



MEDIA RELEASE

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Community Legal Centres Welcome Funding to Help People Facing Financial Crisis

The National Association of Community Legal Centres (NACLC) today welcomed the commitment by the ALP to \$120 million funding over 4 years for specialist financial services lawyers in community legal centres across Australia if elected.

The funding commitment was announced today by Shadow Attorney-General Mark Dreyfus and Shadow Financial Services and Justice Minister Clare O’Neil. The \$30 million per year would come from the \$640 million ‘Fairness Fund’ announced by the ALP. The announcement builds on yesterday’s commitment by the ALP to funding for an extra 500 financial counsellors.

“Community legal centres help hundreds of thousands of everyday people and people experiencing discrimination and disadvantage when they need it most. We help people with credit and debt legal issues and see first-hand how the misconduct of banks and other financial bodies hurt people experiencing discrimination and disadvantage” said NACLC CEO Nassim Arrage.

“The recent Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry Final Report was very clear about the importance of the services community legal centres provide, the difference they make and the need for predictable funding”.

“Additional funding for financial counselling and community legal services is an effective and fair way to ensure people can access help to assert their rights, get out of debt, and protect their livelihoods”.

“We also know that demand is greater than ever and that it consistently outstrips capacity. There is huge unmet need for legal assistance in this area,” added Gerard Brody the CEO of Consumer Action Law Centre, a specialist community legal centre based in Melbourne.

“We estimate that this additional funding will increase the number of people we help with credit and debt issues from around 30,000 to 180,000 people each year” added Mr Arrage.

“This funding will go some way to addressing the asymmetry of knowledge and power between consumers and financial services entities. It means we can help people who have been preyed on by unscrupulous lenders and debt vultures; women who have experienced financial abuse; parents who have been pressured into giving guarantees to their adult children; and people living with mental illness” said Gemma Mitchell, Managing Solicitor of the Consumer Credit Legal Service in Western Australia.

“As a sector we have worked hard to make clear how important this additional funding and support is for people and communities across Australia and are heartened by today’s commitment by the ALP. We now call on the Government to show its commitment to assisting people experiencing credit and debt issues by providing additional funding for financial counsellors and financial advice lawyers and look forward to working with the Government to ensure people get the legal help they need” Mr Arrage concluded.

Background

Community legal centres across Australia provide legal help about credit and debt matters, and see every day how the misconduct of banks and other financial bodies hurt people experiencing discrimination and disadvantage.

Community legal centres helped over 30,000 people with credit and debt, consumer law and consumer credit issues in 2018 and this work represented over 23% of total civil services provided by community legal centres across Australia.

In addition to the work of generalist legal centres in urban, regional and rural Australia, there are five specialist consumer legal centres that focus on the rights of consumers and provide legal support and training to financial counsellors in their states:

- Financial Rights Legal Centre (NSW but also operates the National Insurance Law Service)
- Consumer Action Law Centre (Vic)
- Consumer Credit Law Centre (SA)
- Consumer Credit Legal Service (WA)
- Consumer Law Centre (ACT)

NACLC and Financial Counselling Australia made a joint submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry calling for additional funding for financial counsellors and consumer financial legal advice and assistance services. See submission here: [http://www.naclc.org.au/resources/20181026%20NACLC%20and%20FCA%20Banking%20RC%20Submission 2.pdf](http://www.naclc.org.au/resources/20181026%20NACLC%20and%20FCA%20Banking%20RC%20Submission%202.pdf)

Information and Contacts

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