



**ADF FINANCIAL SERVICES
CONSUMER CENTRE**

By Defence. For Defence.

ANNUAL REPORT 2019-20



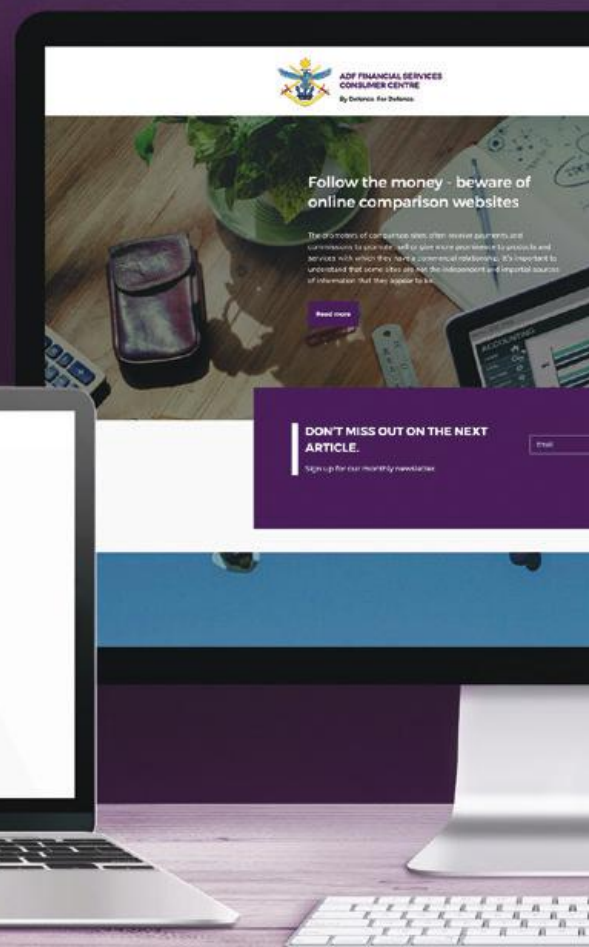
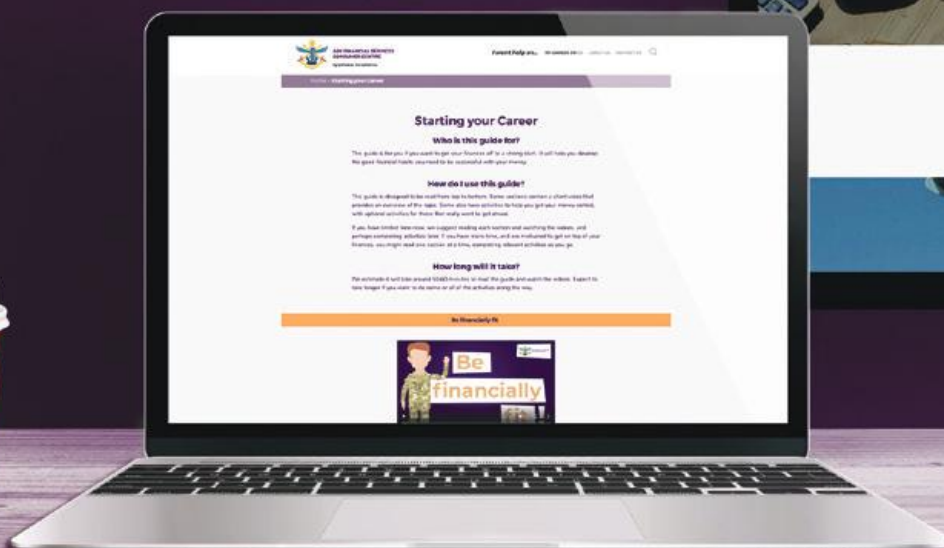
HIGHLIGHTS

As we have adapted to the challenge of operating in the midst of a pandemic, we have been busier than ever. Here is a snapshot of some of our achievements which are outlined in more detail in the body of the report.

IMPROVEMENTS TO OUR EDUCATION

We made a number of improvements to our online and face to face education, including:

- A new online budget calculator tailored to the needs of members and their families;
- A new comprehensive guide and estimator to help members and their families understand the value of their ADF employment package; and
- New online education packages for members at all stages of their career.



DON'T MISS OUT ON THE NEXT ARTICLE.

