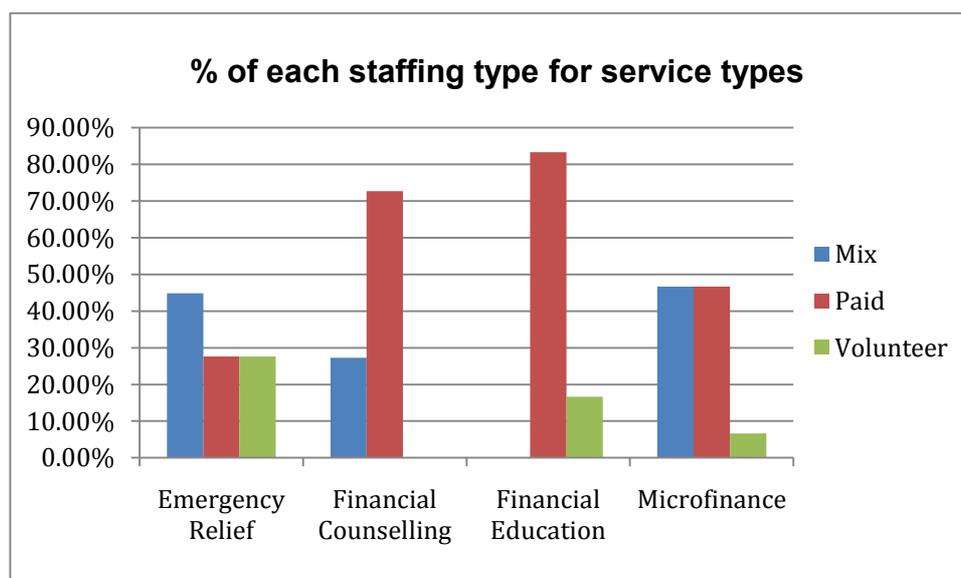
Apart from simply examining the total links of a service, the number of links can be considered in relation to certain attributes of the organisation, such as funding source, size (number of clients) and volunteer and/or paid staffing models. In this analysis, funding source and size of agency (as measured by number of clients) did not show particular patterns relating to networks in this data. This may be because they are more difficult attributes to gather consistent data for and/or more complex to map: funding sources were usually a mix of several different types, and number of clients (the measure used for service size) is counted in different ways; for example, is it one client or one episode of assistance that is counted? The data gathered about these attributes may also have had different degrees of accuracy depending on whether a manager or direct service worker were interviewed. Further research into these attributes would be worthwhile, and more detailed analysis of this data could reveal some patterns.

There were, however, several useful correlations between service attributes and informal referral networks. The staffing model (paid and/or volunteer), being co-located and being in partnership are attributes examined below.

### **6.5.1 Staffing Models: Paid Workers and Volunteers**

The participants were asked whether the service was provided by paid workers, volunteers or both. As Centrelink was always totally staffed by paid workers, it has not been included in the analysis of this data.

Figure 6.5 Percentage of Each Staffing Type for Service Types



ER had the highest percentage of agencies that were 'volunteer only' staffed and was the most diverse sector in terms of staffing mix. Microfinance also had all three staffing models but a much lower percentage of volunteer-only. Excluding financial education, where the sample numbers are too low to be useful, financial counselling had the highest percentage of paid staffing. This information is also provided in Table 6.3 below using actual numbers of services rather than percentages of the total number of services.

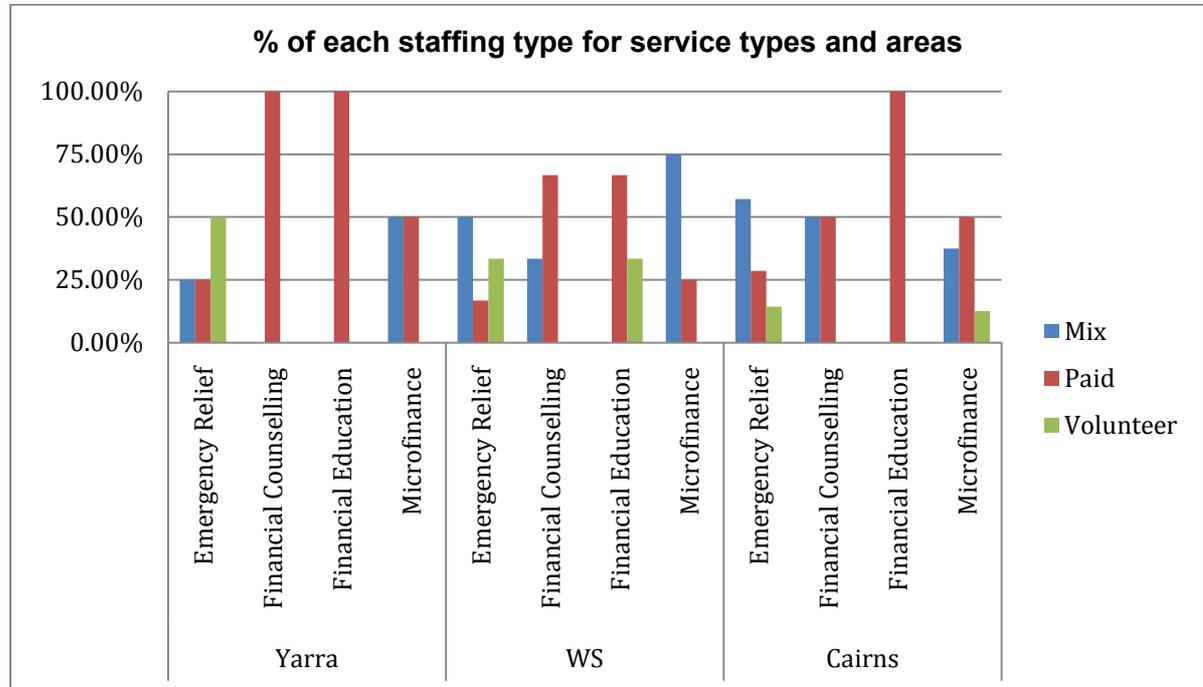
Table 6.3 Types of Staffing by Service Type and Area

Staffing by Service	Yarra	WS	Cairns	Grand Total
<b>ER</b>	<b>8</b>	<b>7</b>	<b>14</b>	<b>29</b>
Mix	2	3	8	13
Paid	2	2	4	8
Volunteer	4	2	2	8
<b>Financial Counselling</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>10</b>
Mix	-	2	1	3
Paid	2	4	1	7
<b>Financial Education</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>6</b>
Paid	1	2	2	5
Volunteer	-	1	-	1
<b>Microfinance</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>13</b>
Mix	1	3	3	7
Paid	1	-	4	5
Volunteer	-	-	1	1
<b>Grand Total</b>	<b>13</b>	<b>19</b>	<b>26</b>	<b>58</b>

A breakdown of this information by geographic area is given in Figure 6.6 below (TI is omitted as numbers are too small to be useful for looking at attributes). Yarra area

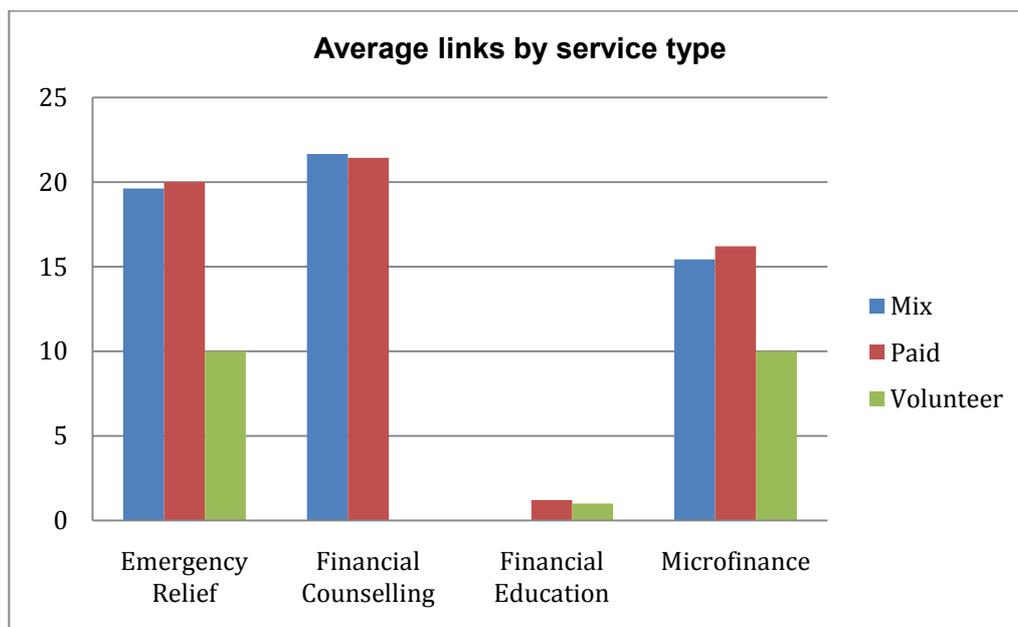
has fewer volunteer-based or mixed services in the survey sample, which is intriguing given that it has fewer links as well, whereas the opposite might have been expected.

Figure 6.6 Percentage of Each Staffing Type for Service Types and Areas



Calculating the average number of links for each staffing type in the four service types gives an indication of whether the staffing model affects the agency's capacity for or interest in linking with other services. Figure 6.7 below shows the relationship.

Figure 6.7 Average Number of Links for Each Staffing Type for Service Types



Paid workers or a mix of paid and volunteer workers was correlated with a higher average number of links in all service types. Conversely, volunteer-only services had the lowest average number of links in all service types, commonly about 50 per cent the number in services with paid staff only.

*Table 6.4 Average Number of Links for Each Staffing Types in Each Service Type and Area*

Average of Outdegree (Link)	Yarra	WS	Cairns	Grand Total
<b>ER</b>	<b>10.25</b>	<b>22.14</b>	<b>18.43</b>	<b>17.07</b>
Mix	15.50	24.67	18.75	19.62
Paid	10.00	25.50	22.25	20.00
Volunteer	7.75	15.00	9.50	10.00
<b>Financial Counselling</b>	<b>26.00</b>	<b>19.67</b>	<b>22.50</b>	<b>21.50</b>
Mix	-	22.00	21.00	21.67
Paid	26.00	18.50	24.00	21.43
<b>Financial Education</b>	<b>0.00</b>	<b>2.33</b>	<b>0.00</b>	<b>1.17</b>
Paid	0.00	3.00	0.00	1.20
Volunteer	-	1.00	-	1.00
<b>Microfinance</b>	<b>7.00</b>	<b>23.00</b>	<b>14.50</b>	<b>15.31</b>
Mix	5.00	23.00	11.33	15.43
Paid	9.00	-	18.00	16.20
Volunteer	-	-	10.00	10.00
<b>Grand Total</b>	<b>11.38</b>	<b>18.37</b>	<b>16.12</b>	<b>15.79</b>

There was certainly evidence, supported by the qualitative data, that volunteer-based services had fewer referral and secondary consultation links. This would be expected given the limitations on volunteer time and perhaps also the more circumscribed purpose of many ER and microfinance services. These variations in staffing are discussed in Chapter 7 'Formal Service Networks', but seem to apply equally to these informal referral networks.

Given that volunteers staff many of the FS services, this is a factor that must be taken into account in seeking to build effective local service networks and deliver more collaborative holistic models of service. It was noted, however, that the development of the NILS program was largely driven through volunteers in the early stages, and this did not preclude the agencies from attending network meetings if these meetings were an explicit expectation: attendance at statewide network meetings has always been essential to NILS accreditation.

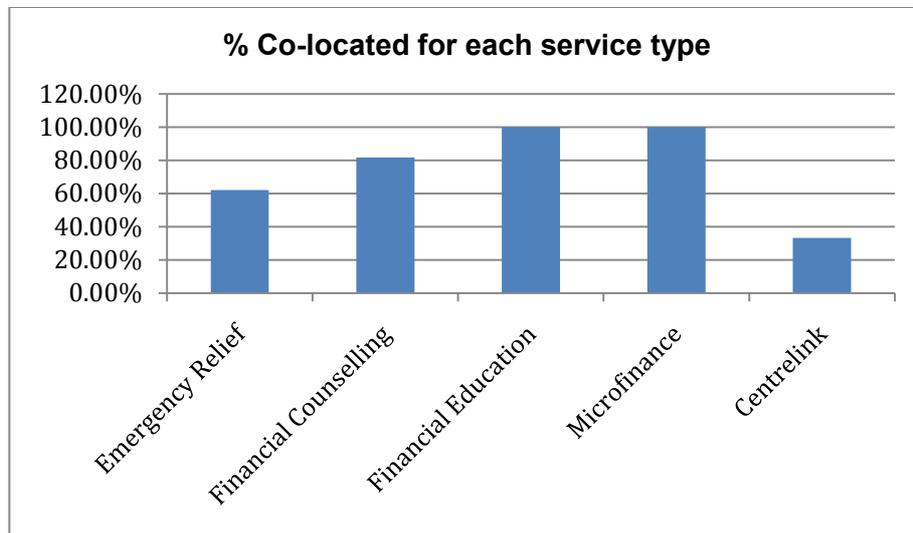
### **6.5.2 Co-location**

Other useful attributes to study in relation to the degree to which they were associated with referral network size were partnerships, co-location and formal network membership. These could all be treated as a 'yes/no' attribute of the service as well as links to map. In this section, co-location is considered as an attribute of the participating service. Previous sections have included it in sociograms of 'all links'.

Co-location was the dominant organisational model. Figure 6.8 below shows the percentage of each service type that was co-located. Microfinance and financial

education programs were always co-located with other services; financial counselling was co-located 80 per cent of the time, and ER 60 per cent of the time.

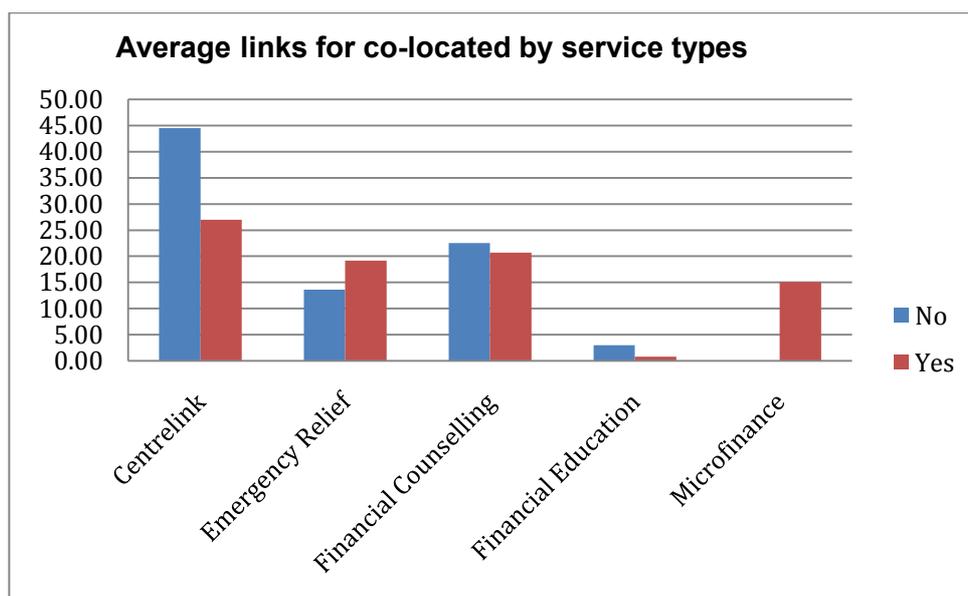
Figure 6.8 Percentage Co-located for Each Service Type



Microfinance services, auspiced to other organisations, adopt and benefit from the network enjoyed by that organisation. Good Shepherd’s microfinance services are generally co-located as the program is provided on licence to other organisations. In the early years, Good Shepherd intentionally sought out organisations that shared its ethos and community development approach to develop the program across the country.

Calculating the average number of links by co-location versus shows the association between co-location and client-focused links. This relationship is shown in Figure 6.9.

Figure 6.9 Average Number of Links for Co-located for Service Types



The same data are presented in Table 6.5, showing the relative numbers in each service type.

*Table 6.5 Number Co-located and Links for Each Service Type*

	ER	Financial Counselling	Financial Education	Microfinance	Centrelink
N (co-located)	29(18)	11(9)	6 (6)	15(15)	6(2)
Yes	18.33	20.67	1.17	16.33	27.00
No	13.64	22.50	-	-	44.50
<b>Total</b>	16.55	21.00	1.17	16.33	38.67

Observations resulting from this analysis include the following:

- Microfinance is always co-located due to the service model and so no analysis is possible.
- ER is less often co-located than other types; when it is co-located, client-focused links are 30 per cent higher. This may be due to intervening variables such as agency size.
- Financial counselling does not show any indication of increased links associated with co-location; however, the qualitative analysis indicates that co-location may be significant to networks if the co-location is based on an explicit, active model of collaboration.
- Financial education, although a very small sample size, is usually co-located, which is consistent with the recruitment challenges of financial education programs.
- Co-location does not increase links for Centrelink: co-located services are generally specialist Australian Government services (Veterans Affairs, Public Trustee, Tax Service, Hearing Service, and Carelink aged care referral), but Centrelink also sometimes offers outreach at community-based services, and it would be useful to have more information about these models and their effectiveness.

Overall, the link between co-location and average number of links is inconsistent, with a correlation in ER but not in financial counselling. As only 20 per cent of financial counselling services in this study were not co-located, the actual numbers on which this is based are fairly small. Some of the qualitative comments provide very positive views of the effects of co-location on service provision, including in financial counselling. Further study is required to explore the relative benefits (and costs) of co-location for referral networks.

