



BRIEFING PAPER #3: The impact of reduced funding on RFCS-CW

- Rural Financial Counselling Service NSW Central West Inc. (RFCS-CW) has had to implement a range of cost-cutting measures due to budget cuts for 2011-12 which includes not renewing contracts for all 12 part-time Administrative Support Officer positions; reducing the hours of four Rural Financial Counsellor positions to part-time (two on only a three-month contract) and closing one office in the region
- RFCS-CW will need to reduce its case load by approximately 400 clients
- The budget for 2011-12 has been reduced from a total of approximately \$2.5 million by \$800,000 to \$1.7 million (GST exclusive)
- To date the NSW Government has not announced its commitment to fund Rural Financial Counselling Services

On the 4 May 2011, the Federal Government announced its financial commitment to Rural Financial Counselling Services (RFCS), providing \$54.9 million over four years to 14 state and regional organisations. This includes \$13.3 million of funding in 2011-12 and a further \$41.6 million from 2012-13 to 2014-15 to support the program.

All existing RFCS organisations will have their contracts renewed to June 2015. The Rural Financial Counselling Service NSW Central West Inc (RFCS-CW) has a 2011-12 budget of about \$1.7 million (GST excl.). However, with no money presently forthcoming from the State Government and the loss of other revenue, RFCS-CW is \$800,000 short on the 2010-11 budget.

With the NSW Government's budget not due to be handed down until September it is hoped that a pre-budget 30 June announcement may be made, providing some assurance to RFCS-CW that it will continue with its financial support to the service - worth \$318,000 a year to the Central West over the past three financial years.

There is a pressing need for RFCS-CW to continue to service and fully support the existing client base beyond 30 June 2011, currently numbering over 1,190 active clients across 15 Rural Financial Counsellor (RFC) positions and accounting for 44% of the client cases in NSW. However, due to no further income from special grants funding, the inability to draw down on unspent surplus Federal funds from previous years, and not being able to account for a State Government contribution, RFCS-CW has been forced to implement a range of cost-cutting measures from 1 July.

This week, the RFCS-CW was notified of the opportunity to draw down on the NSW portion of its surplus funds, allowing the organisation to budget an additional \$30,000 for the 2011-12 year. It is only a "life-line" for the first quarter of 2011-12, slightly reducing the impact of the measures that now need to be implemented.

It is understood that the impact of the \$800,000 funding deficit on RFCS-CW will be immediate and destructive to the communities of the region – possibly denying services to an existing 400 clients. The measures announced by RFCS-CW this week include:

- Not renewing all 12 part-time Administrative Support Officer (ASO) positions – the equivalent of more than 5 full-time positions;
- Closing the Gilgandra office;
- Reducing the hours of a Dubbo and Buronga RFC to a 9 day fortnight, and reducing the hours of the Walgett and Parkes RFCs to an 8 day fortnight on a three month contract.

It is hoped that if the State Government continues its commitment at previous funding levels, RFCS-CW should be able to recontract its Walgett and Parkes RFCs on full-time contracts from 1 October, as well as provide other initiatives in line with funding availability.