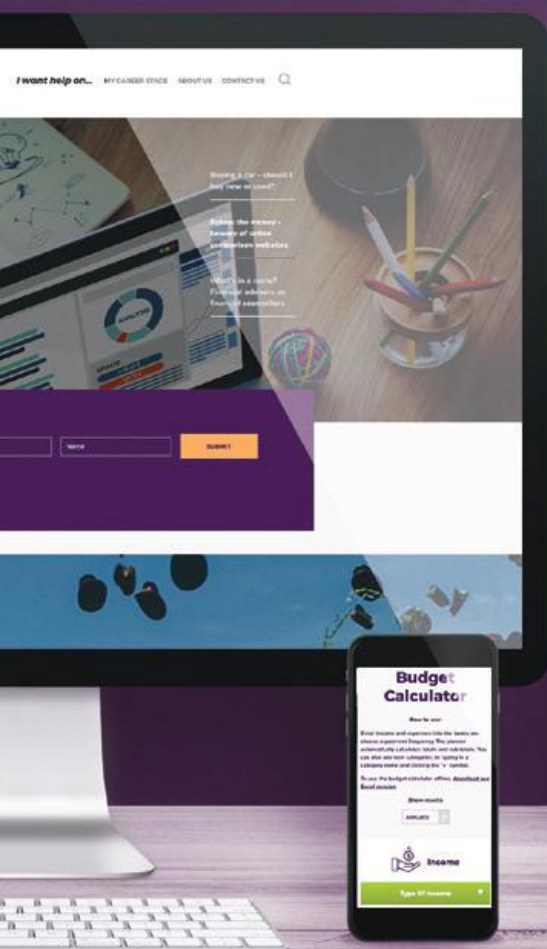
Sign up for our monthly newsletter

Yes

PROVIDING BETTER SUPPORT FOR OUR PEOPLE

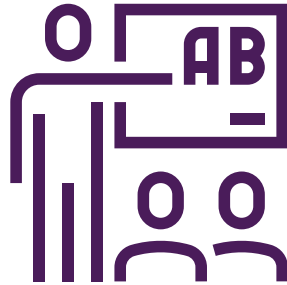
We undertook two substantial projects to improve the financial advice and financial counselling services available to members and their families:

- ADF Financial Advice Referral Program: We reviewed our financial advice referral program – a service designed to help members and their families find a financial adviser – making the criteria more stringent; and
- The ADF Financial Helpline: We commenced the trial of a dedicated financial counselling service in collaboration with the Bravery Trust to help when individuals or families experience financial difficulties, for example, debts.



ENGAGEMENT WITH OUR CLIENTS

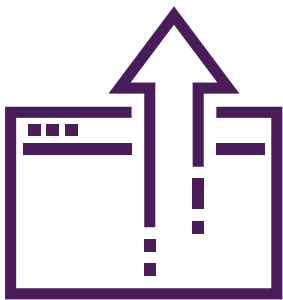
2019-20



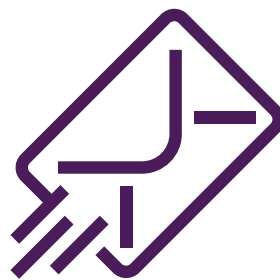
Delivered face to face education to approximately **15,000 members**



20,445 users visit our website



48% increase in website traffic compared to **2018-2019**



Distributed our e-newsletter to around **4,000 subscribers** and others



Achieved a **subscriber growth of 16.6%**



Responded to **330 online enquiries**



Provided personal consultations for around **250 members**



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- Seminars and personal consultations
- Publicly available website
- Online budget calculator
- Employment package estimator
- E-newsletter
- Online enquiries

• REFERRALS TO OTHER SERVICES

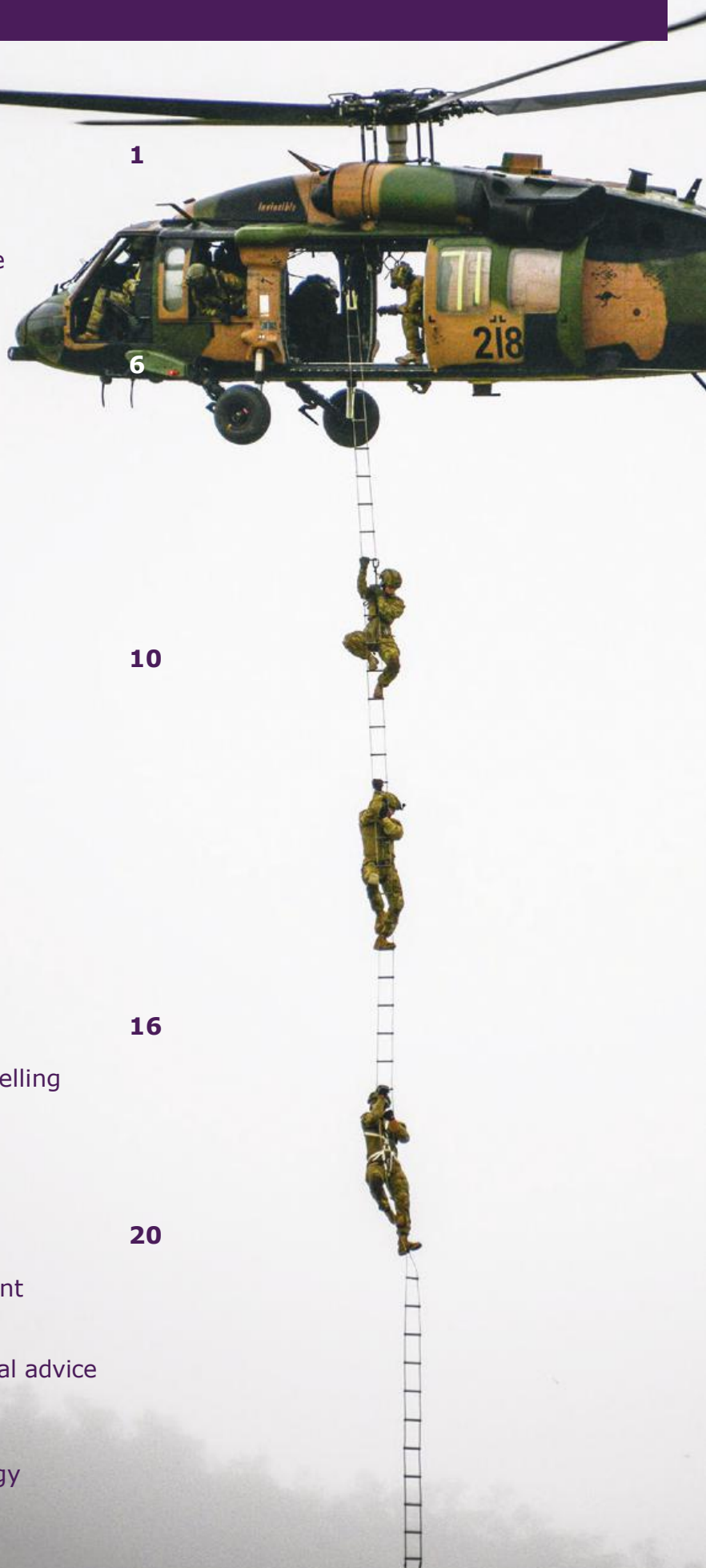
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- Financial advice versus financial counselling
- ADF financial helpline
- Financial advice referral program