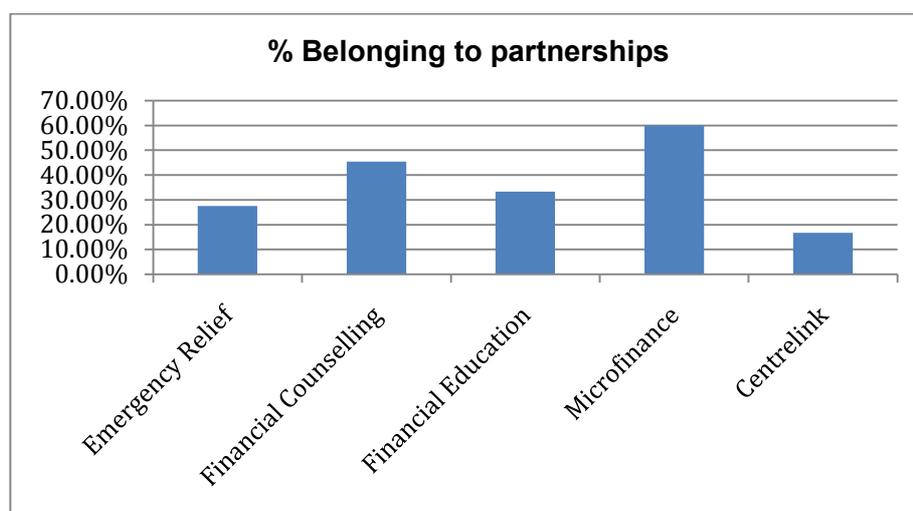
In Chapter 8, the multiple co-locations existing in 'one-stop shops' or community hubs are discussed more fully.

### **6.5.3 Partnerships**

In this section, membership of formal partnership/s is considered as an attribute of the participating service in order to analyse its relationship to referral network size. (Previous sections have treated partnerships as links and included them in sociograms of 'all links'.)

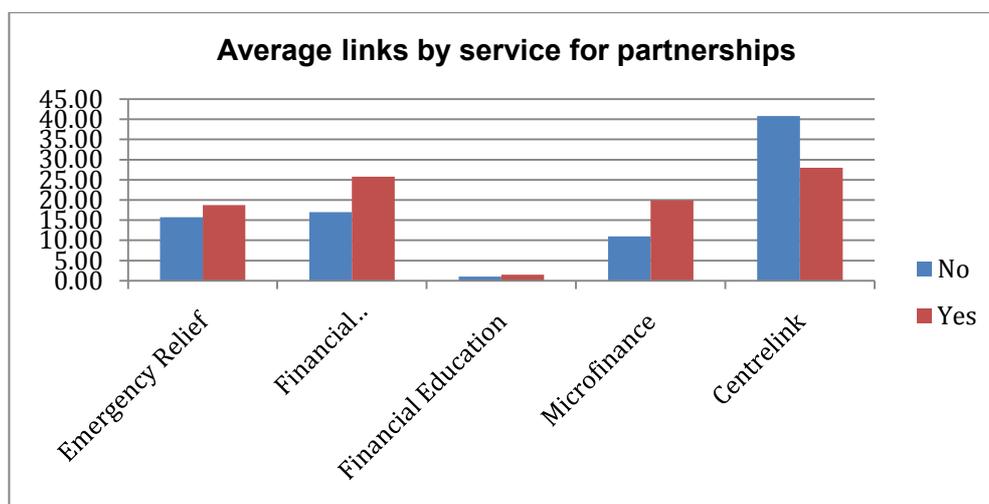
Formal organisational partnerships were less common than co-location, although the data may be less accurate given the direct service workers being surveyed may be less aware of partnerships at other levels of the organisation. For example, microfinance programs are all in partnership with a bank and with either Brotherhood of St Laurence or Good Shepherd, but a number did not mention this.

Figure 6.10 Percentage Belonging to Partnerships for Each Service Area



Looking at the graph of partnerships correlated with referral network links (referrals and secondary consultations) below, it appears that being in partnership is generally associated with having a larger referral network (Figure 6.11).

Figure 6.11 Average Number of Links for Partnerships for Service Types



The same data are described in Table 6.6 below.

Table 6.6 Average Number of Links for Partnerships for Service Types

	ER	Financial Counselling	Financial Education	Microfinance	Centrelink	Grand Total
N (partnered)	29(8)	11(5)	6 (2)	15(9)	6(1)	67(25)
Yes	18.75	25.80	1.50	19.89	28.00	19.56
No	15.71	17.00	1.00	11.00	40.80	16.81
<b>Total</b>	16.55	21.00	1.17	16.33	38.67	17.84

In all service types, those with partnerships have, on average, more referral and consultation links, except for Centrelink, which has a service model that should not depend on partnerships, and financial education with numbers too small to use. The association of partnerships with more referral and consultation links requires further investigation. It may be affected by mediating organisational variables: perhaps partnerships require more formalised structures that also assist in maintaining networks, for example.

### **Partnerships Case Study: Good Shepherd Microfinance**

Good Shepherd Microfinance partnerships operate at different levels, with a partnership relationship between GS, National Australia Bank (NAB) and the agency auspicing the service underpinning the model. Different models of partnership operate in different states, depending on the state government partners and funding arrangements. There are many lessons to be learnt from the NELS partnership model experiences, which have been overwhelmingly successful although not without challenges. The benefits identified included research, policy advocacy regarding emerging issues, program development, quality improvement, increasing resources and development of staff. One challenge named was that:

*The partnership/CD model can be tested when you suddenly become the grant provider/decision maker.*

## **6.6 Local Leadership to Build Networks**

Qualitative data is needed to contextualise variations in service networks, whether they occur between service models or across geographic areas. This section presents results from a thematic analysis of the interview data, focusing on non-geographic factors. In particular, a community development approach, worker longevity in services and adequate resources were isolated as critical to the effectiveness of local service networks

### **6.6.1 Community Development Approach**

The single most important ingredient identified for effective informal networking between local services was a community development approach. This seems to apply across all the service types, whether it is explicit as in the NELS networks or implicit in the accounts of local network success that spell out building on local strengths to form collaborative relationships.

The community development approach to informal networking is best demonstrated with a case study of one worker's approach to delivering a microfinance program. This worker was mentioned by the majority of other informants as the 'go to' person in the area, although she seemed unaware that her role in the network differed from that of others.

The program coordinator had been working in the area for only two years, but came with extensive experience in the financial services industry as well as a managing a women's refuge and a youth agency with a community development approach. In her role as NELS worker, she was inducted into the area by the local microfinance community development worker and provided with good information in terms of a database of contact names and numbers of all the local agencies. She was then personally introduced to all of the key agencies in the area and attended different organisations' team meetings to do presentations about her role and the service she could provide to clients in the area. Client needs drove her relationship-building with other local organisations: as client problems were identified throughout the NELS assessment process, she sought resolution for them through accurate identification of underlying issues and then referral to agencies or consultations for the clients with the right agency and the right person so that problems were solved. For example,

when she started to look at clients' Centrelink statements, she could see that perhaps clients were not in receipt of all the benefits they were entitled to. She had success in securing additional income for clients by liaising with the Centrelink social worker and developed a good working relationship there. She was able to utilise her own skills and tap into the skills and resources of everyone in the local area to support her clients. Her determination to find a way to assist a client demonstrated her belief in the ability of everyone to improve the situation they were in.

A number of the other research participants had observed the expertise of this worker and her approachability. It is impossible to take personality out of this equation, but at the same time it is clear that a community development approach, which can be selected for, was critical to her success.

The financial education sector is an emerging and underdeveloped sector without one clear delivery model, and where a community development approach is strongly indicated. Financial education programs are in a good position to learn from the experiences of the other financial support sectors, especially microfinance with which it has most in common as a capacity-building service. Community development allows financial education providers to engage with and learn from other local service-providers, whether these are other financial educators, financial support programs or community organisations. Critical analysis of the emerging financial education sector highlights that effective service delivery also requires continual analysis of the public policy underpinning of services and advocacy for more effective policy and practice approaches. See Appendix 4 for a more detailed examination of financial education.

### **6.6.2 Worker Longevity**

Staff turnover was regarded as a threat to local networks:

*People who refer to us are individuals who have built relationships with us – so our relationship tends to be with individuals rather than with organisations. The lack of a formal coordinated network in the area doesn't help this situation.*

*High turnover reduces the effectiveness of the local network ... Funding for wages is a big thing ... Low wages make it hard to keep staff.*

*Supporting the retention of corporate history is really important in the strength of networks. Retaining knowledge through the longevity of staff. The reputation of an organisation and its links are hard to maintain if there is a regular high turnover of staff.*

The challenges of assisting clients with complex problems also caused workers to leave:

*The complexity of people coming in is an issue – it's a big ask for volunteers and everyone runs on a shoestring.*

The workers interviewed who had worked in the area for a long time relative to others interviewed had a better understanding of the range of services in the area and knew how to use their contacts and find their way through established local, state and Commonwealth systems for the benefit of their clients. To a degree, worker longevity can replace the need for a formal network. Ironically, the area with arguably most worker longevity, the rural/regional case study, also had more formal networks linking FS services. It seems quite likely that the experience of seeing other workers coming and going over the years also convinced people of the value of formal networks.

### **6.6.3 Sustainability of Local Networks**

When local service networks were discussed with participants, service sustainability and adequate resourcing were the ever-present background issues:

*It takes a while to understand the area and know who the people are and you have to get out and about otherwise you work in a vacuum, but there is not much resource to allow for growth and improvement of the effectiveness of our network.*

Funding for services was by far the largest single sustainability issue mentioned by interviewees. A sample of the quotes gathered is below:

*We didn't know whether we got this year's funding until 4<sup>th</sup> July and they haven't included CPI (Consumer Price Index) in the funding. I've employed staff and we can't pay them if costs go up. We have increased costs and static funding.*

*We didn't know about re-funding until the last minute and we had to hold the stress of what to do with clients if we haven't got the funding.*

*We are in a council office rent free at the moment, not sure how long that will be possible and we are all volunteers, we could use a paid coordinator.*

*Our team [financial counsellors] is overwhelmed. We are seeing clients with up to 15 creditors which is a massive increase. It's taking much longer with each client too.*

*NILS will not be sustainable in the next few years because it's a good product to get a client base but no money is attached to run the service. The agency has to pay wages, paper and admin work.*

*With the ER funding ours has not been increased for years. One Indigenous program lost their funding and it wasn't replaced so we are now the only organisation doing it here now and carrying double client base. We have had to be very creative.*

Work harmonisation (Queensland adopted legislation to increase wages for community workers) is another concern:

*The new legislation will put massive pressure on staffing so we have had to reduce staff hours. There was a wage increase but no supplement to fund increased wages. A lot of smaller services will not be able to keep going. I don't know if everyone is on top of this.*

## **6.7 Summary**

Despite a wide range in the number of links of individual services surveyed, there is not a great difference between the network size of each service type overall, excluding Centrelink, which invariably has more links. Financial counselling services overall did have slightly more links than other FS services, perhaps reflecting the complexity of client situations that accompany serious debt. Their networks also included more statewide organisations for the same reason.

Referrals and consultations are the measure of referral networks used in this study and are therefore perhaps the most telling in an integrated approach. However, an important distinction needs to be made between crisis services (ER and financial counselling) and capacity-building services (microfinance and financial education). The referrals and secondary client consultations that constitute a dynamic 'referral network' are generally more significant for the delivery of crisis services than for preventative and asset-building services like microfinance and financial education. There are many other legitimate, more localised and idiosyncratic reasons for referrals being lower in some services.

Nonetheless, study of local service networks requires an assumption to be made that to offer a holistic service requires a sizable, relevant and active referral network. Further research that explores in more detail how referral networks are developed, monitored, updated and disseminated would be useful.

'Reciprocal ties' are a quantitative measure of mutuality, indicating trust and a stronger relationship. They are therefore better evidence of effective referral networks than the size of the network alone. Centrelink has more reciprocal ties across all areas. ER and financial counselling would be expected to have more reciprocal ties given their service delivery models, and this is the case in the Yarra and Blacktown areas, but not in the Cairns area, where microfinance programs have at least as many. This indicates that it is not necessarily the service type that determines referral networks, but other factors such as the existence of strong community development practices or effective formal networks (see Chapter 7 'Formal Service Networks'). A fruitful area for further investigation would be the factors contributing to reciprocal ties: the role of common values, common client base, local leadership, community development methods and non-competitive relationships, for example.

There are some characteristics of a service that are associated with greater networking activity. The staffing model – paid, volunteer, or a mix – was one attribute that was associated with more links. ER showed the greatest variety of all service types in terms of the staffing models. Organisations with paid workers are more able to attend network meetings and make links with other services. Clearly, this favours those organisations with funding for staffing such as financial counselling.

Co-location is the dominant organisational model in all FS services except Centrelink. Microfinance has co-location built into the service model as it is always offered under an auspice organisation. Overall, co-location itself is neither a necessary nor sufficient condition for effective service integration. Services that are co-located do not necessarily have more links with other services according to the quantitative data of this study, although ER services do. However, the qualitative data and case studies show a more complex story and indicate that there can be a strong connection between co-location and referral networks if it is purposefully built into the program logic and service design. It would be useful to understand more about the benefits of co-location in different service types.

Partnerships are less common than co-location, although this study has not picked up all cases where there are partnerships, possibly due to data-collection through direct service workers. Partnerships are nonetheless strongly associated with more links in financial counselling and microfinance services and to a lesser degree in ER.

The number of links seems to be affected by both structural factors such as partnerships and staffing resources, and more local determinants such as distance and worker longevity. Network analysis revealed the rural/regional case study area had the strongest service networks of the four areas and warranted detailed examination of qualitative information about the links in this area. Cutting across both structural and localised factors is the phenomenon of a community development approach. This emerges through the qualitative and case study analysis as possibly the most consistent predictor of strong local informal networks. Community development will be discussed further in Chapter 7 'Formal Service Networks'.

The need for a critical analysis and a capacity for structural advocacy apply equally to all types of service – ER, financial counselling, financial education and microfinance. This is usually the role of peak bodies such as Financial Counsellors Australia and its state-based counterparts, or for lead agencies such as Good Shepherd and the Brotherhood of St Laurence in the case of microfinance. Where there is no national or state peak, the critical analysis needs to come from service providers with research and advocacy capacity, such as the various faith-based organisations. Formal networks of all types – local, central or agency-based – can play a part in gathering data on the impacts of policies and on unmet needs.

## 7. Formal Service Networks

This Chapter takes a closer look at the formally organised service networks in the financial support sector, including their variations geographically and across service types and their correlation with the size of a service's client-focused referral networks. The role of formal networks in assisting services to provide a holistic response is an important topic for policy-makers, funders and the services themselves.

Informal service networks have been discussed in the previous Chapters. Informal networks between services can be extremely effective in enabling service delivery, especially where there are long-standing relationships, shared values and a common client base. However, the evidence of this study, both from examining the networks themselves and from the perceptions of the service providers, is that consistently effective informal service networks are more likely if formal service networks are also present.

Formal network memberships are themselves diverse. They include local or regional networks for specific sectors (emergency relief (ER), financial counselling or microfinance), local inter-agency networks linking services from multiple sectors in an area (often convened by local government), central networks (such as the NILS network or financial counselling peak bodies) and the internal networks of large multi-site (usually faith-based) organisations.

Formal networks not only increase opportunities for information flow about day-to-day practice, but also value-add to informal links through the organisational relationships that go beyond worker-to-worker relationships and enable collaborative planning to develop innovative services, gain funding, increase service quality, and so on. This is not to assume that a particular type or distribution of formal networks is going to work everywhere, or that it should be imposed from outside on the local service community.

This Chapter uses sociograms, associated statistical analyses of service attributes and case studies to explore the various dimensions of a range of formal networks and to suggest elements of, and barriers to, success. The social network analysis concept of 'the strength of loose ties' identifies the value of being connected to new networks and the importance of an organisation's 'contact's contacts' in achieving this. Formal service networks are important for providing these opportunities as well as for enabling collaboration between services within a network.

### 7.1 Context of Formal Service Networks

Increasing the focus on the role of formal networks in delivering effective services could result in policy failure if it is based on a simplistic narrative about networking. The current close scrutiny of all types of collaboration within governments' service delivery policies makes caution even more advisable. The terms 'joined-up', 'integration', 'partnership' and 'collaboration' can all be used to imply certain types of 'network' without adequate analysis and description of their purposes, contexts and mechanisms. The idea of formal networks can be co-opted to serve a range of policy and practice interests. These interests do not necessarily align with the concerns and capacities of local FS services.

This study aims to provide detailed and contextualised information about tailoring mechanisms for collaboration to the financial support sector, or rather to its sub-sectors, local areas and unique histories.

Different 'network logics' apply to different service sectors and needs. In Victoria, there are recent examples of integrated service systems (e.g. 'Child First' and the

'Integrated Family Violence Service System'), cited by study participants as providing good examples of joined-up working.

However, the high costs in monetary and time resources, as well the high degree of standardisation, are unlikely to make these highly integrated models suitable for sectors that do not carry the same risks for government or agencies as child protection and family violence, nor the same resources.

At the other end of the continuum are services run exclusively by volunteers, and these are an important section of the ER and microfinance sectors in particular. In this study, volunteer-only agencies appeared overall not to prioritise attending network meetings as much as did other services:

*There is a small fund for admin, but because we are volunteer run we use that money for clients.*

*They ring us up they know we are there. We don't work together very much. I think others do.*

*It still comes back to an overwhelming need for time to build partnerships. We are so busy delivering the work that we don't have time to attend network meetings.*

When the potential size and complexity of local service networks is considered, it is clear that volunteer-based services require a program model that does not assume the need for multi-layered, and perhaps multi-sectoral, local network links.

Networks are a form of social capital, and volunteer-based organisations are experts in harnessing and building social capital. Yet, to a volunteer-based service like St Vincent de Paul (SVDP), formal service networks may appear on the horizon not as a useful form of social capital but as a professional idea, often with a hierarchical model in which volunteers can too easily be made to feel inadequate and excluded. The relationships and open-ended processes that are actually needed to build social capital can be stifled by an over-weening concern for 'network goals' and 'network outcomes'. Comments from research participants in volunteer-based services made it clear that the mutual trust upon which networks depend cannot be institutionalised: if it is, people become resentful and organisational politics can take over from relationships. This presents the familiar community development paradox of providing structure while encouraging process.

Volunteers may have less time and perhaps less capacity for participation in local service networks, especially if the networks meet during the day. However, they may have effective internal network structures and a different program model, as shown in the case study later in this Chapter.

## 7.2 Mapping Formal Networks

The data collected from participants about their formal network participation was quite detailed and cannot all be mapped here. The maps of the formal network memberships in each geographic area below show the number of links, but information about the type of network, frequency of meetings or how central or peripheral it was to the work of each organisation is not shown. Some of these elements are analysed through the case studies that follow.

