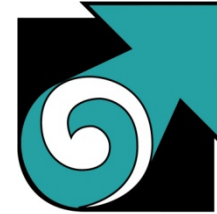


Presentation to New Zealand Society of Actuaries Conference 2010

Consider the Conditions - Actuaries in the Community

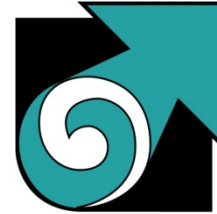
Presented by Raewyn Fox



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Presentation includes:

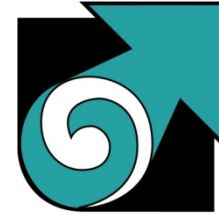
- Overview of NZFFBS
- What do budget advisers do
- Experiences and Issues around Insurance
- Legislation/Consumer Protection
- Questions



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Who are We

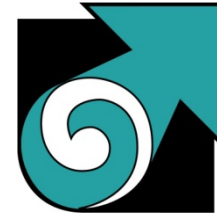
National organisation to which
budgeting services choose to belong



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Why Belong (from clients/public point of view)

- Like belonging to Master Builders Assn
- Guarantee of quality service to clients
- Minimum training standards
- Escalating complaints process if anything goes wrong
- Code of Ethics adherence (detail)

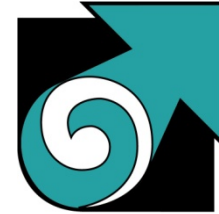


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Code of ethics

Budget Services operating within the guidelines of the New Zealand Federation of Family Budgeting Services Inc. offer:

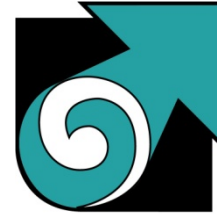
- Respect for the needs and independence of clients
- Assistance without discrimination
- Total confidentiality which is never breached
- An environment of co-operation and accountability
- Operations that reflect Te Tiriti O Waitangi
- Ongoing training support and supervision of all staff



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Who are Our Members

- Budgeting Services who are separate autonomous legal entities
- Service may be:
 - Stand alone budgeting service – numbers of these decreasing, or
 - Holistic organisations, numbers growing. These may be social services, Iwi groups, church based, specific ethnic services, family centres, attached to other programmes.

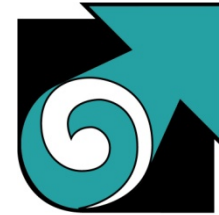


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What Standards Must Services Meet

Affiliation criteria includes:-

- Must be legal entity
- Sound governance/management structure
- All advisers must be certificated by –
 - Initial training
 - Supervision
 - Ongoing training
- Minimum 4 advisers per service

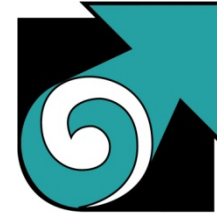


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What Standards Must Services Meet

Affiliation criteria includes:-

- Budgeting as per NZFFBS procedures
- Free, confidential, non-judgmental advice
- Advice must include educational component
- Provide basic statistics
- Not bring service or Federation into disrepute
- Controls re National media statements
- Must screen advisers for suitability

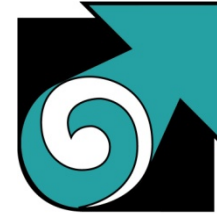


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Statistics

Numbers change often

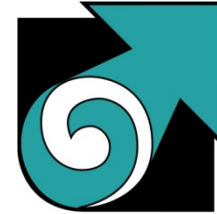
	Total
Number of Services	152



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Statistics

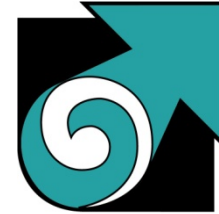
Annual stats to 30 June 2010	
Total new client families for year	23,543
Total carried forward from last year	7,933
Total families worked with	31,476
Total enquiries to services (workload through offices)	365,628
Total number of advisers	712
Total number of voluntary	468



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Statistics

Total number of paid	244
Average hours per week per adviser	Volunteer 5.4
	Paid 17
Number of community education programmes	1092
Average arrears per client family	\$4,917.00
Total arrears of ongoing clients	\$63,026,570
Total Debt of ongoing clients	\$415,767,905
Total arrears retired by service	\$17,592,663

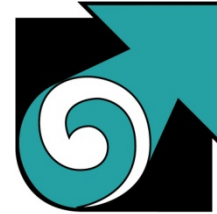


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What do Budgeting Advisers do

Four categories of advice:-

- Crisis Intervention/One Off
- Ongoing Budgeting – advice, planning, support
- Total Money Management (only some) + SIOs
- Educational – individual and community

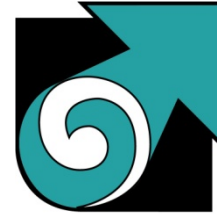


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What do Budgeting Advisers do

Ongoing clients advice includes:-

- Initial investigation / problem definition
- Crisis intervention if needed
- First draft budget
- Investigate entitlements
- Advocate
- Negotiate with creditors

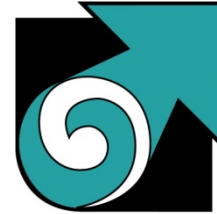


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What do Budgeting Advisers do

Ongoing clients advice includes:-

- Investigate client needs / priorities
- Support client in decision making
- Balanced budget
- Cashflow
- Operating system (bank options)
- Monitoring system / Making changes

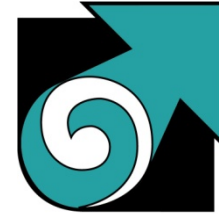


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What do Budgeting Advisers do

Ongoing clients advice includes:-

- Debt reduction plans
- Savings plans / future planning
- Goal setting
- Client independence



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What do Budgeting Advisers do

At every step of the process:-

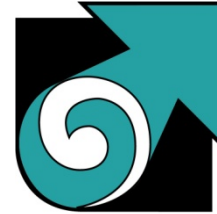
- Client in charge, makes decisions
- Education on all processes
- Client and/or Adviser carries out actions as appropriate
- Adviser gradually hands back all tasks to client



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Insurance Issues

- Priorities when budget in deficit
- Essential items
 - House
 - Car on HP
- Non Essential
 - Work towards in the future



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What might encourage uptake

- Low Cost simple products
e.g. in Australia
 - Insurance considered essential service
 - Must offer low cost alternatives



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Offer different/easy payment alternatives

e.g. in England

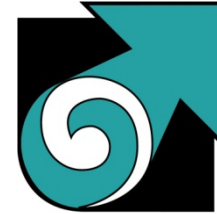
- Particularly in housing estates
- Landlord purchases bulk contents insurance
- Offers on to tenants included in rent



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Legalisation/Consumer Protection

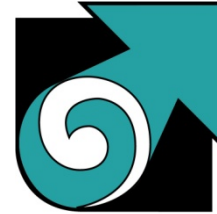
- Responsible lending
Regulations for Financial Advisors
- Will make some positive impacts
- Does not include budget advice



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CCCFA

- NZFFBS work closely with MCA and Commerce Commission to inform consumers
- More Financial Literacy needed



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Questions?