• FUTURE INITIATIVES

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- Further development of the employment package estimator
- Providing more help with getting financial advice
- Broadening our financial education
- Further improving our use of technology



WHO WE ARE

The Australian Defence Force Financial Services Consumer Centre (ADF Consumer) was established in 2006 and is part of People Capability Division in the Defence People Group (DPG). We are a small team of ADF members, Defence public servants and contractors with technical expertise and experience in personal finance, consumer protection matters and digital education and communication.

ADF Consumer operates pursuant to a Charter from the Chief of Defence Force. We administer and deliver Defence's financial literacy education service for ADF members and their families. Our aim is to help members and their families become more financially capable. We support our people, and their families, while they are serving and after they leave the ADF. This in turn supports Defence capability because it helps members to perform at their best, in the national interest.

OUR CHARTER

Our charter from the Chief of Defence Force (CDF) is to:

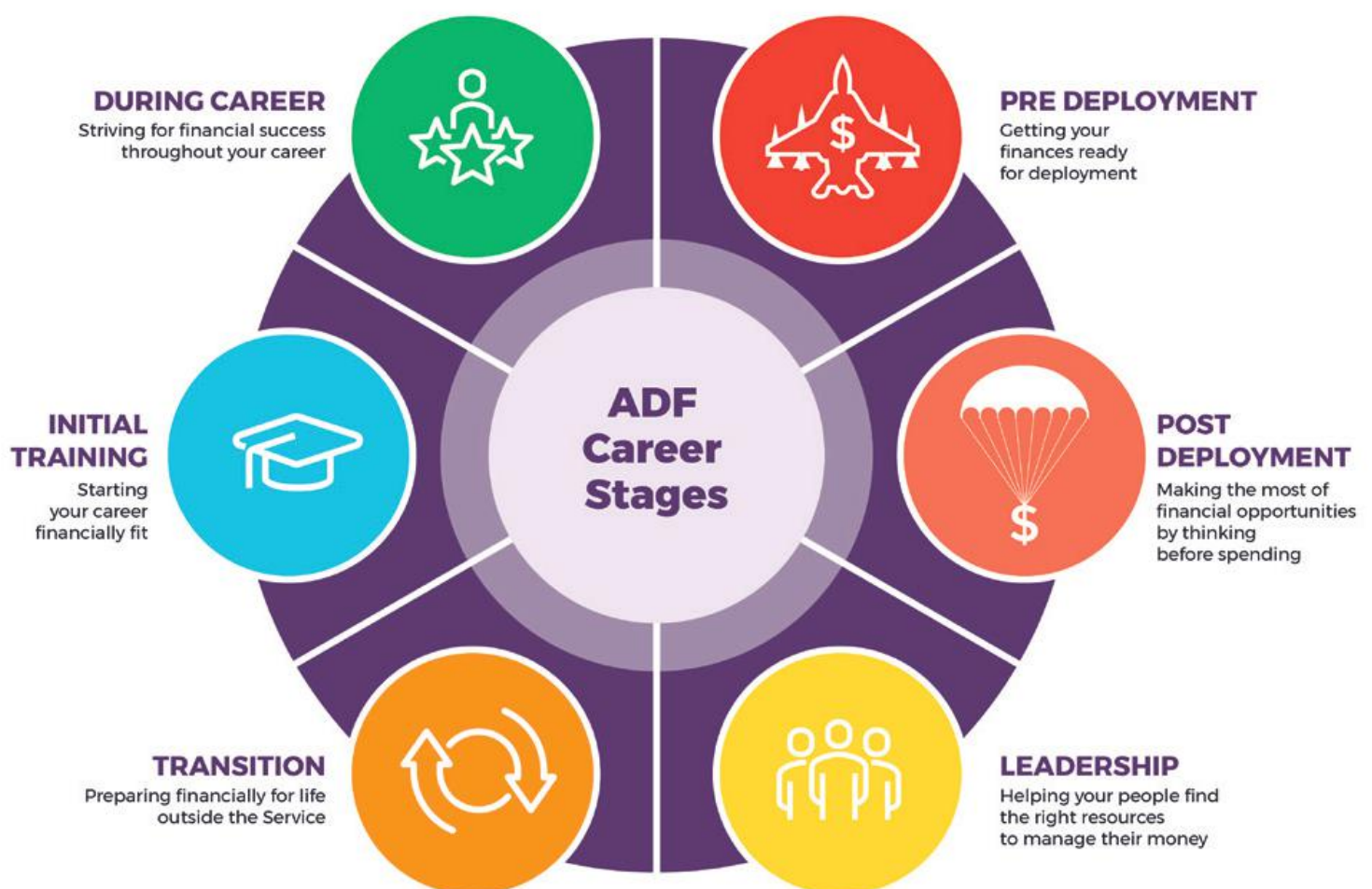
1. Provide independent, professional financial education (not advice) to ADF members throughout their careers.
2. Act as an advisory body to the CDF, Service chiefs and other leaders on consumer matters related to financial products and services.
3. Foster professional and positive relationships with regulators and industry bodies, including the:
 - a. Australian Competition and Consumer Commission (ACCC); and
 - b. Australian Securities and Investments Commission (ASIC).