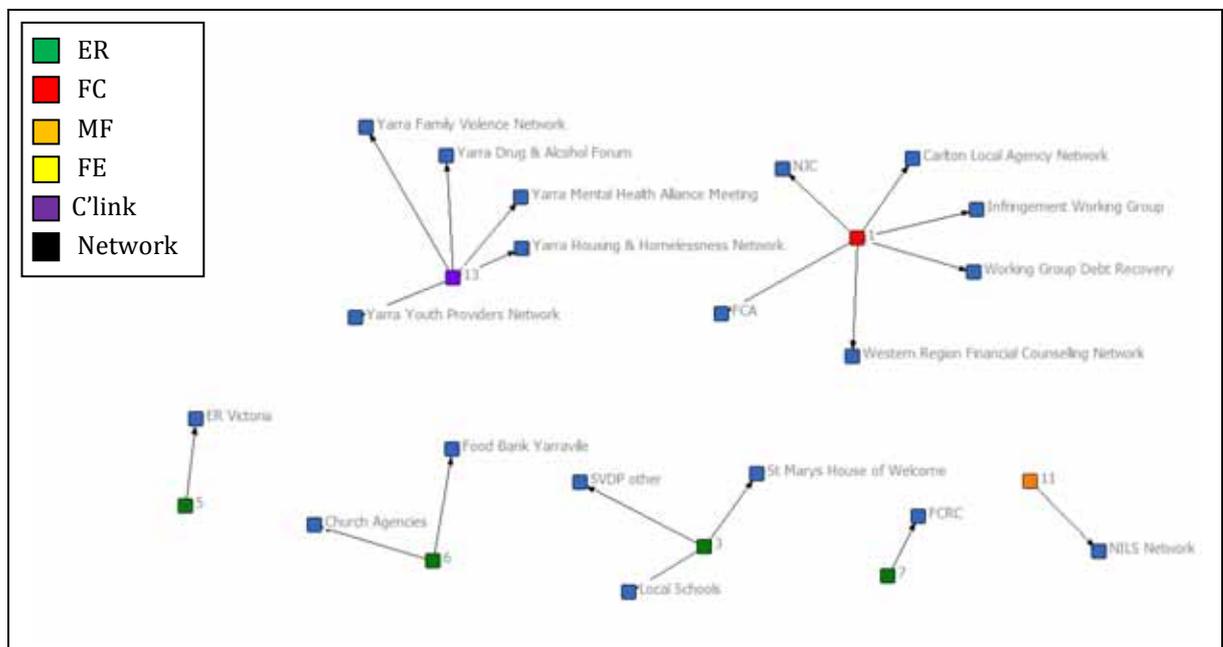
Comparisons across the case study areas – especially the three larger areas – are instructive. Each area shows a very different pattern of formal network membership. The Yarra area (Figure 7.1) does not appear to have any formal networks that connect the FS services directly, while the Western Sydney sociogram (Figure 7.2) is dominated by a large interagency network, and Cairns area (Figure 7.3) has several clearly defined sector-specific local networks and a web of interconnected formal networks.

The main networks that have been mentioned are named on these sociograms. On the Thursday Island (TI) and Yarra sociograms, all networks are identified, and for the other two areas, those formal networks that have been named more than once by a FS service are identified. As with other maps in this study, for confidentiality reasons the maps do not name the agencies themselves.

The differences in network participation shown on these maps reflect the presence or absence of formal networks to attend, as well as the capacity or commitment of individual agencies to attend them. It should not be assumed that attending a formal network is an indicator of any individual organisation providing a better service, or that, conversely, lack of links to formal networks necessarily means a less effective service in any individual instance.

### 7.2.1 City of Yarra Area

Figure 7.1 Yarra Area Formal Networks

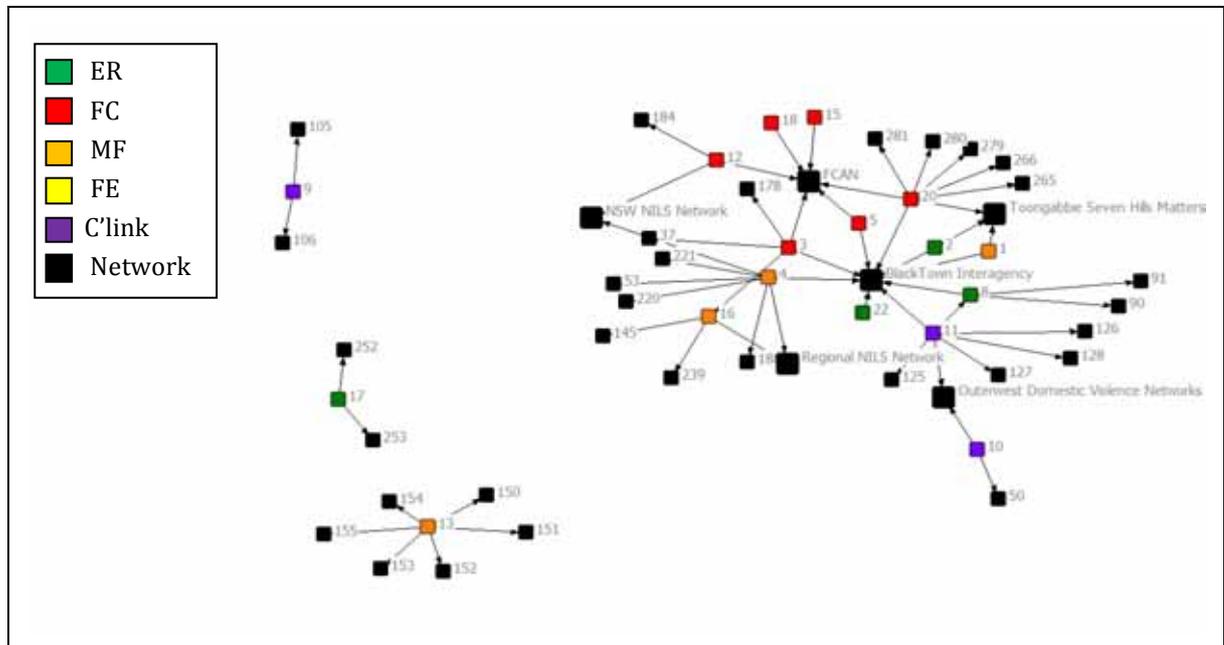


The absence of any sector-specific formal networks or a generic inter-agency network in Yarra is very evident. While a number of the participating agencies had network memberships, and several were members of multiple networks, it is notable that none of these networks intersected.

This does not mean that there are no common network memberships in other parts of the participating agencies; for example, managers may attend some of the local networks of other sectors. In Yarra, the surveys were conducted with the direct service providers.

## 7.2.2 Western Sydney (Blacktown and Surrounds) Area

Figure 7.2 Blacktown Area Formal Networks



The Blacktown area sociogram shows a large number of networks connected to each other and a few outliers in geographically less central parts of the area. Local inter-agency meetings were reported to exist in Blacktown, St Mary's and Holroyd, as well as a network covering Toongabbie and Seven Hills. They are not all local networks: some are statewide and some are regional.

There is clearly great variety in the number of networks listed by each agency; for example, one financial counsellor had one and another had eight. There was similar variety in each service type: one microfinance service mentioned just two networks, while two others had six networks each. Interestingly, these did not overlap, perhaps reflecting their geographic location in different corners of this large area.

Many other networks were mentioned by services, particularly by managers who see it as part of their job to maintain and develop networks with other agencies, for example, Blacktown and Mt Druitt Migrant Intergency, Blacktown CALD (culturally and linguistically diverse) Network, Blacktown and Baulkham Hills Intergency, Bonnyrigg Network, Fairfield/Liverpool Multicultural & Refugee Men's Health and Wellbeing Network, Fairfield Local Youth Network, Multi-Cultural Agency Penrith, Auburn Multi-Cultural Inter-Agency and Holroyd & Parramatta Multicultural Network.

Benefits of attending the inter-agency network were noted:

*It's been improving, the [CEO] is very involved and is in favour of us working together. Service providers can now see the benefits of working together [three years on]. Interagency has helped understanding and partnerships.*

The general sense gathered from the interviews was that there are enough networks in Western Sydney:

*People are aware of the diversity of services we offer and often when I go to a network meeting and I'm asked about what we do, other people answer for me.*

There was a mixed reaction about the effectiveness of the inter-agency network in Blacktown. The fact that the inter-agency network links up a large number of the participating agencies probably reflects the cohesiveness of these long-established services in the area.

The inter-connectedness of formal service networks may also be heightened on this map because there were more managers interviewed in this area than in the other areas.

As in the City of Yarra, it was reported that few frontline workers attend local networks, citing workloads as the main reason for non-attendance. Organisations may be well networked, but network attendance and knowledge may not extend to all the workers, especially in larger organisations or where there is extremely high demand on service delivery.

Some frontline workers expressed frustration about not having the time to attend meetings:

*I think I'm isolated from interaction with other agencies. I don't have time to go to interagency but would so that I could identify across the board issues. If the job was full time I could go. There is a really big need for what I do, and it makes it impossible for me to go at the moment.*

*I don't have time to go to a lot of meetings. I don't have time to go to network meetings so I don't go very much. I am called to present to different community forums and do that when I can.*

*People are busy doing what they are doing and don't have time to go.*

For those who did attend regularly, some benefits are clear:

*We have worked well as a network, particularly participating in community events.*

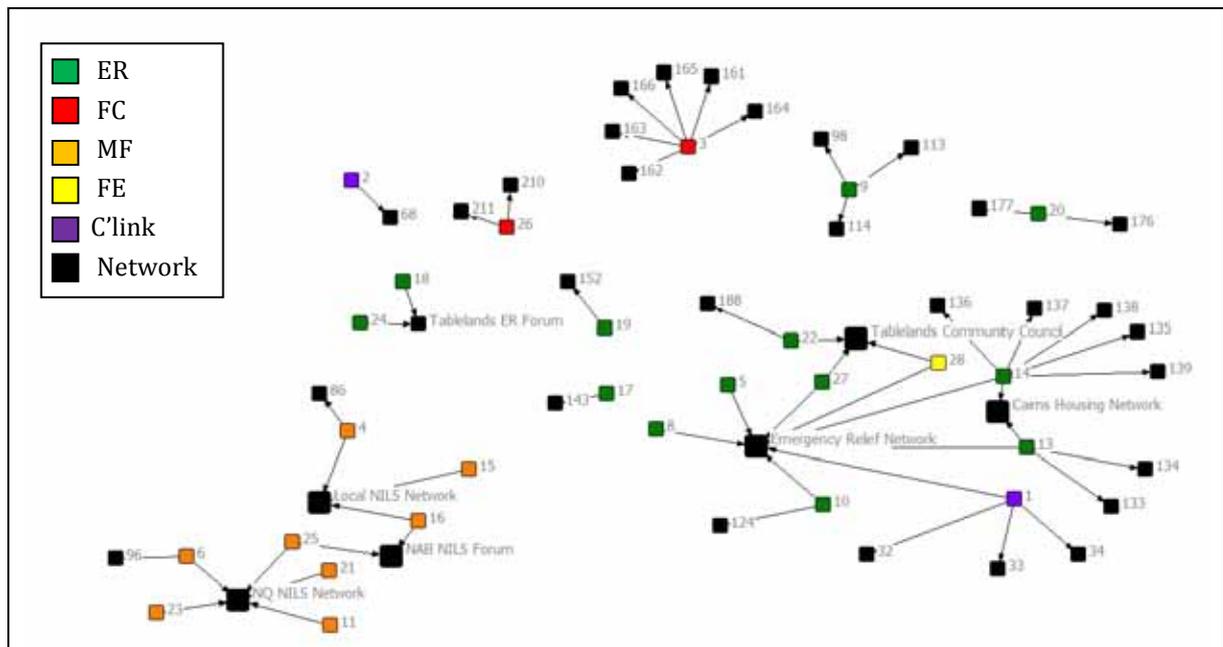
*Inter-agency is a good way of telling people what you are doing – it's a good marketing tool.*

Others felt that it might be more useful for managers but for direct practice did not offer enough tangible practical benefits.

### **7.2.3 Cairns and Hinterland Area**

The Cairns area had a different constellation of formal network memberships from either the Yarra or Blacktown areas.

Figure 7.3 Cairns Formal Networks



The role of sector-specific networks is illustrated in this sociogram of the Cairns area formal sector networks; both local ER networks and local and regional NILS networks effectively link the services in the ER and microfinance sectors respectively.

Networks listed by participants included local NILS network (Far North Queensland), Cairns ER networking group, Cairns volunteer coordinators meeting, Cairns Housing Network, Cairns Interagency Case Management Child Safety Group, Cairns Bridges Project Group, Mossman Community Agency Network, CCFSN (community centres & neighbourhood house network), Atherton Interagency, Cairns Interagency, and Tablelands Integrated Response Group.

One network mentioned by a few people in the Tablelands area was the Tablelands ER Forum or Community Council. It was reported that, although it was not currently operating, it was something the local services should re-invigorate, as they generally did if required. This highlights that some networks were convened on an issues basis rather than regularly.

In Cairns, many networks were identified, and it appeared that agencies were well linked in and provided a more effective service because of this. The remoteness of the area and distance from the state capital was one reason stated for the strong network.

*We are lucky up here, out of need and desperation we work well together – particularly if there is a local issue that needs to be sorted out.*

*It's a result of hard work. In a town like this where we cover such a wide area we have to work together. We are pretty good at working together.*

*Everyone has been here for a long time and we all tend to support one another, particularly where funds arrive and go. It just happens that way, probably because we talk and work as a team.*

*I'm doing pretty well. It's good to attend the NILS meeting that is very positive.*

It was easy to make contact with all of the services, as a list was provided by a person who was funded previously to coordinate community financial services in Far North Queensland. Anecdotal feedback shows that the position supported and

developed strong networks in the area and also provided capacity to develop community services where needs were identified. The benefits of this position were evident in terms of the remaining networks and the presence of sustainable projects developed by the post-holder during her tenure. The loss of this position was mentioned as a concern by more than one agency:

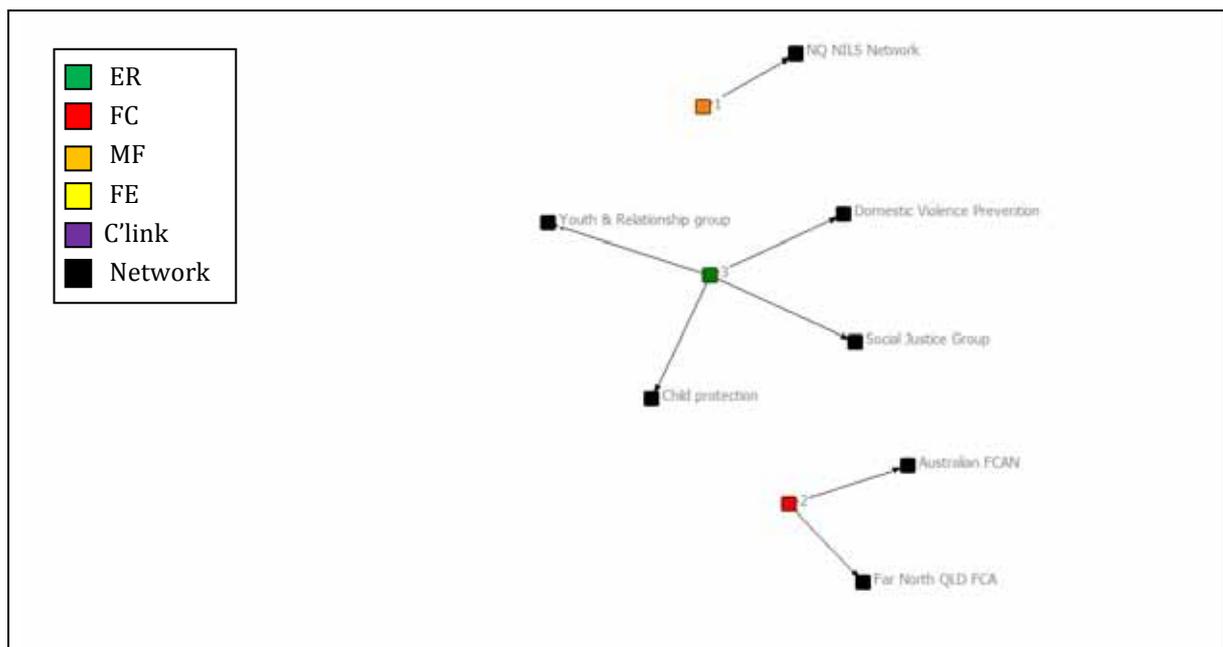
*The network needs a coordinator. The success of our program is due to the support of (worker) and her role. She was fantastic. When I started she sent through relevant material which improved my work. There is a need for more programs and someone with the overview and ability to make things happen, particularly given the area.*

The strongest evidence of very effective referral networks was also in the Cairns area, leading to the proposition that formal and informal networks are mutually reinforcing.

### 7.2.4 Thursday Island Region

TI's sociogram of formal networks is more like that of Yarra, in that there is no local network for FS services specifically, and while there are a number of other sector-specific networks, none of these is mentioned more than once.

Figure 7.4 TI Formal Networks



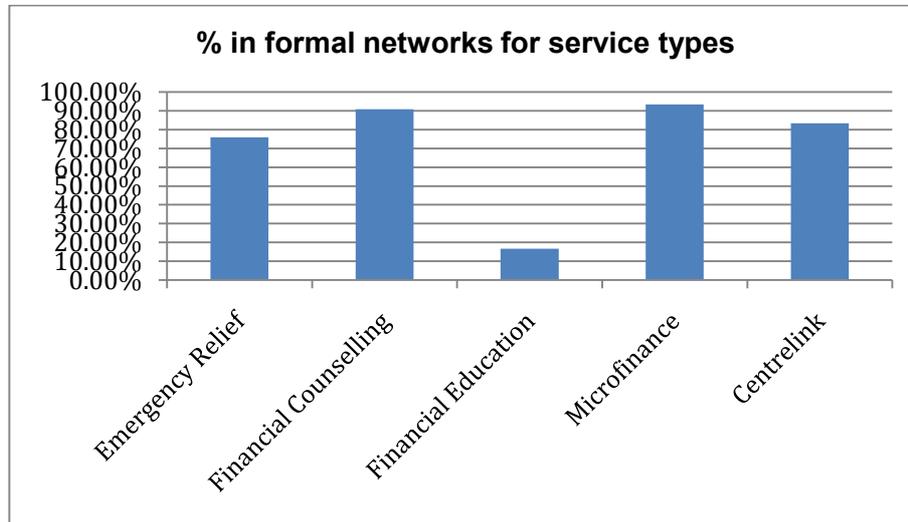
This sociogram is informative about the types of other sectors with formal networks useful to FS services, such as housing, youth, family violence and child protection. The small number of financial support agencies on TI reduces the demand for a sector specific network, but attending other networks can increase understanding of how to help clients with other types of issues.

## 7.3 Formal Networks and Referral Networks

Formal networks can be analysed as an attribute of participating services; that is, rather than mapping the number of links, the key information analysed is whether or not the service is in any formal networks and how this correlates with the size of the service's informal networks.

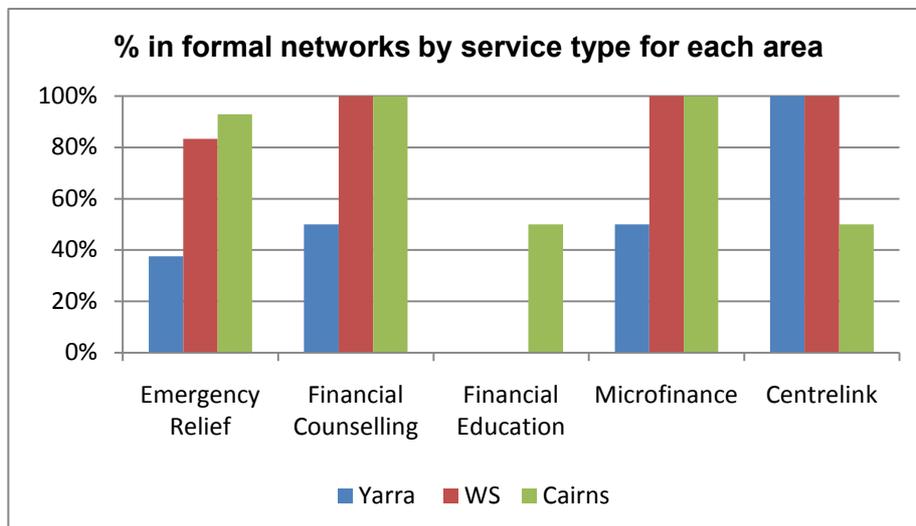
The percentage of all services belonging to formal service networks (Figure 7.5) is relatively high and relatively consistent, except for financial education. Being a new sector, there is little opportunity for financial education services to participate in formal networks in most areas.

Figure 7.5 Percentage in Formal Networks for Service Types



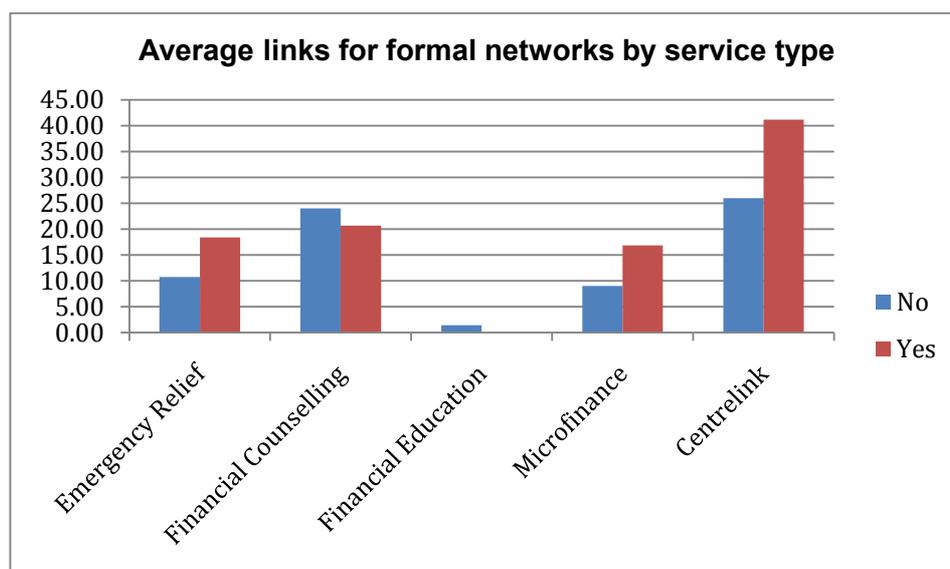
In terms of the geographic breakdown of this attribute, the Yarra area's lower formal network participation across all service types except Centrelink emerges (see Figure 7.6).

Figure 7.6 Percentage in Formal Networks by Service Type for Each Area



Membership of formal service networks is also an attribute of participating organisations that can be correlated with the size of referral networks (that is, the number of referral and consultation links). Figure 7.7 below shows that services have more links when they are in formal networks. Other than for financial counselling, having membership of formal networks is associated with higher referral and consultation ties (that is, larger referral networks) for all service types. The differential is quite marked, suggesting that formal service networks and 'informal referral networks' are mutually reinforcing and/or both have a similar cause.

Figure 7.7 Average Number of Ties (Out-degrees) for Partnerships for Service Types



These data are shown in more detail in the table below.

Table 7.1 Number in Formal Networks and Out-degrees for Each Network

	ER	Financial Counselling	Financial Education	Microfinance	Centrelink	Grand Total
N(form.net)	29(22)	11(10)	6 (1)	15(14)	6(5)	67(47)
Yes	18.41	20.70	0.00	16.86	41.20	21.02
No	10.71	24.00	1.40	9.00	26.00	10.35
<b>Total</b>	<b>16.55</b>	<b>21.00</b>	<b>1.17</b>	<b>16.33</b>	<b>38.67</b>	<b>17.84</b>

## 7.4 Formal Service Network Case Studies

The reasons why some organisations are represented on these networks more than others cannot be narrowed down to one set of factors and are explored in various discussions throughout this Report. Further contextualisation is provided in the following case studies of different types of networks – local generic networks, local Financial Management Program (FMP) networks, central networks, and agency networks. These illustrate why formal networks have been established and have endured, and identify some of the dimensions and opportunities of each type and their benefits and achievements.

### 7.4.1 Local Generic Networks

#### **Case Study: The Community Development Model: Carlton Local Agency Network (CLAN)**

The CLAN network is based in North Carlton (City of Yarra), auspiced by Carlton Neighbourhood Learning Centre (CNLC), with most of its members having clients based in the Yarra and Melbourne local government areas (LGA's). This network has been operating since the early 1980s and was started by the Carlton Contact Neighbourhood House Coordinator (now CNLC). The coordinator operated from a community development model and started the network in response to the many single worker agencies that were experiencing burn-out and isolation.

At the time of the research, the network met monthly and had sub-groups and project groups that acted on behalf of the network looking at issues arising in the area. Examples of such groups include a Gambling Awareness project and an African worker's network.

The network existed with small amounts of funding from local councils until recently, when the worth of the network to the City of Melbourne was recognised by a \$60,000 four-year grant. The network can provide a formal advisory body back to council and auspice local projects, an important function for local government's community planning.

The skills identified that enabled this success were awareness of the issues, community development strategies and strong networking skills.

*Huge amounts of time have been saved because people work together collegially. It also stops community confusion about who is doing what. It provides good support for isolated projects and workers.*

*Workloads are always an issue, but sometimes issues are bigger than the workload. At that point, you can't do it on your own. I see the benefits we have gained from tackling issues together and the strength this has given the community.*

### **Local Government Inter-agency Model**

Local government is an important network organiser in some areas, although not all. In Western Sydney, inter-agency networks appear to be in most LGAs. In Blacktown, it was the dominant formal network in the area and linked many of the FS services vertically, at an organisational level. The study indicates that inter-agency networks are often particularly useful for managers in their planning, fund-raising and collaborative roles. They are generic and broad in their scope and tend to be less useful to direct service providers.

## **7.4.2 Local FMP Networks**

### **Case Study: Cairns Microfinance Network**

Far North Queensland is widely reported to have a successful NILS network, thanks to the work of the community development worker appointed for two years to help local organisations set up new NILS programs, the excellent subsequent collaboration of other services with this program, and the regional locality that promotes a sense of shared ownership. Based in Shelter Housing Action Cairns (SHAC) with its strong philosophy of community development at all organisational levels, and supported by the Good Shepherd ethos of community, network members shared the vision of connecting to something bigger than their local domain. This, and the geographic distances that meant the providers were not in competition with each other, created a generosity in the sharing of information.

When each program is established in the NILS service system, it is automatically linked into the network with other NILS programs and attending network meetings is a requirement for program accreditation. As more organisations took up the opportunity to start their own NILS program with the Good Shepherd, Department of Social Services (DSS) and National Australia Bank (NAB) funding, the strength of the network grew, benefitting from sharing stories, ideas and challenges:

*We didn't know what to do, we wanted to get the knowledge. We worked it out between us.*

Sharing experiences at the network has raised the collective level of capacity.

With the community development seeding coordination role finished, the statewide NILS coordinator employed by Good Shepherd now supports the local network meetings, flying up from Brisbane every few months.

Another example of the success of the North Queensland network was the development of NILS at SVDP (Vinnies) in Cairns: 'now SHAC refers to Vinnies and Vinnies refers to SHAC'. SVDP has a statewide NILS model that relies on volunteers within the conference parish. Two local key SVDP workers were proactively engaged by the NILS development worker and championed the program internally.

### **Cairns ER Network**

The Women's Centre Cairns appeared very central on the sociogram and indeed was running the ER network in the area. The network was started a number of years ago by the manager, with the support of the Centrelink social worker. With a collaborative skill base and approach, this practitioner saw the need for a network both to raise the skills of the providers in the area as a whole and to coordinate service provision.

In the early stages, the two instigators gently raised issues regarding values and ethos of the work, and these discussions began to influence how ER was delivered in the area, raising the bar of the quality of the work of the agencies and reducing duplication of service delivery in the area. The longevity of staff in positions is cited as a reason for the strength of the network in the area. At the same time, the networks were reported to provide an ability to hold relationships with organisations when different personalities moved on. For example, a worker in one agency may be on the management committee of another in the network.

The ER network and the NILs network were also connected informally through other organisations and relationships. Other networks exist, but '[m]ost of the smaller ER organisations would not come to those meetings' because managers tend to attend bigger meetings not the front-line workers.

A small group of providers in the network (Women's Centre Cairns, SHAC, The Hub and the DV service) also joined together in a formal arrangement to provide joint brokerage for clients:

*We have a shared client base and strong shared values which has been identified over the years and is written up in an MOU (memorandum of understanding). By working together we can be far more effective in the support we give clients. I trust them and they trust me. They ring up and say they have a client who needs \$500. They have \$300, can I provide \$200? Because we trust each other, we are able to support the clients with the money on the basis that if the other organisation says the money is needed and our contribution will make a significant difference to the outcome for the client, we can trust that it will. They don't always make the same decisions as we would, I'm sure we don't either but the trust is there.*

This is perhaps the most developed instance of local client-focused collaboration uncovered in the research.

### **ER Networks in Other Areas**

In both Yarra and the Blacktown areas, there was talk of ER networks, although none was currently operating. In Yarra, the local council was previously involved in establishing a network, although now provided networks in a number of other sectors. It was commented that the time invested in network meetings clearly needs to benefit the service to clients:

*Unless there is a real need for it we spend an enormous amount of time at meetings. They have to have a purpose – I run 3 different programs, I could spend my whole life going to these without it being of benefit to families.*

In the Blacktown area, the senior social worker in one of the local Centelink offices was keen to establish an ER network, having identified the need:

*It seems that the ER agencies do not have a forum and this is what I'm trying to achieve – an ER network ... It's intended for them to get to know each other and get to know Centrelink social workers who are doing the referrals [it's intended] for us to talk to each other about the gaps in services and issues.*

However, it was recognised that establishing such a network takes time and effort:

*We want the ER agencies willing to work together, to have them strategically on board. This sort of thing takes a lot of time to organise and manage and takes time out of the office.*

### **7.4.3 Central Networks**

#### **Case study: The Centrally Coordinated Network Model: The NILS networks and Good Shepherd**

It is a requirement of NILS Participation Agreement to attend one NILS network meeting per year and to submit statistics and data twice a year to Good Shepherd. In the recent past, there have also been funds to support people to attend the annual national NILS conference, increasing sector networking significantly. State network meetings take place in all of the researched areas, but comprehensive network coordination of microfinance (or indeed FMP sector) services was not provided at a local level through these positions.

Contrary to some other participant views, it was stated that engaging volunteers in the NILS network was reported to be no different from engaging paid workers:

*Often volunteers really value the chance to attend and meet other providers. The biggest challenge with volunteer only organisations, where perhaps the volunteer is in once a week, is communication [collation of stats/response to queries etc].*

A range of strategies has been used over the years in developing NILS networks, depending on funding opportunities. Between 2007 and 2010, Good Shepherd employed or sub-contracted to local coordinating organisations nine community development workers to develop the program:

*We found organisations and we funded them to work with us. In 2009 we took the same model to Queensland and implemented it there.*

While this was highly successful, there were tensions between delivering the program through this community development model and being the funder and ensuring compliance. Policy priorities such as delivering scale and speed of a national roll-out were also noted as a challenge within a community development approach.

#### **The Peak Body Advocacy Model**

Research participants also listed some of their peak bodies as networks, particularly in the financial counselling sector. This role, and the part played by peak bodies in facilitating local and regional networks, could be further investigated.

#### **The 'Community of Practice' Model: Financial Literacy and ASIC**

The small number of financial educators participating did not yield many network links for that sector, and none of the participants mentioned the 'Financial Literacy

Community of Practice' hosted by the financial literacy section of the Australian Securities and Investments Commission (ASIC). This is an initiative to facilitate links between services, researchers and policy-makers in an emerging field. It is a 'pre-network' response that aims to sow the seeds for the organic development of networks to meet needs as the sector grows.

### **Agency Networks**

Those services that were part of a larger organisation, particularly faith-based or member-based organisations, talked about their own internal networks and support. For example, SVDP's Prospect Region, covering Blacktown and Seven Hills, with 100 paid staff and 19,000 volunteers, reported extensive internal networking activities:

*In August we held a seminar on unemployment /homelessness at Blacktown RSL. It was an open forum run by us. There was quite an animated discussion about issues in the local area. It was driven by the research team in Lewisham. The idea came from the state office. They came to a regional meeting in May and put the proposition to us. We agreed to be the host region. At a local level we wouldn't have had the capacity to put it on. It was good to have the intellectual input to plan and conduct it.*

Although a volunteer-based organisation like this may be less visible in the organisational service networks of the type identified in this study, they have their own highly developed network that is clearly able to deliver training, advocacy and leadership to members. The paid staff are there to support, empower and train the volunteers in legal obligations, food handling, and so on. The organisation itself is held together by the peer-to-peer relationships that are an expression of the organisation's mission and shared values.

## **7.5 Policy Issues for Networking**

Participants outlined a number of policy issues affecting formal networking activities.

### **Competition**

Funding competition was named as one of the challenges in working collaboratively:

*Part of the reason we don't work together more is that the Government sets us up against each other with a competitive tender environment and then we are expected to work together.*

### **Lack of Funding**

Network sustainability depends upon sufficient resources at all levels, including good management and auspicing:

*If they are not auspiced or managed they can fall between the cracks.*

*Networking is getting harder with output based funding where network attendance does not count towards funded hours. We are trying to setup to an interagency case management system – we wouldn't be able to claim that as an output in the current funding regime.*

Of the 22 services in the Blacktown area interviewed, five services received financial support for attendance at networks. One agency was funded by the Department of Immigration, three used the administration element of a DSS grant to support attendance and two funded worker time from philanthropic donations. For others, the lack of specific funding created difficulty getting to networks:

*Not being able to fund yourself has been an issue about not being able to attend the NILS network meeting.*

Smaller organisations or organisations with a higher proportion of volunteers than paid staff found it harder to attend, or sometimes to see the benefits of, service networks:

*Attendance is purely voluntary – there are changing staff all the time, so it depends on the commitment of the agency. There is no funding and resourcing for it so it's a balancing act. Some very small agencies don't have the capacity, there is no secretariat capacity and it's time-consuming.*

### **Centrelink's Role and Practices**

Involvement of Centrelink staff in the network was variable, from excellent to unhelpful:

*B [Centrelink social worker] has been there for ever. We also work with [other workers]. They bend over backwards to get a payment for our clients. The quality of the workers is very high.*

Other comments show the difference an effective network can make:

*We did have a big problem with Centrelink, initially 2 years ago but now the Centrelink worker is involved with the network and things have got better.*

## **7.6 Resourcing of Formal Networks**

The issue of resourcing was raised frequently by research participants. The quantitative and thematic analyses of this Chapter and previous Chapters have indicated that:

- formal service networks are associated with larger referral networks and hence appear to provide significant support for the holistic and integrated approach;
- the availability of formal service networks in the financial support sector is highly variable;
- formal service networks are dependent on specific government support and/or local leadership; and
- paid staffing models are associated with more active service networks.

Participating organisations identify various types of funding and in-kind resources that have been used to seed and/or support local networks. These are summarised as follows.

### **Spin-off Effect**

One of the most effective strategies was establishing a formal network within the start-up of a new service, which happened in the case of NELS services in and around Cairns. The establishment funding did not include separate funding of networks per se, but the community development approach to service development that was used multiplied the benefits so that both ER and NELS networks were established.

### **Dynamic and Sustainable**

One instance was recounted of funding being received from local government for a network *after* it had already been established for some time. Although this was not a network in the financial support sector, the example was proposed as an effective strategy because it required that local leadership and collaborative processes were first established, without resources. This organic approach may avoid agencies chasing or competing for funding and allow for natural network development to be strengthened. As the network in this example was reported to be operating today, this also indicates it may be one element of a sustainable network.

## **KPI's in Funded Worker Role**

Some programs were expected to ensure that a representative attended the local specialist service network as part of the role. This is the case for NILS and is known in other sectors, although generally where there were paid staff rather than volunteers.

Some financial counselling services have in the past received a percentage (up to 20 per cent) of their funding for community development, policy work and community education. This can include participation in networks. However, the time allowed for this type of activity as a proportion of the financial counsellors' overall role must be specifically negotiated with the funding body and has been reduced in recent years. The worker advised:

*Years ago we were automatically given a percentage of funding for these things [community development, policy advocacy and community education] – it's changed and now we have to put a bid in. I guess they look to see if our case is good enough and if it is we get the money.*

Ensuring that network attendance and/or facilitation are built into funding agreements is the most secure way of ensuring local service networks are sustainable. However, in the tight funding environment of community services, there is a tendency to see this as taking away from direct practice rather than supporting it. This argument ignores the fact that programs aimed at holistic responses to underlying issues cannot operate in isolation or indeed from a static information and referral base.