OUR GUIDING PRINCIPLES

The primary focus of our work is on providing financial education to ADF members and their families. Our guiding principles are that the financial education program is:

- 1. Flexible.** We strive to remain as flexible as possible in the way we deliver our education and information in order to make our services accessible for members and their families. We aim to provide the education and information they need – when they need it – and how they need it.
- 2. Independent.** The education and information we provide is always factual and designed solely to be in the best interests of members and their families.
- 3. Tailored.** The conditions of employment, entitlements and benefits and the lifestyle of ADF members and by extension their families are unlike any other part of the Australian community. We aim to provide a service that is properly tailored to meet their unique needs. We offer an online enquiry service and have six separate education packages:

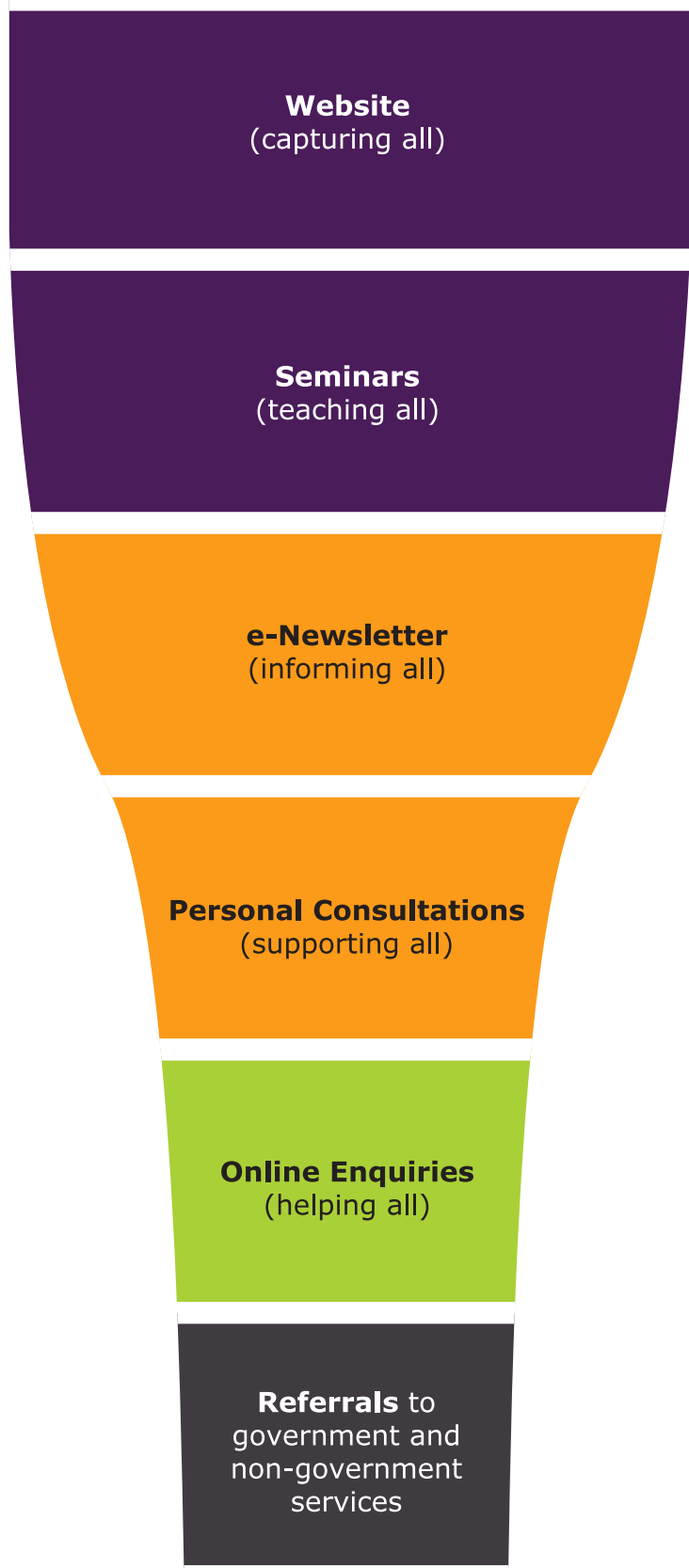


Providing educational packages for ADF members at particular career stages or milestones makes the information more comprehensible, relevant, helpful and actionable.



WHAT WE DO

We use a range of communication modes. Some are designed to reach our whole audience and others are tailored to individual needs.



OUR SUPPORT FOR THE NATIONAL FINANCIAL CAPABILITY STRATEGY

Our service supports and is referenced in the Australian Government's National Financial Capability Strategy 2018 (the National Strategy) which Defence endorses. The National Strategy, led by the Australian Securities and Investments Commission, aims to improve the financial capability of all Australians. Financial capability means, among other things, being able to:

- Manage money day-to-day;
- Make informed decisions about money; and
- Plan for the future.

The National Strategy encourages organisations to:

- **Educate.** Promote lifelong learning to develop and enhance financial capability.
- **Inform.** Provide impartial information and tools to help with financial decision-making.
- **Support.** Help people understand their situation, make choices and avoid financial problems.

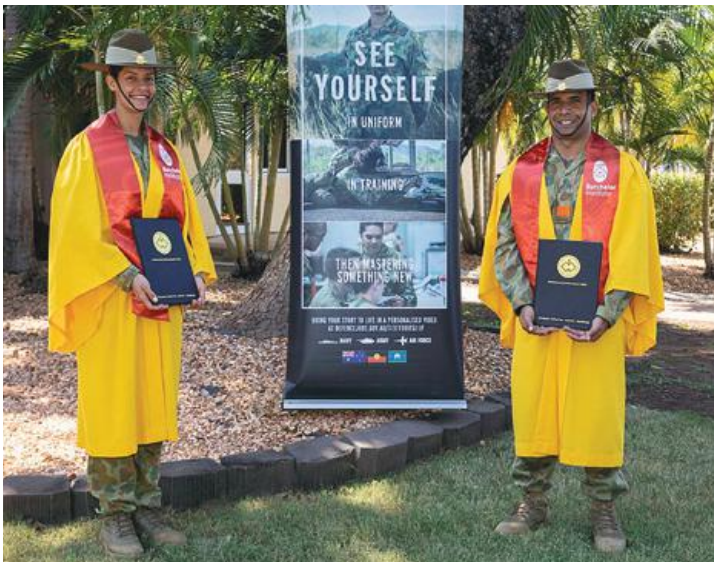
Defence achieves this through the financial education and other services provided by ADF Consumer.