## **Innovation**

A new community finance hub, Good Money, has been developed in Yarra and two other pilot areas by the Victorian Government, in partnership with Good Shepherd Microfinance and NAB, could pick up a local networking role. This would require taking a community development approach to engage other local services effectively. This would be consistent with Good Shepherd's community development approach over the 30-year history of NILS development, which enabled locally embedded agencies to take up the service rather than setting up branches of the organisation itself.

## **7.7 Summary**

There are almost as many types of formal service networks as there are networks themselves. The fact that most FS services still do not include local formal networks within the program design and funding arrangements has resulted in patchy coverage and a plethora of ad hoc local arrangements. Where it is included as a core program element, such as in the NILS program, the benefits are clear. The host organisation, Good Shepherd, sets up the conditions for local/regional networking and builds these into the service standards. It provides a clear expectation, training and communication mechanisms.

Although the focus of this study is on local service networks, some functions picked up by local service networks, such as creating directories of services and linkages with other service sectors, can be met by larger statewide networks and peak bodies. This seems to be the dominant model in financial counselling, which had developed dynamic and effective peak bodies that also provide an advocacy voice, professional development and service quality leadership. In another model, very large organisations such as Centrelink or SVDP have internal networks on a statewide or even national level. These give the direct service providers an opportunity to share their knowledge and raise issues that can be taken up in other parts of the organisation. Still other types of state or national networking may be government

initiatives, such as the 'community of practice' in the still-forming financial education sector.

The enormous local variation in FS services does not lend itself to a standardised formula for establishing and maintaining local service networks. Opportunities to start up a network present themselves in different forms: new funding in a sector, a local initiative, or simply a worker dedicated to the vision.

It was often commented by study participants that with the right person a network will thrive. Personality is impossible to build into planning, but the task is to identify what skill sets and approaches are used by effective network developers and what supports them to step into that role. This study points to one key characteristic of individuals who drive such networks: experience in and commitment to local community development processes. Regardless of which organisation takes on the local network development and facilitation, and there is no natural obvious locus for this role emerging from this study, they need to be able to offer a combination of leadership and collaboration that mobilises others in joint commitment to the network. This ability to engage and motivate towards a collective purpose, for the common good of the community, is the essence of the community development approach that seeds and nurtures formal service networks locally.

To support this community development approach, resources must also be found. That is, some of the network coordinator's time must be allocated for coordination, and program managers and/or workers must be allocated time to attend network meetings. Sometimes, this can be built into the key performance indicators by funders, at other times it is internally supported by the organisation, and philanthropic funding can occasionally be found for the purpose. Clearly, there are also potential tensions between this approach and policy agendas requiring rapid delivery of an outcome, or a 'one size fits all' network.

The success of a network is dependent on a degree of trust, which cannot flourish in a tough competitive environment where agencies are jostling against each other for scarce government funding. Some mechanisms for prioritising and allocating funding, such as competitive tendering, can undermine effective service delivery. On the other hand, governments at all levels can positively contribute to networks through their own service delivery. Centrelink social workers and financial support officers, for example, can be very effective in promoting networks. In local government, financial counsellors and/or ER services are common and can be a key to formal networks. In state government, service agreements for financial counselling, for example, can include a networking component.

The next Chapter will return to this question of local leadership in network development.

## 8. Intersections of Financial Support Services with Other Key Organisations

This Chapter explores the key potential role in local service networks of larger organisations, local government, other key sectors and community 'hubs' or 'one-stop shops'. It also considers the intersection of local FS services with Indigenous services and draws on both the social network analysis and qualitative data.

### 8.1 Larger Organisations

In each case study area, there were larger community service organisations providing a range of financial support and other services to people living on low incomes. As these organisations operated in more than one service sector, their potential for a larger number of links was greater, which is evident in the network sociograms.

Larger organisations often had a role in supporting local service networks and were seen to have something to offer smaller agencies through their access to greater resources and specialised knowledge. Sharing their intellectual property and lending their reputational support could be very helpful in, for example, fund-raising strategies. The increased network relationships made possible by delivering multiple services provided opportunities for leadership that some of these organisations had taken up. One such organisation was in the process of creating a part-time network coordinator position to enable smaller agencies in its faith-based network to better understand what services are in the area, to work together and to support each other to assist people in need.

These larger agencies were not restricted to one organisational type; the study identified local government, faith-based and community-based organisations all operating as larger service hubs, although the largest were usually faith-based organisations.

A community development position was created by one large faith-based organisation as a way to support and connect with local parishes and local initiatives and to support their work. The main focus of the role was to develop formal partnerships between different organisations within the network of agencies and parishes, and also between different churches doing similar – especially emergency relief (ER) – work in a local area.

Some agencies with a common ethos and common support needs formed partnerships and delivered services in a coordinated way, and the links on the network map are greater between those services as a result. Supporting small agencies to meet organisational demands, such as occupational health and safety and reporting, was another crucial purpose of these types of collaborations:

*This is an intentional project to bring services together and to support each other. I think that is why it has been embraced.*

This activity is based on the premise that, if agencies understand what services are in an area and how they can best support each other in the delivery of services, there will be a better standard of service for clients overall. While the focus was primarily on the agencies within a particular faith-based group, the intent was to expand opportunities to collaborate with other organisations in the best interests of clients. The greater capacity provided by the larger organisation and its community development capital was lent to smaller local projects and agencies.

In another of the case study areas, two larger faith-based organisations, each with several FS services, were clearly central to the local FS service networks, simply through the frequency of client referrals and other consultations. It seems likely that having a number of larger organisations played a significant role in creating ties:

*People are aware of the diversity of services we offer and often when I go to a network meeting and I'm asked about what we do, other people answer for me.*

These larger faith-based organisations were also formally linked with each other at the management level through a forum, as well as using their relationships with similar-faith organisations as a basis for building informal networks.

However, looking more broadly across all the geographic areas, the larger size of an organisation did not automatically make it a leader in the local service network. Even if it had at one time been a leader, it did not necessarily stay one. Taking up the role of initiating and sponsoring informal and formal networks appeared to depend on the commitment of the organisation to the value of local service networks and the skill of the relevant worker in building effective relationships. In one instance, the government department had moved program funding from a small local agency to a larger agency, and rather than improving efficiency, this reduced both the availability and flexibility of the local service.

Sometimes, the larger size of an organisation also worked against it being able to provide local leadership, if the centralised direction of the organisation did not delegate sufficient local autonomy or provide resources for the purpose. Examples were given of a change of agency management at head office level, resulting in the withdrawal of support for local networking and of organisations that 'have the resources and the capacity but don't take on a leadership role in developing partnerships or joint working arrangements'.

## **8.2 Local Government**

The role of local government in supporting local service networks varied enormously, and to a degree, reflected the local council's role in direct delivery of FS services. Some workers reported that their council was not interested in social policy or service delivery, being preoccupied with amalgamations, revenue and the traditional council services. Other councils were very involved with social support services and networks, appreciating that '[p]eople come to us because it's their right'. They may provide ER or employ a financial counsellor, although a major focus was more likely to be on directing people to community-based services rather than automatically becoming the service provider.

Hosting service networks is an established local government role and one suited to their independence, neutrality and mandated scope. It was seen by at least one service provider as the logical point for FS services network coordination that would support community development and encourage better networking:

*It has neutrality, already hosts a number of intentional networks and thus has direct access to other networks for clients with more specialist needs such as mental health and accommodation.*

Local councils can readily develop an overview of local agency activity through their grant programs, planning role and referral function. However, with a number of other sectors requiring service network facilitation, the local government did not automatically prioritise network development for FS services, even if they provided some of those FS services themselves. The council may prefer to be active in building service networks in homelessness, youth or family violence sectors, for example. One response by the City of Yarra to the pressure to support networks in

multiple areas was to run a 'Networking for best outcomes' day forum, which was well attended by local agencies.

Another response in a different area was to create a generic inter-agency network. In Blacktown, the inter-agency network was hosted by the council and clearly well known, although seen by some workers as a 'talking shop' that was too general to be useful to the day-to-day work of financial support agencies. Nonetheless, this was the dominant formal network in the area and linked the FS services at an organisational level. This role in the network is illustrated in the network map in Chapter 7 'Formal Service Networks'.

There was no equivalent formal network in the City of Yarra area, although there were several other formal networks to which FS services were linked, and the local council hosted a number of these: alcohol and drugs, homelessness, youth, etc. It previously hosted an ER network where workers shared and discussed challenges, receiving support and professional development. It was reported that it did not continue because of:

*... time, turnover of staff, it requires people to prioritise it over case work, required agencies to release staff which they were not always happy to do. Incentives that could have worked would be a nice venue, food and strong facilitation. A network needs a common purpose, to be well structured, to be relevant and as an add-on can generate funding for joint projects.*

While the local government does not currently have the resources to coordinate such a formal network, its family and FS services were still central to the informal network in Yarra, as evidenced in the network map.

### **8.3 Links with Non-Financial Support Services**

A significant pattern emerged of certain types of non-financial support organisations being most commonly linked with FS services. In fact, these services are usually the most centrally located points in the sociograms because a number of different FS services named them. This pattern is consistent with observations in the literature and public policy about the increasing complexity and multi-layered nature of many clients' situations. Holistic responses to these problems demand that financial support agencies make referrals into these other sectors. In the three larger areas, the following types of services were centrally placed in the referral networks:

- Homelessness/housing
- Community/public health
- Family violence
- Drug and alcohol
- Legal.

In the Cairns area, a number of these were in the same organisation or location as the FS service, while in the Yarra and Blacktown areas, they were usually independently located. The sociograms below have identified (generically) the services that are most centrally located.

Figure 8.1 Yarra Area Centrally Located Services

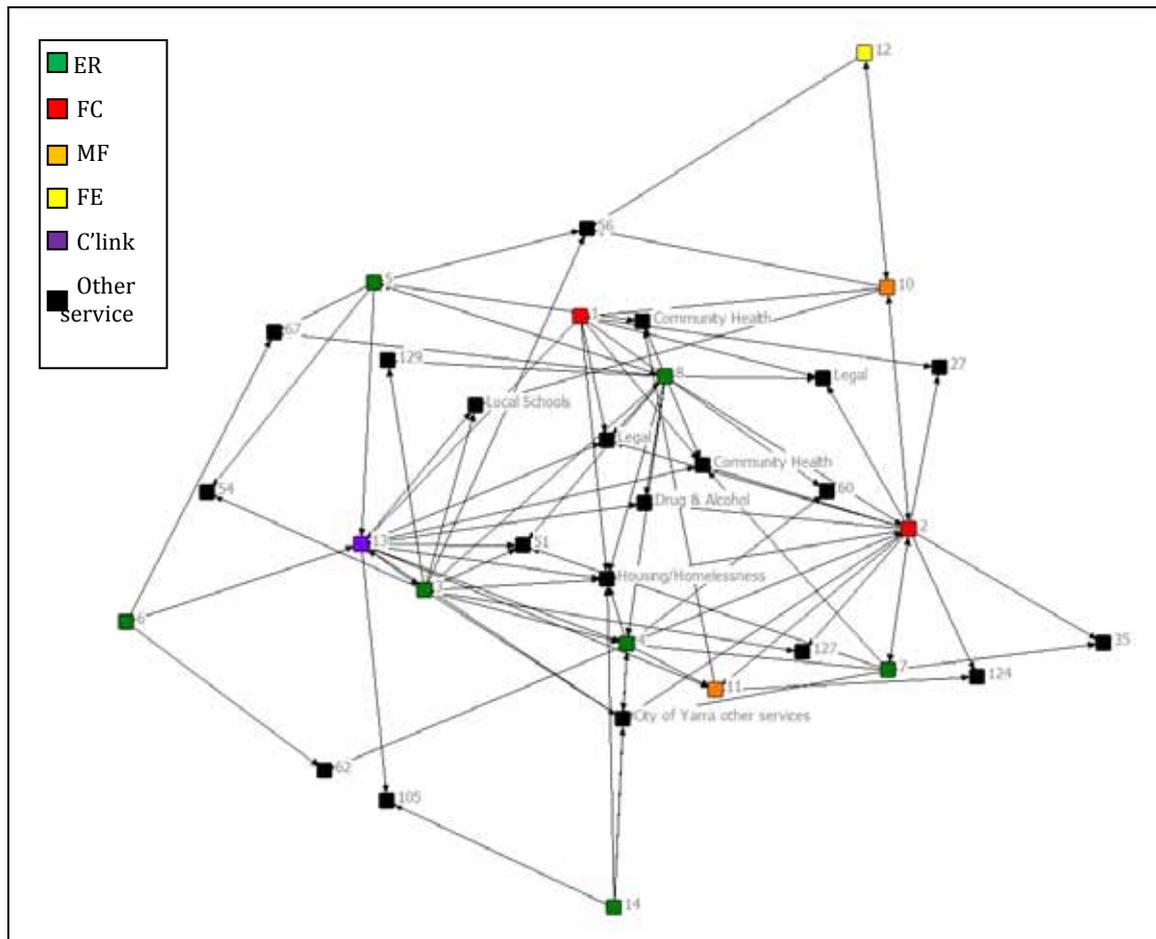


Figure 8.2 Blacktown Area Centrally Located Services

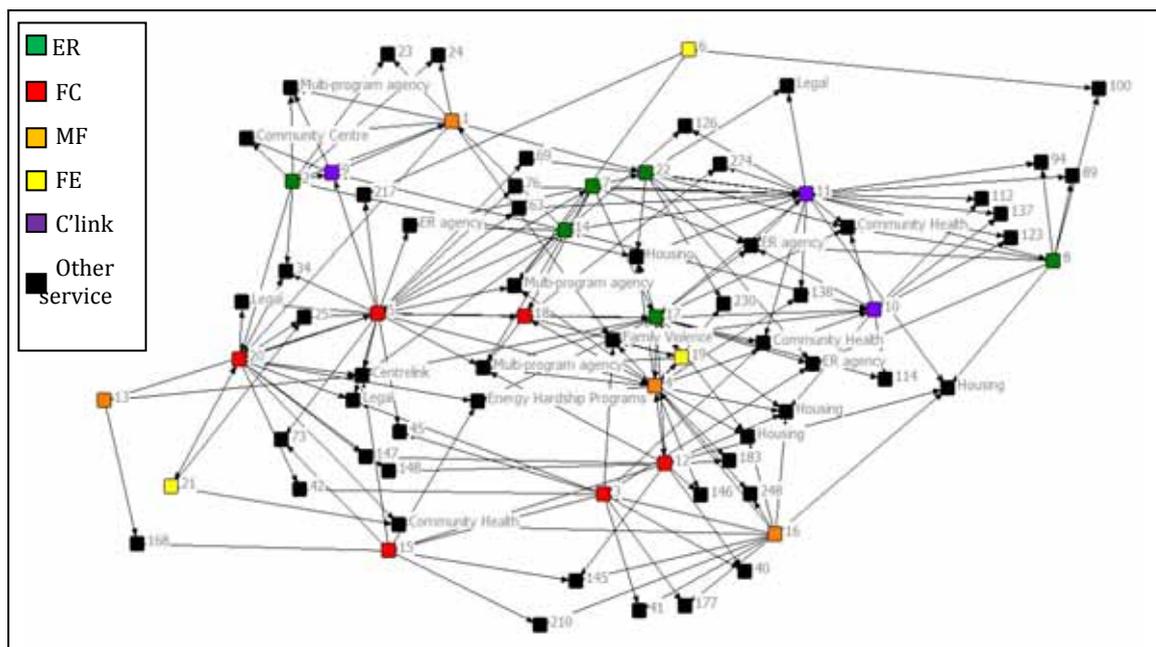
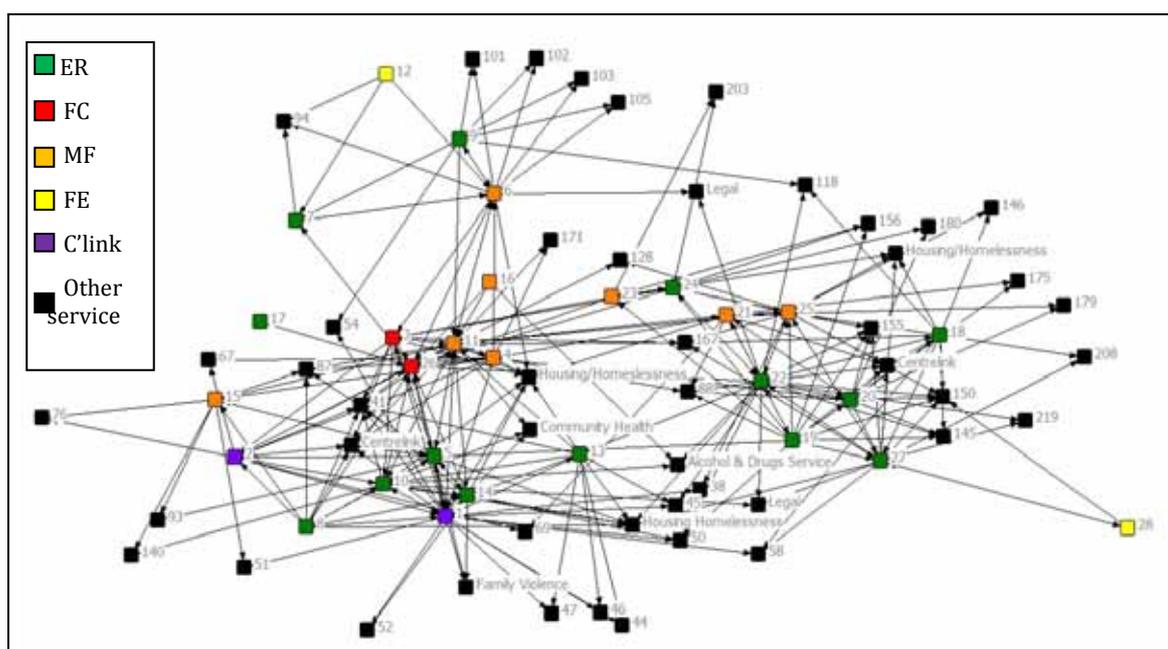


Figure 8.3 Cairns Area Centrally Located Services



This shows that FS services were often already delivering an integrated approach to the extent that their resources allowed, by referring to and consulting with the specialist services required. Many services made 'facilitated referrals', or 'warm referrals', which ensured that the new link was made by the client. If clients give permission for their private information to be shared with the new service, this can even avoid, to a degree, the need to re-tell their story.

## 8.4 Community 'Hubs'

There were a handful of 'one-stop shop' community services delivering FS services alongside other programs. In particular, the women's centres in Cairns and Tablelands, which also deliver ER, were clearly central points in the network. In Yarra, the Neighbourhood Justice Centre, which had financial counselling out-reached there by the local community legal centre, was fulfilling a similar role. In these organisations, several services with a common client base were co-located, and/or workers from other services worked in an out-reach role. These offer particular benefits to informal service networks.

### 8.4.1 Case Study: Women's Centre, Cairns

Cairns Women's Centre is one of the organisations that was central to the local service network. The Centre hosted a number of services, including:

- crisis intervention and support
- family violence services
- short-term counselling
- information and referral
- practical and financial support
- young parent program
- intensive family support program
- out-reach support
- groups
- housing.

The multiple in-house referrals and enhanced capacities offered by a critical mass of services being co-located would be expected to increase internal referrals, but they also seem to have increased external referral links.

One of the reasons for the network centrality of this organisation may well be that the manager initiated and hosted the long-standing ER network in the area, the only current such network identified in any of the case study areas. Underpinned by a strong community development approach, the Centre offered leadership through identifying gaps in service provision and bringing people together to collaboratively address them. The ER network reduced duplication of service delivery through mutual adjustments to opening hours among member agencies. It also increased quality of work through professional development and shared learning. It made possible some innovative shared brokerage of ER funds to meet individuals' needs. This is discussed in more detail in Chapter 7 'Formal Service Networks'.

The social worker from the local Centrelink office was also an important part of these innovations. This role is discussed further below in the context of Centrelink services in general.

There was another less obvious, but important, aspect of networking identified in the qualitative data. The longevity of staff in an organisation was often noted as a factor aiding successful networks. What also emerged, especially in the rural/regional context, was the longevity of key networkers in the geographic area itself; even when they moved organisations, they carried local network knowledge with them and utilised it in fresh roles, sometimes building leadership as they went.

In the Women's Centre, the hub model of service delivery increased the opportunity for such workers to be part of other organisations' management groups or steering committees. People get to know and trust each other and appreciate each other's contribution over a period of time. Closer working together can speed up that process, as the next case study demonstrates.

#### **8.4.2 Case Study: Neighbourhood Justice Centre, Yarra**

The Neighbourhood Justice Centre (NJC) works to address the underlying causes of offending by providing targeted intervention in a range of areas. A Client Services team coordinates treatment and support services, providing a comprehensive approach, including assessment and screening, individual treatment plans and counselling. The Client Services team works with individuals involved with the justice system, including offenders, victims and witnesses.

Services available at the NJC include:

- Aboriginal and Torres Strait Islander support services
- alcohol and other drug assessment and support
- assistance for newly arrived refugees and migrants
- court support (see in the Court Room section)
- employment and training support
- financial counselling
- general counselling
- housing support
- mediation
- mental health assessment
- victims' support
- youth support.

The service hosts out-reach financial counselling, and ER is also provided in extreme emergencies, but other financial support needs (for example, microfinance) are referred externally.

*Being a big place NJC has built up relationships with agencies over the years that go beyond individual people. NJC really makes a point of that and agencies can use our rooms for free – that helps.*

*... [one stop shops] are a good example of where networking internally works well but this still doesn't mean that they are networked externally.*

The need to actively share information internally and externally was stated:

*We need to constantly update ourselves with what we all do. ... People change and new people come, now they don't really know who is doing what, we need to look at that. Both inside and outside of NJC.*

The ways in which various staff work with clients vary, and they spend varying amounts of their time back at their employing agency, but they share open-plan offices and work together in the interests of the clients.

*The network between all staff working here is strong due to regular and frequent meetings ... When new staff come along we are sitting so close together that you can't help but be carried along and brought up to speed very quickly.*

The NJC structure illustrates how a strong internal network in one location can provide access to a much wider external network, because the links of each worker are shared. Working together in a genuinely collaborative way and in close proximity increases network options exponentially. For example, financial counselling information has been provided to an external network of mental health workers to assist them to advocate for their clients in financial hardship. This occurred through the connections of a volunteer at the Centre. Time is saved by having other specialist workers on hand to provide additional support as required, and when the client does not have to negotiate another service system, it is more likely they will stay engaged:

*I understood how difficult it was for drug users to get to meet me and keep appointments. They are only around the corner so it was easier for me to run a drop in and see whoever turns up.*

The NJC also has a team responsible for community engagement and development. Other agencies are invited to attend team meetings, and information is passed to lots of different agencies in one presentation:

*Different workers know different agencies and we invite people we think will help our clients along to tell us what they do.*

### **8.4.3 Community Finance Hubs**

A pilot project funded by the Victorian Government in partnership with Good Shepherd Microfinance and the National Australia Bank (NAB) is trialling a 'one-stop shop' of FS services, Good Money, in a shop-front model in shopping centres with high numbers of 'fringe lenders'. The purpose is to bring all of the FS services in the community to the 'high street' and create a structure for organisations to work together in a coordinated way through local advisory groups.

The potential is there for these hubs to take a leadership role in coordinating local networks, although that is not the primary focus. This would require a community development approach with existing FS services. It would be useful to gather data in the future about the effectiveness of this model in network support as well as in meeting its primary goals.

## **8.5 Indigenous Organisation Links**

The links between mainstream and Indigenous services emerged as an interesting issue in the study. On TI, all of the services surveyed were Indigenous, and in the Cairns and Blacktown areas, there were several specific Indigenous services in the

initial survey. There were also some follow-up interviews to explore issues in greater depth.

The following observations relate to the three predominantly non-Indigenous areas. It was reported that the Indigenous FS services usually operated within their own networks. The network maps show that there are a number of Indigenous services in the referral networks of mainstream FS services. These were not central to the networks overall and were usually mentioned only once. Qualitative data provided more insights into the reasons for this, although any discussion here can only be tentative, as the research design did not allow sufficient time to develop the necessary contextualised knowledge to draw any conclusions.

Both the interest and the capacity of Indigenous organisations to become more involved in generic local networks seemed limited. Indications were that internal organisational sustainability challenges took resources and attention away from external networking in some cases, and in others the organisations saw their role as necessarily focused on particular areas. There was a sense that being caught up in more formal organisational contacts would dilute their capacity to help their communities with their very practical and pressing problems. This view is similar to that expressed by workers in mainstream organisations and is summed up by the following worker within an Indigenous FS service:

*I don't have time to sit in a meeting for a couple of hours. The Aboriginal sector has network meetings and I did a presentation there. I will go to different meetings if it's a benefit to my clients and my program.*

It is also likely that this research, which was not designed with Indigenous input, has not picked up important information on Indigenous service networks. For example, one worker from an Indigenous organisation noted that referrals to FS services were unnecessary because the community networks are so strong that word of mouth ensures people know where to go for help. An organisation embedded in a network of community relationships would not be at all isolated even if it did not make organisational links with other agencies: the links may well be personal, familial and community-based. The perception is that Indigenous communities are fairly well set up with their own governance and community groups, although any nuances in this position would not necessarily have been picked up.

Members of Indigenous communities who are seen by mainstream services have often already had assistance from Indigenous support groups and do not need referrals. Word of mouth is the way Indigenous clients often access support:

*One of the estates I visit has 15 units. I visit 1 lady there who regularly needs help as she is ill. I may call on her one day and the next day 4 others in the same estate will call and book visits.*

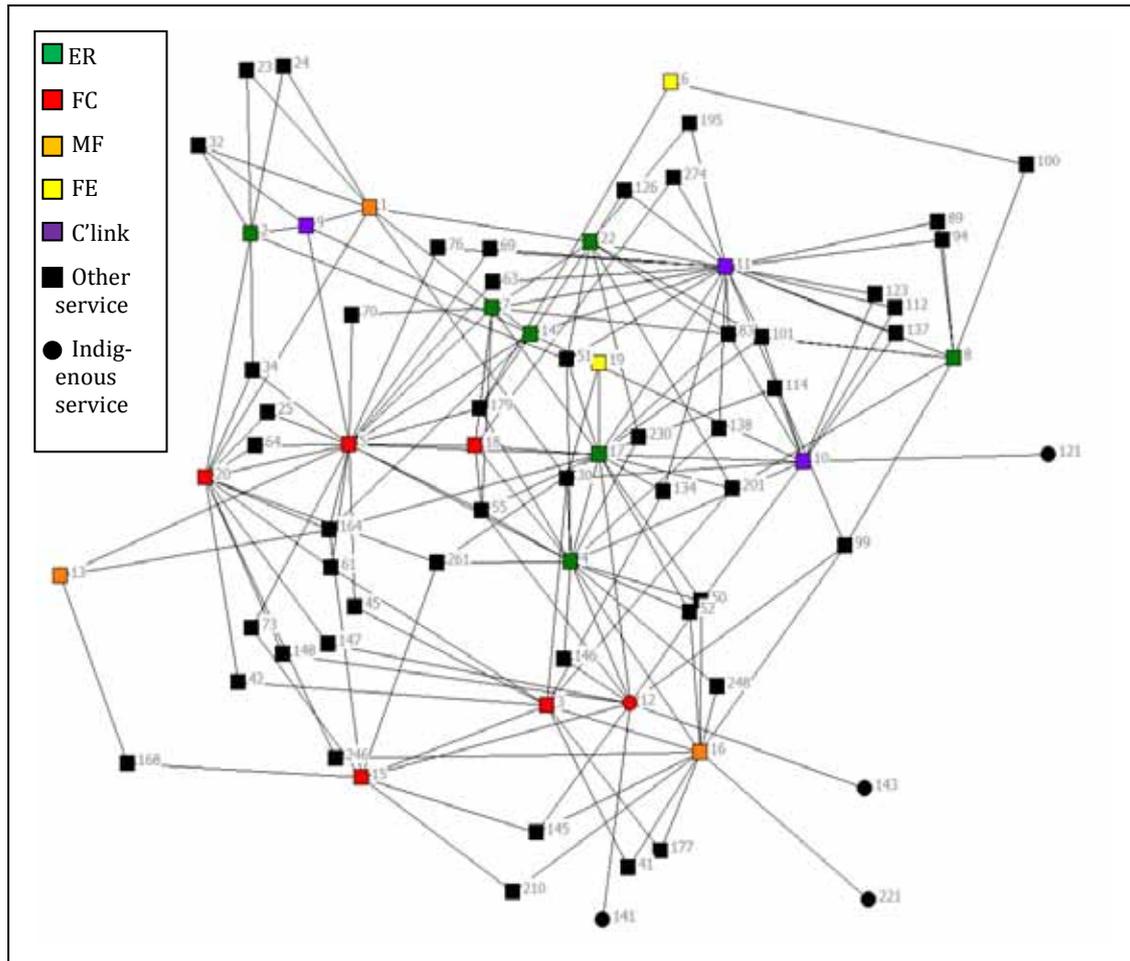
One agency had funding for a financial counsellor in an Aboriginal community, but the project was frustrated and ultimately failed because the timelines imposed by the funder were not realistic:

*The training takes 2 years, the relationships are based on trust. By the time you have done the training and have built the relationships the funding is finished and there are insufficient stats to prove that the project should be funded in the future.*

On the other hand, Indigenous clients sometimes prefer to use mainstream agencies for the greater privacy offered and to avoid sensitive contact with extended family members. This was mentioned by both Indigenous and non-Indigenous agencies surveyed. In Cairns particularly, the overwhelming majority of clients in several agencies surveyed were Indigenous.

The following sociograms of Blacktown and Cairns areas show Indigenous organisations named by participating agencies. In Yarra, there were no links identified, although there are a number of Indigenous organisations in this historically significant area for the Indigenous community. The likelihood is that these are very well known in that community and that Indigenous clients of other services would not need referrals. Some of the mainstream services in this area had few Indigenous clients, while another had 25 per cent Indigenous clients, indicating that there is room to explore increased networking. In TI, Indigenous organisations are the mainstream, so that map is not included.

Figure 8.4 Blacktown Area Indigenous Organisations





## 8.7 Summary

In the course of this study, several types of organisation emerged as potentially important to the networks of FS services.

Larger organisations, local government, community hubs or 'one-stop shops' and Centrelink can all play a role in facilitating local networks in FS services, although they do not necessarily do so. In each area, there were organisations with a clear commitment to meeting the needs of clients more effectively by investing in local service networks and with some resources to invest in this goal. In some areas, this was still an aspiration, and in others it had been realised. What is required for any of these organisations to put their resources at the disposal of a network is a community development approach. Whether it is a faith-based, community-based or government organisation does not seem to affect the outcome, as long as the worker and organisation are able to engage other agencies collaboratively, building on local strengths and adapting to local conditions.

Other organisations that are clearly important to the effectiveness of FS services are those specialist services that are centrally located in the network. The sectors most relevant to FS services delivering a holistic response tend to be similar, regardless of the geographic areas: the housing, community health, family violence, alcohol and drugs, and community legal sectors. Assisting clients with the complex and multiple problems linked to their financial difficulties requires good knowledge of these sorts of services and the ability to refer effectively into these other sectors. Formal service networks, where they exist, help to navigate this increasingly complicated service landscape and link the financial support sector in to other key sectors.

## 9. Ensuring Integration in the Financial Support Services Sector

This study provides detailed and contextualised information about a range of mechanisms of collaboration used by the financial support sector, or more accurately its sub-sectors of emergency relief (ER), financial counselling, microfinance and financial education. Place-based network analysis and thematic analysis of contextualising qualitative data were used to look at the level of service integration in the financial support sector in four case study sites.

The way in which a particular sector is defined both reflects and impacts on the level of service integration. To call this grouping of services one 'sector' is to construct an identity that these services largely do not share. They would predominantly regard themselves as part of the ER sector, the financial counselling sector or the microfinance sector respectively (financial education services are still scattered and diverse and constitute more a 'community of practice' than a sector). The Department of Social Services (DSS) groups these separate sectors into one under the 'Financial Management Program' (FMP) to reflect a policy framework and to promote their integration.

This study explores the service 'sub-sectors' *as a sector*, reflecting DSS policy and program design. However, this framework was adopted not in order to make assumptions about the degree to which these service types 'belong' together, but to investigate their linkages and inform future system planning.

Networking, both formal and informal, is the main method of cross-sector service integration in this sector. It is usually at the worker level, but is also found at the service level in mechanisms such as formal referral protocols. Wider system-level integration does not generally exist between FMP services themselves, although they may have experience of systemic service integration through area-based arrangements linking them to other sectors, such as homelessness.

In the current policy environment where increased service collaboration is being widely pursued, it is particularly important to understand these service networks. Service system reforms need to be built on knowledge about how services currently connect and the strengths and gaps of existing networks.

Networking is at the low intensity end of the service collaboration continuum; it requires fewer resources than fully 'joined-up' services, is more organic and flexible, and can operate without system-wide coordination. This type of worker-level horizontal networking is also essential to the success of any more formal, vertical service integration, as there are simply too many services to bring all the local players into one fully integrated, horizontally 'joined-up' system efficiently and effectively.

Improved service collaboration is sought to ensure that there is 'no wrong door' for the individual who approaches a service for assistance. The service user's perspective should be the central reference point for all service system reforms.

This study did not explore the experiences of individuals seeking help within service systems, and further research is needed to tap that vital source of knowledge. However, increased understanding of how networking is currently operating and how it might be improved, even in one specific service sector, can assist in designing better service systems, whether they are at the low end or the high end of the service integration continuum.

This Chapter draws together the research findings and reflects on their implications for current practice and policy, both within the financial services sector and beyond it.

The implications of the research findings can be considered at three levels.

First, individual services must continually ask themselves if they assist everyone approaching them for assistance, even if the need falls outside the scope of their service. FS services could evaluate the success of their service networks by specifically asking the people they assist about their experiences in reaching this point, and if possible, follow-up later to evaluate the outcomes of referrals.

Secondly, at the agency level, programs can revisit or develop their 'program logics', staff training and evaluations to ensure that horizontal networking processes are strategically planned for and adequately implemented. At the same time, services need to continue to develop formalised vertical integration mechanisms such as inter-agency networks and memoranda of understanding (MOUs) to support the networks of worker-to-worker links.

Thirdly, at the level of public policy, the design of service systems needs to recognise the critical importance of local context and avoid a one-size fits all approach. Geography, history and other local and cultural variations require that service systems are 'bespoke'. However, there are some universal themes. Common to all is the need to support the horizontal networking activities that lead to collaboration and innovation in the community sector, while developing vertical mechanisms that readily link these horizontal network clusters to each other, both within the Financial Management Program (FMP) and across sectors.

In the next section, the implications of the research findings are explored in terms of overall considerations about service design through considering how holistic service responses, area-based service delivery and referral networks may be improved. This section is followed by consideration of the study's implications for the financial support sector specifically and each of its sub-sectors. Broader social policy implications, beyond sector system design issues, are then discussed before some final recommendations are made about further research.

## **9.1 Service Design**

### **9.1.1 Holistic Service**

Delivering more effective services to people in need requires adequate knowledge of, and good working relationships with, other services. Multiple and complex causes and consequences of the main or presenting problem mean that people's needs often go beyond the ambit of a single agency. Underlying factors can compound each other to create a vicious circle of disadvantage if the presenting issue alone is not addressed.

These are not simple problems to address, certainly not for the person experiencing them and usually not for the service provider either. This is why abundant and dynamic links between services are needed: to provide options in assisting clients, to respond to changing patterns of need in the community and to support and learn from other services in meeting these challenges.

Sound holistic service responses to individual and family troubles have always included consideration of appropriate referral to other services. They have also included seeking expert advice from specialist practitioners about aspects of the problem that are outside the scope of the service. Good practice has always included continual monitoring of emerging patterns of need, local and otherwise, and updating professional knowledge and program design accordingly. All of these functions require active, dynamic and relevant links with other services.

This study highlights that the capacity to meet needs holistically is variable. It is the aspiration of most FS services to move ‘beyond the band-aid’ and provide ‘a hand up not a hand-out’, but the degree to which they have the networks to achieve this varies.

Each sector, and indeed each service and each locality, needs specific strategies to build on the strengths they already have, to ensure both adequate formal networks and effective informal referral networks.

Government proposals for reforms to service systems must be accompanied by commensurate workforce development. While holistic assessment is widely acknowledged as best practice, practitioners in FS services still require additional training in areas such as family violence, mental illness and drug and alcohol issues to make holistic assessment a reality. The same is true in reverse: family violence services, for example, need better skills in responding to financial abuse and other economic dimensions of family violence.