THE YEAR IN REVIEW

SEMINARS AND PERSONAL CONSULTATIONS

Our annual face to face education program usually consists of more than 200 seminars for large and small groups at all career stages and several hundred personal one-on-one educational consultations with a focus on initial training establishments, Indigenous pre recruitment courses and development programs, and transition seminars.



The COVID-19 pandemic has impacted our face to face education program and has meant that we have needed to adapt and predominantly use remote delivery methods since late March 2020. Our response to this challenge has included:

- Publishing tailored online learning guides for each of the six career stages comprising written information, practical learning activities, checklists and videos;
- Developing a new training package for initial training establishments and pre-recruitment courses including Indigenous pre recruitment courses and development programs;

- Supporting the Defence Community Organisation (DCO) Virtual Member and Family Transition Seminar including with a video presentation and responses to online enquiries;
- Providing seminars – previously delivered in person - using video conferencing; and
- Making educators available to respond to online and telephone enquiries.



Based on our experience and the feedback we have received from our clients, we assess that the face to face or in person delivery method remains the most effective for and popular with our audience. Our efforts to respond to the pandemic have allowed us to continue offering a service in circumstances where travel is not possible. However, our clients' feedback has essentially been that 'nothing beats high quality face to face education'.

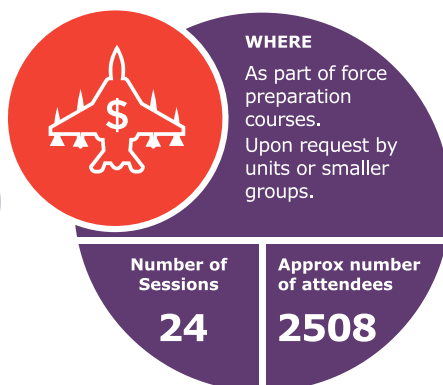
Of note, face to face personal consultations – while resource intensive - are regarded as particularly effective. They are the most tailored and timely form of education; giving the client the opportunity to learn about what they find relevant and useful to them at the time in a way that suits them. These consultations have helped our clients make better financial decisions and in some cases provided assistance to members with financial concerns before they became serious.