### **9.1.2 Area-based Approach**

The concept of ‘networks’ can be used to examine the links of each individual service, but the method of social network analysis (SNA) takes the individual links of a number of services in a local area and examines them *together* as a local network. This area-based analysis is congruent with current policy directions encouraging services to maximise their effectiveness through local collaboration rather than focusing inward on providing the service in isolation.

A range of government reforms in Victoria and nationally are encouraging the services they fund to change their primary reference point from the sector to which they belong to the local geographic area. The need to hold their own specialist knowledge while at the same time building bridges to other specialisations requires constructing shared understandings, concepts and practices across sectors.

In this study, a SNA methodology was used to capture *as a network* the links of participating FS services within defined geographic case study areas. SNA comes with its own set of concepts and tools for measuring the features of a network. Several of these offer useful insights for area-based development in the FS service sector.

The shorter the service-user’s referral journey between the ‘first door’ a person enters and any other point in a sociogram, the better. In SNA, ‘distance’ is the number of ‘legs’ in a journey between two points. For people with few resources and many troubles, each ‘leg’ in a journey is another barrier, and even one service dead-end can put a stop to the search for help.

‘Centrality’ is an important feature because it shows how connected the participating service is to the network as a whole; the more centrally placed in the sociogram, the more linked it is with other services, and the shorter the distance to other services in general.

The sociograms produced by this research also show which non-financial sectors are often critical to providing financial support. The reported trend for people approaching services to have multiple complex issues is supported by this research, which consistently uncovered a particular cluster of non-financial services at the heart of the referral network: housing, health, legal, family violence and alcohol and drug services. Ideally, FS services will only be one leg from these specialist and generic non-FS services.

If services name each other as key contacts, they create ‘reciprocal ties’, another useful SNA concept in looking at service system design. It has been established that reciprocal ties are a reasonable proxy for trusting and collaborative relationships

between the network members. The presence of more reciprocal ties did appear to broadly reflect the degree of close cooperation between FS services in the area. There was marked variation in the number of reciprocal ties in different case study areas. Generally, reciprocal ties existed between like services rather than between services in different sub-sectors. A reasonable goal for any service would be to increase its number of reciprocal ties *across* sub-sectors within the local area-based network.

At the same time, looser connections between services can be important in expanding networks beyond service specialisations. 'The strength of loose ties', as this phenomenon is known in SNA, is critical to tasks that require new knowledge and deal with new situations. The concept refers to the way in which the information or connections that are needed for a completely new circumstance are more likely to be available beyond one's immediate circle, and to be accessed through a 'friend of a friend'.

It is easy to see how formal networks can fulfil this function; for example, when guest presenters are invited to network meetings, introducing members to many new services. Without these and similar opportunities, services are restricted to the referral points they already know.

With hundreds of services in an area, a fully integrated network where every service is horizontally connected to every other service is neither practical nor efficient. Some vertical connections are needed to connect the more tightly clustered services to wider networks. Formal networks or management-level structures can fulfil this role.

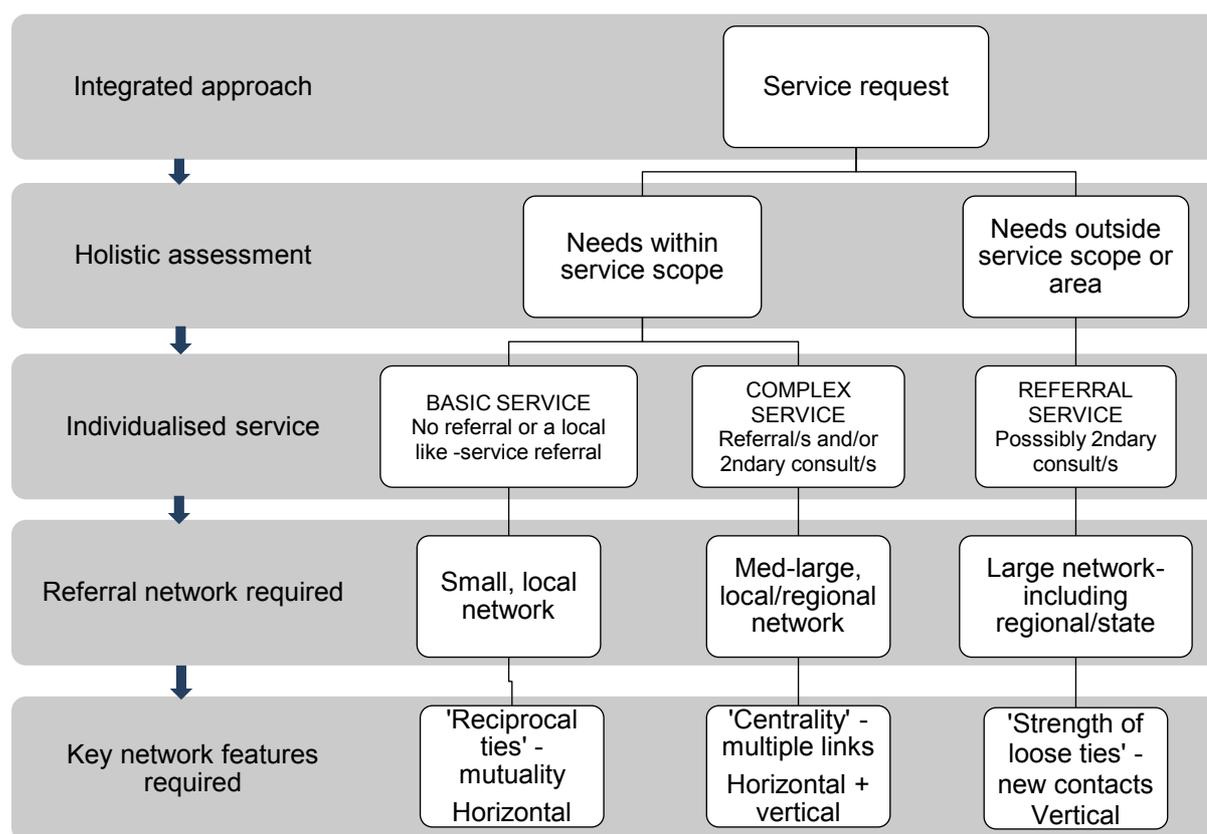
### **9.1.3 Referral Networks**

Even in the simplest transaction model of ER, or the most connected community where word of mouth will do the work of referrals, duty of care requires services to have information to hand about where further help may be found. While it is clearly of benefit for any service to know about specialist services and be able to make appropriate referrals beyond immediate financial supports, increasingly multi-faceted service systems make it difficult to ensure service knowledge is current.

An active and responsive local referral network is essential to maintain the up-to-date knowledge and cooperative service relationships required to deliver FS services effectively.

Figure 9.1 below describes the way in which key features of referral networks ('centrality', 'reciprocal ties' and 'the strength of loose ties') can support a holistic, integrated approach. An effective referral network is needed whether the service request can be met in-house or requires a referral due to being out of scope (geographically or in terms of expertise or capacity).

Figure 9.1 The Holistic Referral Network in FS services



## 9.2 The Financial Support Services Sector

### 9.2.1 Diversity and Complexity in the Financial Support Services Sector

This study reinforces the picture of FS services inhabiting a highly networked world of interacting sectors, using referrals as a basic building block of effective service delivery to the many clients with complex and multiple needs. FS services range along a continuum from crisis (ER and financial counselling) to capacity-building (microfinance and financial education). There is great diversity within the financial support sector. Some ER services follow age-old models of giving to alleviate human suffering, while some financial education initiatives are still too new to have developed a consistently effective model. Despite these variations, the four service types were usually locally linked with each other, although financial education was less consistently so. The ways in which they were linked, however, were myriad.

This diversity often reflected geographic conditions, as evidenced in the four case studies reflecting inner urban, outer urban, rural/regional and remote localities. In rural and regional areas, greater relative isolation played a part in creating a stronger bond between services and a sense of mutuality and common cause. Other differences were a result of the unique history of an organisation and its people: particular workers may have left a legacy of networks; resources may have been secured or lost; leadership may have taken a more, or a less, community-minded form.

This diversity points to the need for flexibility in any new mechanisms to increase collaboration. Unlike the resource-intensive 'full service integration', for example, networks do not seek to replace individual organisations or existing governance

arrangements. Each sector already has its own imperatives. The microfinance sector has developed a partnership model based on locating programs with local auspicing agencies. The financial counselling sector, highly regulated by its paralegal status, is linked and guided by peak bodies. The ER sector is organic, extremely varied and largely funded by non-government sources. Financial education is still developing as a sector, which presents opportunities in terms of designing program models that incorporate effective networks.

Forms of coordination and collaboration have to cater for all of these variables, and more. This study also found that many different structural factors affect the success or otherwise of networking in the services studied; population density, paid or volunteer staffing models, co-location, partnerships and formal network membership all played a part. Longevity of workers was identified as one of the most critical factors: it is not one that can be designed into a service, but it is more likely in sustainably funded organisations.

Co-location, partnerships and out-reaching services at 'one-stop shops' are all proximity-based strategies that can, under certain circumstances, encourage network links. Co-location was less strongly associated with having a larger referral network than partnerships or formal network membership. There were strong indications that the benefits of co-location do not accrue automatically, but must be activated through a strong understanding of each other's roles, a sense of common purpose and the necessary linkages being built into the program logics and protocols.

Formal networks appear to play an important role in increasing referral networks, or at the least to be mutually reinforcing, if not causally linked. These are discussed in a separate section below.

Taking an area-based perspective, beyond studying the individual attributes of services, the culture of relationships and processes within an area's network is critically important. What appeared to be most successful in creating reciprocal ties between services, regardless of the types of formal collaboration present, was a 'community development' approach to collaboration. That is, mobilisation around common goals and developing trusting relationships led to local resource-sharing and other higher levels of co-operation in the interests of service users.

### **9.2.2 Formal Networks in the Financial Support Services Sector**

Service networks exist on a continuum from a set of loose informal links to the membership-based bodies known in this study as formal networks. One of the most incisive findings in this study was the strong correlation between formally organised service networks and the largely informal referral network that a service constructs as part of its program design. Effective and vibrant local collaboration occurs in a number of ways.

This study indicates that such collaboration is strongest when local formal networks exist within specific sub-sectors. While strong informal referral links do not depend on local formal networks, this study indicates that formal networks certainly assist them. Volunteer-staffed organisations have the most difficulty participating in local networks but are vital members of the FS services sector, especially in ER and microfinance.

These formal networks can take many forms, from a branch of a central network (for example, NILS) to a purely local grouping initiated by one of the member organisations.

*Central peak bodies* often provide a networking function through conferences and forums, newsletters and email member alerts, and central listings of services. For a range of reasons, these peak networks are generally more active in the financial counselling and microfinance sectors, although there are two statewide networks for

ER services in Victoria (ERVic and CIVic). In large organisations, internal networks can perform a similar function.

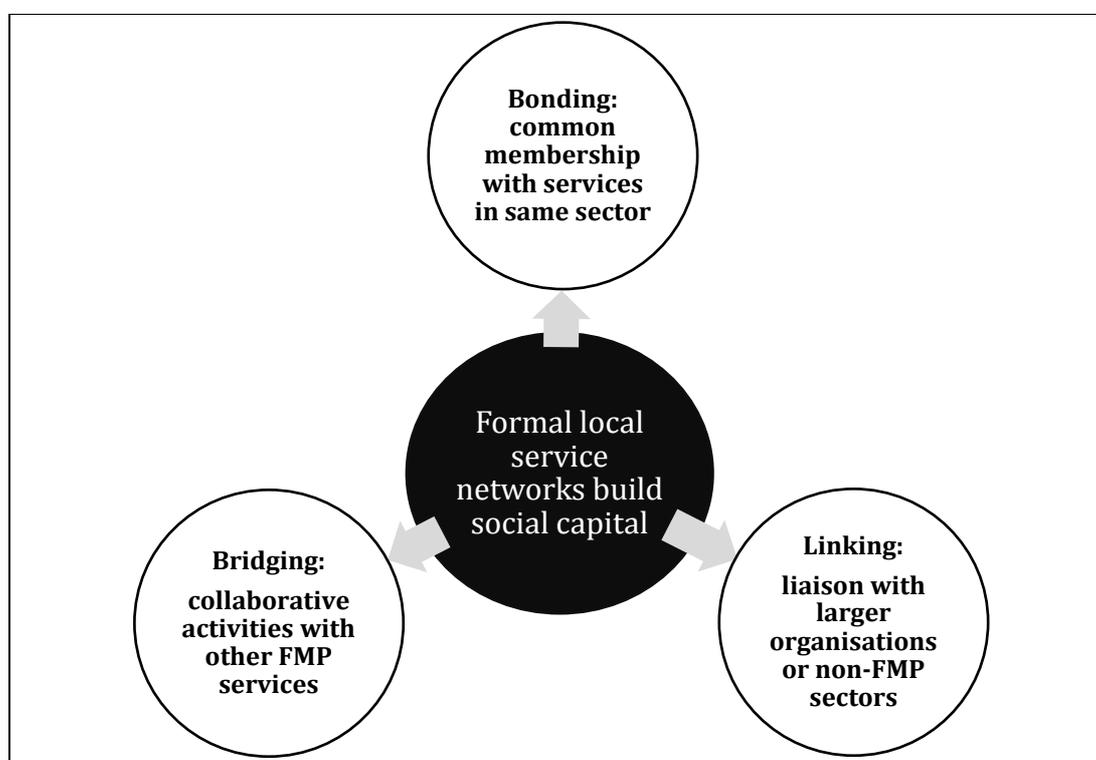
*Local or regional inter-agency networks* can clearly be important at the management level of local organisations to facilitate area-based planning to meet emerging needs and to collaborate to respond to government policy. They provide some vertical system integration through managers attending such networks.

However, *local sector networks* are most helpful for direct service delivery and are attended by practitioners rather than senior managers. They encourage increased referral links, local cooperation and sharing resources. Each service type requires specialised knowledge, and much of this can be learned from more long-standing local providers. Even an ER model based on a basic transaction that can be done by volunteers requires specific knowledge about assessing and prioritising needs, finding alternative non-ER solutions to problems, knowing the available types of ER and how to access them, assisting people in crisis, and so on. Bottom-up horizontal connections are the basic building blocks of service integration in this sector.

One common function of local sector network meetings is to share information about other sub-sectors and non-FMP services. For example, a local microfinance network can invite a financial counsellor to outline how financial hardship can be determined, or a local ER network can invite the housing service to address the intersection of homelessness and ER in the area.

Local formal sector networks build social capital. Bonding social capital is created by meeting with like services. Bridging social capital is created by collaboration with other FMP sectors; for example, when ER providers work with a local financial counsellor to run a 'Bring your bills day'. Linking social capital may result from widening contacts to take in larger sectors or government departments.

*Figure 9.2 Bonding, Bridging and Linking Social Capital: The Role of Formal Networks*



Where mutual trust, a common values base and a common client base exist, the benefits of local formal networks can go even further. Local protocols can be developed for resource-sharing to better meet clients' needs, joint policy proposals can be put to government, and groups of services can cooperate to seek philanthropic funding.

The low intensity service integration of networking can be a base for increased trust, cooperation and commitment.

### 9.2.3 Sector-specific Issues

**Financial education:** Financial education is still an undeveloped sector without a peak body, comprehensive funding stream or network model. Despite still experimenting with some untested and contested service models, its contribution is important to the continuum of FS services: it offers prevention strategies and capacity-building opportunities at critical life-turning points.

**Financial counselling:** As the most regulated of the four community-based FS services, and with peak bodies in place, financial counselling is a well-networked sector. Its peak bodies have a critical role in developing financial counsellors' capacity for service integration, and perhaps to assist non-FMP sectors to understand financial needs.

**Microfinance:** The substantial funding support from DSS has meant that, for the first time, many NILS programs have been able to employ someone to help run a local NILS program. However, the success and rapid growth of microfinance in Australia over recent years has led to a situation where programs are frequently bolstered by the local auspicing organisation. This is not considered to be sustainable in the long-term. Microfinance, particularly NILS, is very dependent on volunteers; for the short-term at least, there will be further funding available to continue to have paid staff delivering NILS, but agencies cannot rely on this funding as there is no guarantee going forward that it will continue. Furthermore, without greater infrastructure investment, the programs will continue to be restricted in their capacity to respond quickly to needs such as providing an alternative to fringe lenders, developing innovative programs or supporting volunteers.

**Emergency Relief:** The most diverse and least supported sector in terms of infrastructure is ER. It is the only established sector without a comprehensive strategy for formal networking, yet its substantial volunteer workforce arguably has a greater need for support to build referral networks. Where a formal local ER network does not exist, the services should be given encouragement and resources to establish one. The strategic goal should be for a local ER network in every area, but this must be driven by local services if it is to be sustainable. No one approach fits all, and these networks should optimise the existing infrastructure and relationships as well as responding to local history and geography. The organic leadership and community development processes of the ER sector could easily be distorted if funding to establish a network was offered to a particular organisation without use of local community development processes or was made available by competitive tender. A developmental approach, in which local collaborative initiatives are encouraged and rewarded, is required. These may initially be smaller joint projects, such as compiling a local service directory or running a training event.

### 9.2.4 The Network Role of Centrelink Social Workers

Centrelink is one of the larger, government organisations that can contribute to linking social capital in networks. Centrelink is the agency with the most links and reciprocal ties in every area studied and can use its resources to assist other FS services. The service networks of Centrelink social workers are extensive, and they are able to open many doors both internally and to other services for income security

recipients with complex problems. In addition, as the government's nationally linked, professionally based service, Centrelink is sometimes best placed to facilitate local FMP networks, if this leadership opportunity is taken up.

### **9.2.5 Other Government Roles**

Local government presents a varied picture; in some areas, it is clearly the networking hub providing linking social capital, while in others it does not appear in the networks at all. While its neutrality may make it ideally placed to facilitate local networks, it cannot do this for every sector and must prioritise.

This study indicates that it is not a government mandate or policy framework that currently drives formal networks, but other more locally contingent factors. While having 'the right person in the right place' emerges as one source of successful networks, policy and program planning demand that structural components of network success are identified: clients deserve effectively linked services that are not dependent on accidents of history.

## **9.3 Structural Limitations of Financial Support Services**

The comments from participating organisations about their service sector and its limitations in meeting community needs supported findings from a wave of other studies into financial hardship. ER, financial counselling, microfinance and financial education are all provided within a structural context of low income and high cost of living, widening inequality and persistent disadvantage, increasingly insecure employment and inaccessible housing.

These sectors themselves are also on tight budgets, forced to scrimp on essentials like staff training and spend inordinately long trying to work out where the next grant will come from.

Self-improvement can only go so far in both of these contexts. Households can conserve resources diligently, but if the rent and utility bills go up dramatically, their budget is blown regardless. Services can construct robust and responsive referral networks, but if there is a six-week waiting list at the other end of the line, their referral networks are useless for the individual in need. Improvement in service systems should go hand in hand with better policies in income security and cost of living, and improved regulation of exploitative financial services.

Service integration is not a substitute for meeting needs. Unless the current inadequate income support and unaffordable housing policies are changed, demand on FS services will continue to increase. Under such sustained and increasing pressure, service integration initiatives are less likely to occur as agencies become more preoccupied with meeting immediate needs and less able to meet complex underlying needs.

Fringe lending was also mentioned by a number of participants in the context of increasing financial hardship and the need for financial education. A critical approach to financial capability argues that financial education is only one of four components of financial capability, and the least important one, the others being an adequate income relative to costs of living, a financial buffer against unexpected costs, and a fair, regulated financial market.

Financial education delivered uncritically risks putting the blame on people and not addressing the risks resulting from income insecurity. Instead, the issues need to be picked up, their root causes identified, and changes advocated.

## 9.4 Further Research

The following areas emerged as potential topics for further research:

- Service-user experiences of referral pathways and service integration
- The needs of the Indigenous FS services sector and of Indigenous people and communities in accessing mainstream FS services
- The benefits of co-location in different service types
- The factors contributing to reciprocal ties, including the role of common values, common client base, local leadership, community development methods, and non-competitive relationships
- The effectiveness of the community finance hub model in network support as well as in meeting its primary goals.

The sharing of 'big data' by government, especially the Department of Human Services, would be very valuable in gaining a better understanding of the outcomes of FS services, and of the effectiveness of service integration efforts.

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## **Appendix 1 Participant Information and Consent Form**

### **INFORMATION FOR PARTICIPATING ORGANISATIONS**

#### **'Developing effective community financial service networks: an exploratory study'**

Good Shepherd Youth & Family Service is conducting research into the local/regional networks between community-based financial services such as financial counselling, emergency relief, financial education and microfinance. This research is funded by FaHCSIA (the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs).

As your service is in one of the selected geographic areas we would like to invite your agency to participate. We are keen to know what services are currently available, what range of needs they meet in the area, and how they are linked with each other. We will gather this information in two ways. Firstly we will conduct a phone questionnaire with the relevant person in participating organisations. From this information we will develop 'maps' of local or regional service networks for people experiencing financial hardship and financial exclusion. We will then request an interview with some key participating organisations to provide feedback on our initial analysis. We will then use this analysis to complete a research report and to advocate for policy and program initiatives that would support more effective service networks.

The participating organisations will not be identified in the final published report in any of the network maps or other findings. However, the local/regional service network 'maps' will be made available to the participating organisations in that area, with organisations identified, as we hope this information will be locally useful. Any information that is gathered which is of a sensitive nature will be treated with appropriate care and anonymity and not included in an identifiable way.

It is entirely voluntary for organisations to participate and choosing or not choosing to will not affect either the organisation's relationship with FaHCSIA or with Good Shepherd Youth & Family Service. The participating organisation can also withdraw at any time without penalty.

If you have any concerns or complaints about participating in the research, you can contact Marilyn Webster, Manager Social Policy Research, Good Shepherd Youth & Family Service on 03 9418 3011.

If you are happy to participate please fill out and return the CONSENT FORM attached to this letter. You are welcome to contact me for more information or clarification.

Please keep a copy of this letter for your records.

Thank-you very much for your help.

Kathy Landvogt  
Social Policy Researcher  
Good Shepherd Youth and Family Service  
Ph. 03 9418 3015 Email: [k.landvogt@goodshepvic.org.au](mailto:k.landvogt@goodshepvic.org.au)

**CONSENT FORM FOR PARTICIPATING ORGANISATIONS**  
**'Developing effective community financial service networks:**  
**an exploratory study'**

I, \_\_\_\_\_(name), on behalf of

\_\_\_\_\_ (agency) agree to

take part in the Good Shepherd Youth & Family Service research, called  
**'Developing effective community financial service networks: an exploratory study'**.

I have read the 'Information for Participating Organisations' (copy attached) explaining the project, and understand my involvement.

I agree for the information I provide to be used in the research and in any published material associated with the research, on the condition that the identity of myself and the organisation will not be linked with any specific published information.

I agree for the descriptive information I provide about the service and its contacts with other services to be used in service 'network maps' (with named services) which will be made available to other participating organisations in the area.

I understand that I will be provided with a copy of the local 'network map/s' and the published research report.

I understand that if I have any complaints or concerns about participating in the research, I can contact Marilyn Webster, Manager of Good Shepherd Youth and Family Service Social Policy Research Unit on 03 9418 3011.

**Signature:** \_\_\_\_\_ **Name (PLEASE PRINT):** \_\_\_\_\_

**Contact Details**

Contact Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Kathy Landvogt  
Social Policy Researcher  
Good Shepherd Youth and Family Service  
Ph. 03 9418 3015 Email: [k.landvogt@goodshepvic.org.au](mailto:k.landvogt@goodshepvic.org.au)

## Appendix 2 Participant Survey

### SURVEY

‘Developing effective community financial service networks: an exploratory study’

A separate survey is needed for **each FS service or program** in the organisation, if more than one.

#### The organisation

*[This information is for admin purposes only]*

Name of organisation: \_\_\_\_\_

Name of person completing survey: \_\_\_\_\_

Phone number: \_\_\_\_\_ Email: \_\_\_\_\_

Role in organisation: \_\_\_\_\_ Date: \_\_\_\_\_

#### A. The service

*[The information from this section may be shared with other local services participating in the survey but will be de-identified for publication and wider distribution]*

1. Name of service/program (if different from organisation name):

\_\_\_\_\_

2. Type of service (please circle):

Financial Counselling

Emergency Relief

Microfinance

Financial Education

Centrelink

Other Government

3. Additional aspects of the service offered to community (e.g. case management, meals):

\_\_\_\_\_  
\_\_\_\_\_

4. Postcodes covered by service (or other boundaries): \_\_\_\_\_

\_\_\_\_\_

5. Target group (in addition to financial status): \_\_\_\_\_

6. Number of ‘clients’ OR ‘client contacts’ (specify) in previous year: \_\_\_\_\_

7. Funding source/s: (circle as many as apply)

Federal Government      State government      Local government

Philanthropic funding      Corporate funding      Other (eg bequests)

8. Number of staff: Paid staff \_\_\_\_\_ Volunteers \_\_\_\_\_

**B. The networks**

*[The information from this section will be used to construct service network 'map/s' relevant to your local area. These will initially include service/organisation names and will be shared with other participating organisations in the area. They will then have names removed for publication and wider distribution.]*

9. Is your service **co-located** with any other services/programs (please name)?

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10. Is your organisation in **partnership** with any other local organisations to deliver the service/program?

	Name of partner organisation	Partnership <b>type</b>			
		Auspiced by other org <b>Y/N</b>	Consortium/joint funding with other org'n <b>Y/N</b>	Gov't funded integration of services <b>Y/N</b>	Other eg joint training <b>Please specify</b>
1					
2					
3					
4					
5					
6					

11. **Service networks** (formal or informal) your service is a member of:

	<b>Network name</b>	Network <b>purposes</b> (list)	<b>Convenor</b> or lead agency (name)	<b>Frequency</b> of meetings (circle)	<b>Area</b> (circle)	<b>Designat-ed rep</b> from your agency? <b>Y/N</b>
1				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	
2				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	
3				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	
4				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	
5				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	
6				Monthly B-monthly Quarterly Other (specify)	Regional Sub-regional LGA Other (specify)	

12. Does your service receive any **external funding or in-kind support for network coordination or participation?** Yes/No.

If yes, please give details:

Network name	Source of funding/support	Amount p.a.	In-kind support

Comment:

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13. Main services/organisations, **local & statewide**, that **refer clients to your service/program**:

	Name of <b>referring</b> service	Is it geographically accessible to your service? <b>Y/N</b>	Is there a formal procedure or protocol for referrals? <b>Y/N</b> <b>Comment</b>
1			
2			
3			
4			
5			
6			
7			
8			

14. Main services/organisations, **local & statewide**, that **your service/program refers clients to**:

	Name of service that your service <b>refers clients to</b>	Is it geog. accessible to your service? <b>Y/N</b>	Is there a formal procedure or protocol for referrals? <b>Y/N</b> <b>Comment</b>
1			
2			
3			
4			
5			
6			

7			
8			

15. Main services that seek **secondary client consultations from your service/program:**

*(Secondary client consultations are requests for professional advice about how to assist a client with particular needs). Include LOCAL and STATEWIDE*

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_
- 5 \_\_\_\_\_
- 6 \_\_\_\_\_

16. Main services that **your service/program uses for secondary client consultations:**

*Include LOCAL and STATEWIDE*

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_
- 5 \_\_\_\_\_
- 6 \_\_\_\_\_

**C. The issues**

*[This section is confidential and seeks your own views based on your knowledge of the service, the clients' needs and the local service networks. It will be de-identified]*

17. What are the **unmet needs** in your local area for FS services? Be as general or specific as you like.

\_\_\_\_\_

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18. Have any **new community needs** been identified and responded to by your FS service or networks in past 3 years? If yes please briefly outline:

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19. How well do the services in your area **understand each other's** roles overall?

Very well   Reasonably well   Somewhat   Not well

Comment: \_\_\_\_\_

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20. How effective are the **local service networks**?

Highly effective   Reasonably effective   Somewhat effective   Not effective

Comment:

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21. What **sustainability issues** about the local community financial services or networks concern you?

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22. Any **other comments or suggestions** you wish to make about improving local FS services and networks?

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THANK-YOU VERY MUCH FOR YOUR  
ASSISTANCE

Kathy Landvogt  
Social Policy Researcher  
Good Shepherd Youth and Family Service  
Ph. 03 9418 3015      Email: [k.landvogt@goodshepvic.org.au](mailto:k.landvogt@goodshepvic.org.au)

## Appendix 3 List of Participating Agencies

<b>Inner Urban – City of Yarra</b>	
Carlton & Fitzroy Legal Service Inc	Financial Counselling
City of Yarra	
SVDP Mobile Conference	Emergency Relief
SVDP Collingwood	
Mission House Anglicare	
Richmond Hill Churches Food Relief Centre	
City of Yarra ER	
St Marks Community Centre	
Collingwood Cottage	
Richmond Salvation Army	
BSL Saver Plus & Progress Loans	Microfinance
GSYFS Microfinance	
BSL Money Minded	Financial Education
Centrelink Richmond	Centrelink
<b>Outer Urban – Blacktown</b>	
Bridging the Gap Financial Counselling	Financial Counselling
Catholic Care Social Services	
Anglicare	
Lifeline	
Muru Mittigar	
Wesley Financial Services	
The Hills Community Aid & Information Service	Emergency Relief
Loaves & Fishes	
Sydwest Multicultural Centre	
Saint Vincent De Paul	
Anglicare	
Blacktown Community Aid	Microfinance
Northwest NILS	
Anglicare	
The Parks Community Network	
St Marys NILS	
Catholic Care Social Services	Financial Education
Anglicare	
Lifeline	
Centrelink Baulkham Hills	Centrelink
Centrelink Blacktown	
Centrelink Mt Druitt	
<b>Rural &amp; Regional – Cairns and the Hinterlands</b>	
ICAN	Financial Counselling
Lifeline	
Salvation Army Cairns	Emergency Relief
Port Douglas Neighborhood Centre	
Marlin Coast Neighborhood Centre	
Mossman Community Centre	
Youthlink	
Women's Centre Cairns	
Ngoonbi	
Eacham Community Help Organisation	

Salvation Army Atherton	
Ravenshoe Community Centre	
Tablelands Women's Centre	
Mareeba Information Services Centre	
Community Services Tablelands	
CentaCare Cairns	
Carers Queensland	Microfinance
Port Douglas Neighborhood Centre	
Saint Vincent De Paul	
Karunda NILS Project	
Ravenshoe Community Centre	
Tablelands Womens Centre NILS	
Mareeba Information Services Centre	
SHAC NILS	
Port Douglas Neighborhood Centre	Financial Education
Community Services Tablelands	
Centrelink Cairns (Social Worker)	Centrelink
Centrelink Cairns (Financial Services)	
<b>Remote – Thursday Island</b>	
ICAN	Financial Counselling
Mura Kosker	Emergency Relief
ICAN	Microfinance

## Appendix 4 Financial Education Delivery Models

While financial education has no doubt been delivered in diverse ways by many services over the years, it is still in the process of crystallising into a service sector. In addition to the handful of financial education providers interviewed in each area, a number of the other FS services we asked about best practice in financial education, and gave examples of financial education offered in collaboration with their sectors.

Previous Good Shepherd research into financial education found that “Information provision undermines people’s dignity if it fails to take into account the context in which they are trying to manage financially” (Landvogt, 2008). This current study’s qualitative analysis also highlighted the importance of community development in financial education programs, ensuring they are designed to address local needs and use relevant participatory processes.

To increase the effectiveness of financial education, and because it is a new sector, networking on several levels is critical to ensure that best practice is both developed and shared. Networking with each other, with other FS services and with local community groups is also critical to service delivery survival. Cold recruitment is very difficult as the case studies in this study show, even with strong local worker networks. The ICAN financial education evaluation also highlights the importance of linking NILS to financial education<sup>2</sup>.

As one participant in the current study noted:

*“There is no network for financial literacy... I’m going to a conference to find out more. We have had to develop projects ourselves until now. There are lots of different programs out there but they don’t always fit the bill. There is a program ‘moneywise’ but its web based and what kids are going to go on-line to do that?”*

Financial education program evaluations capture positive stories and testimonials from people that they have helped but proof that financial education ‘works’ is extremely difficult because there are too many variables in life that affect our financial decisions. To quote ASIC,

*“Although the financial literacy movement has gained momentum over the past few years, there remains little reliable, conclusive research about whether financial literacy campaigns and programs work (i.e. whether they result in sustained changes in behaviour and improved financial outcomes). Best-practice principles for program and evaluation techniques are still developing, and it is widely recognised that both are inherently difficult. In the interim, the established principles of social marketing, frequently used in health and environmental fields, provide a practical ‘big picture’ framework for financial literacy-based behavioural change initiatives.”<sup>3</sup>*

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<sup>2</sup> [http://ican.org.au/wp-content/uploads/2010/11/JCU\\_MMP\\_Evaluation.pdf](http://ican.org.au/wp-content/uploads/2010/11/JCU_MMP_Evaluation.pdf)

<sup>3</sup> <http://www.financialliteracy.gov.au/media/218309/financial-literacy-and-behavioural-change.pdf>

In the absence of tighter outcome measures, documenting the processes and immediate outcomes of current financial education programs is important to building knowledge. This study elicited information about several different models of community-based financial education for financially vulnerable groups, leveraging off existing FS services and networks.

#### *With emergency relief networks*

The City of Yarra Financial Counsellor reported that they undertake an annual financial education seminar, "Money Talks". This came out of joint working with the former ER network, and while the ER network no longer operates, the course continues. It includes four sessions covering topics such as: utilities concessions and hardship programs, housing assistance, ensuring Centrelink entitlements, concepts of good and bad debt, telephone and internet contracts, dealing with fines, and budgeting. It is advertised locally and generally there are around 50 people attending. *"At the last one there were a high number of Chinese participants and we hired interpreters"*, after which the Chinese Tenants Association asked for more information.

#### *With microfinance providers*

The Money Minded education program is typically offered in association with Saver Plus matched savings program, both having been developed by the Brotherhood of St Laurence and the ANZ bank and designed to be mutually reinforcing services. In the Blacktown area, the Money Mentor for Indigenous community members is strongly linked with the microfinance program. The two services, financial education and microfinance, share a common client base in that they both address financial need at the non-crisis end of the spectrum.

#### *With financial counselling clients*

In several areas financial counsellors initiated financial education courses:

*"Budgeting programs have started to try and reduce the number of people who end up needing to see a financial counsellor."*

*"I have done some budgeting programs. Transferring clients out of financial counselling into budgeting to get to the reasons why they had no capacity to pay their bills beforehand. To want to learn people need to be higher up the Maslow's hierarch of needs. When your basic needs are not met, you can't think about learning how to budget better"*

*"I have set up and run a financial literacy program as people were in the centre and living day to day. I gave them case studies and showed them on paper how they could achieve financial goals on low incomes"*

*"We have undertaken budgeting counselling for refugees particularly for those with language barriers"*

*"Housing NSW have asked us to run financial education sessions jointly with them to increase tenants' capacity to pay rent and avoid eviction"*

#### *Stand-alone financial education*

Banks and governments have seen improved financial literacy as a solution to the low take-up of financial products in some sections of the community, and low levels of savings that threaten future income security budgets. High quality materials have been developed and the Australian Government (Financial Literacy Foundation and ASIC) is implementing, through the state education systems, a national financial literacy curriculum.

However, motivation is often lacking in potential participants:

*"It's the thing everybody needs and nobody wants".*

What has still not taken root is a community development approach to educating adults about the financial matters relevant to them, when and where they are motivated to learn. Pilot programs that are stand-alone projects, including some identified in this study, do not attract many participants. More success is achieved when models are adapted to be delivered to existing community groups where a need has been identified.

*“The [organisation] runs budget help, we have a prepared presentation, but its quite factual and dry and often clients don’t turn up. It needs to be dropped into existing community development groups”.*

*“The need exists but clients don’t seem to want it”*

Some stand-alone programs are effective if they engage participants in non-traditional learning activities. Indigenous Money Mentors in Western Sydney, for example, draws on material from the different programs that already exist, and uses DVDs and actors to make each two-hour presentation fun and low key at the same time as getting the message across.<sup>4</sup>

The tendency is to focus on education, but research shows that in some areas it is more effective to regulate. Financial education is no match for the trickery reported by a number of participants, for example:

*“Dodgy traders in schemes and scams target low income and vulnerable (our clients). A loan shark has just been in the papers here. He was going to Indigenous communities and public housing and offered little loans. He got people to sign Centrepay deduction agreements which he managed to get away with because he was claiming to be a landlord. He had 260+ clients and was getting monthly income of around \$70k. The police are aware of him now but it is a big problem up here.”*

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<sup>4</sup> For example it includes the Arnhem Chooki dancers <http://www.youtube.com/watch?v=SzhZr-uKtlc&noredirect=1>