THE FOLLOWING SUMMARISES OUR 2019-20 PROGRAM:

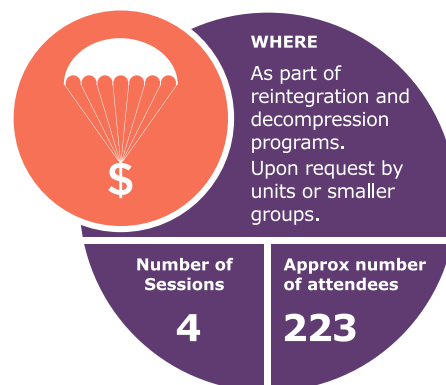
INITIAL TRAINING



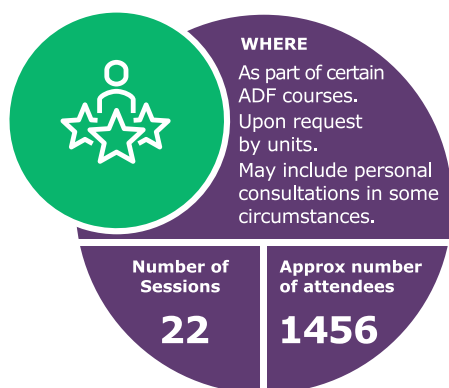
PRE DEPLOYMENT



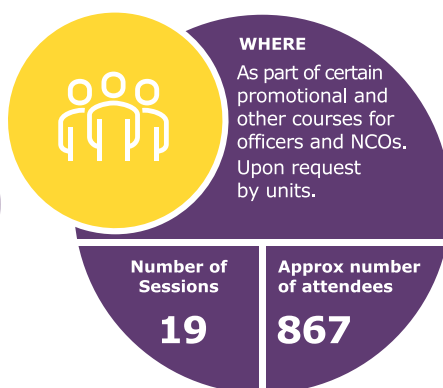
POST DEPLOYMENT



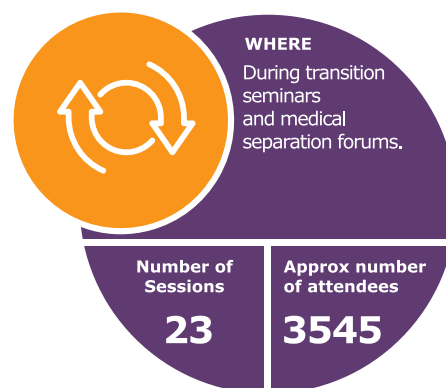
DURING CAREER



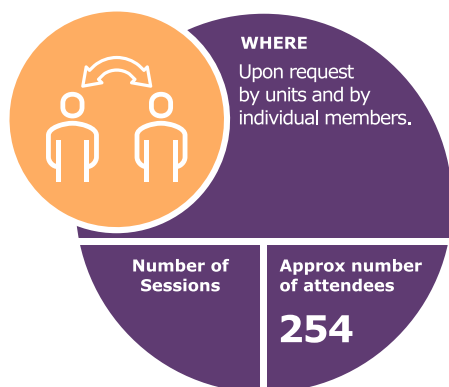
LEADERSHIP



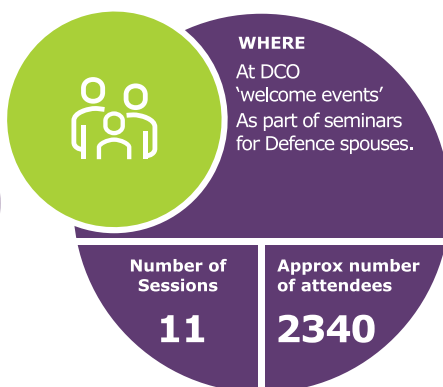
TRANSITION



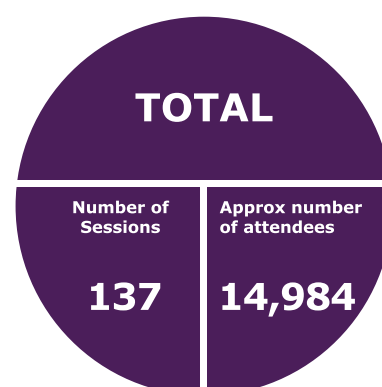
PERSONAL CONSULTATIONS



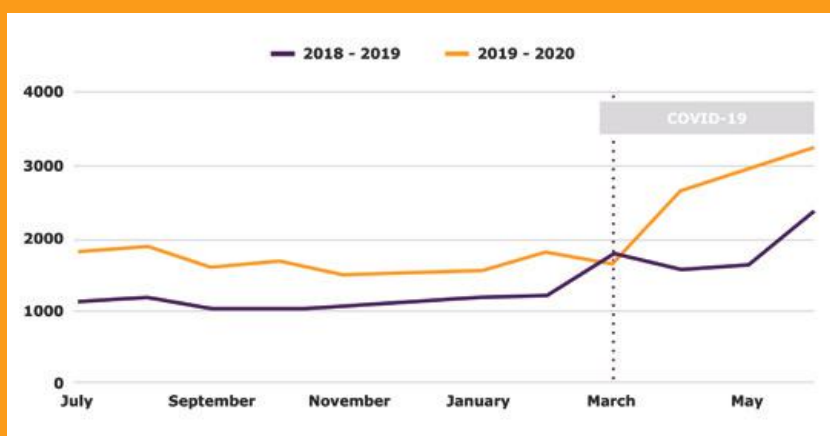
FAMILY EVENTS AND ACTIVITIES



TOTAL



NOTE: The number of sessions conducted and attendees represent an approximate 20 per cent drop on 2018-19 figures. We estimate that, absent the disruptions caused by the COVID-19 pandemic, we would have delivered more than 200 sessions for at least 20,000 people. Our website has seen an increase in website users since the start of the COVID-19 pandemic as shown in the graph.

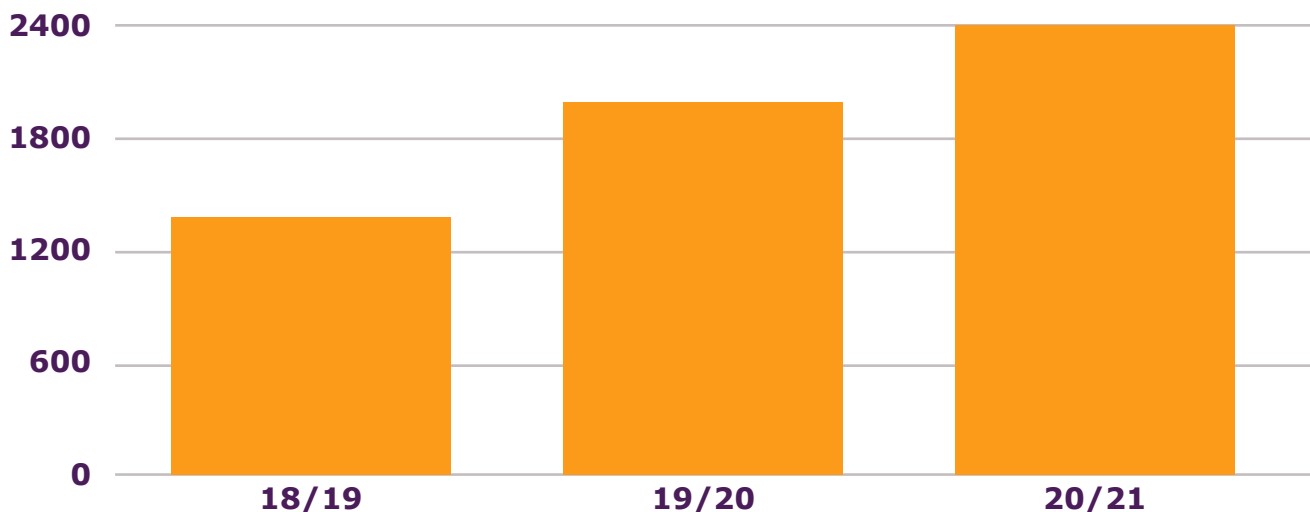


PUBLICLY AVAILABLE WEBSITE

The publicly available ADF Consumer website is at the heart of our education program. It provides 24/7 worldwide remote access for members and their families to all of our educational resources, newsletter articles and the enquiry service. The website provides tailored resources for all six career stages, detailed money guides on topics including ADF remuneration, superannuation, personal insurance and investing; and practical checklists, videos, plus links to other reliable sources of information and assistance.

The ADF Consumer website became a vital element in our service delivery as a result of the COVID-19 pandemic and the disruption it caused to our face to face program. It allowed us to rapidly respond and provide alternative services as outlined in the section on seminars and personal consultations. Our website has seen an increase in website users month-on-month each year:

AVERAGE MONTHLY WEBSITE USERS



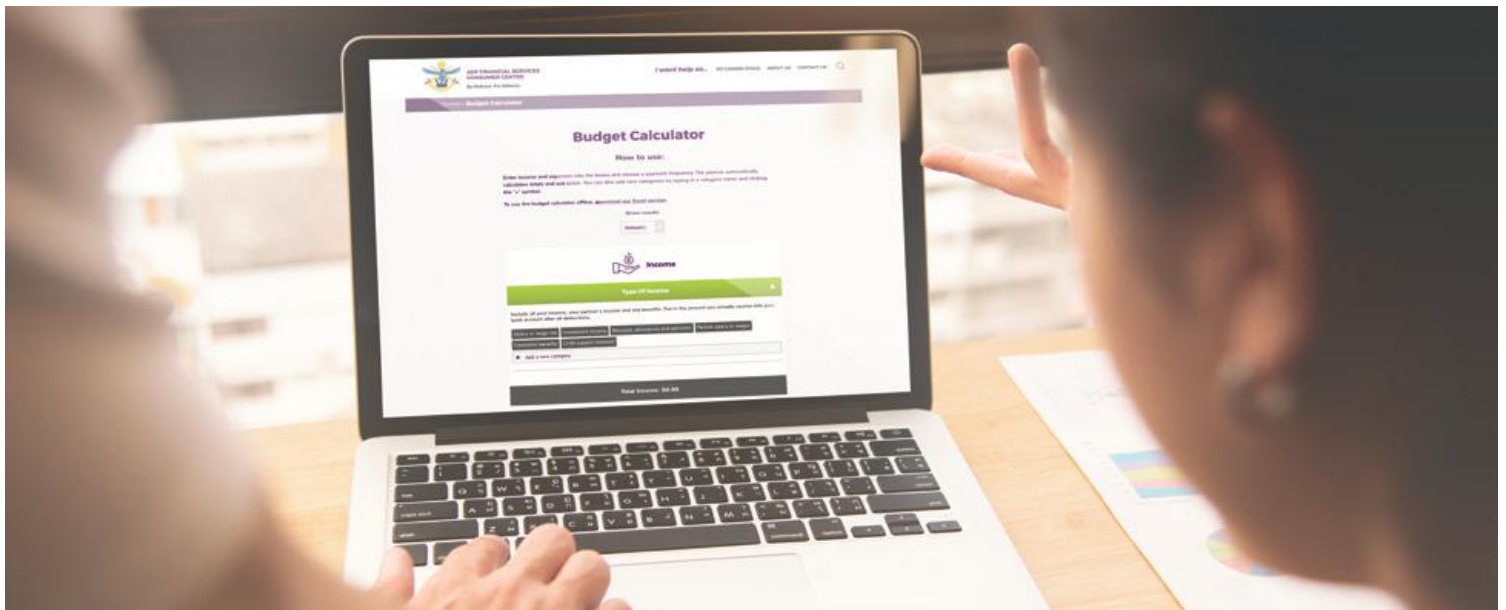
Besides the improvements to our website, we have also made other substantial additions, including the creation of an online budget calculator tailored to the needs of ADF members and families; and a new ADF employment package estimator to help our clients assess the dollar value of their remuneration.

adfconsumer.gov.au

ONLINE BUDGET CALCULATOR

The new budget calculator helps people see how much income is coming in and what they are spending it on. It creates knowledge that can be used to make better financial decisions. A budget can be created for an individual or family depending on the member's personal circumstances.

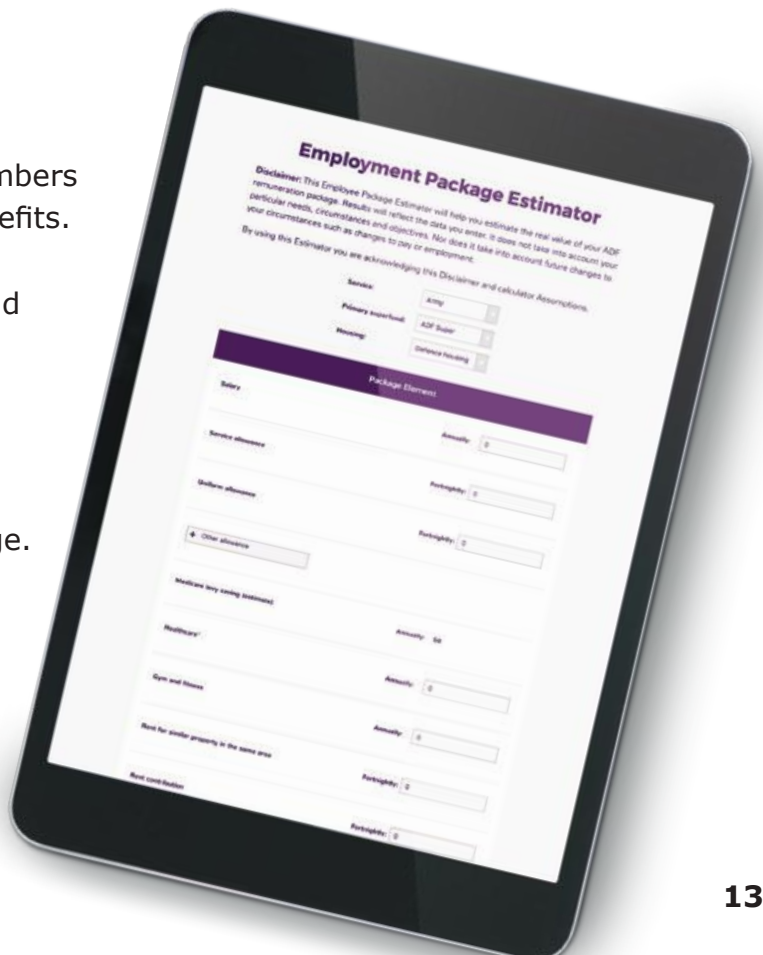
Our new budget calculator was developed with ADF members in mind. It can be used online and the results emailed or saved as a PDF, members can also download an Excel version to their own device so it can be accessed and updated anytime. Since its launch, the budget calculator has achieved an average time on page of 4 minutes and 26 seconds illustrating website users are engaging with the new budget calculator.



EMPLOYMENT PACKAGE ESTIMATOR

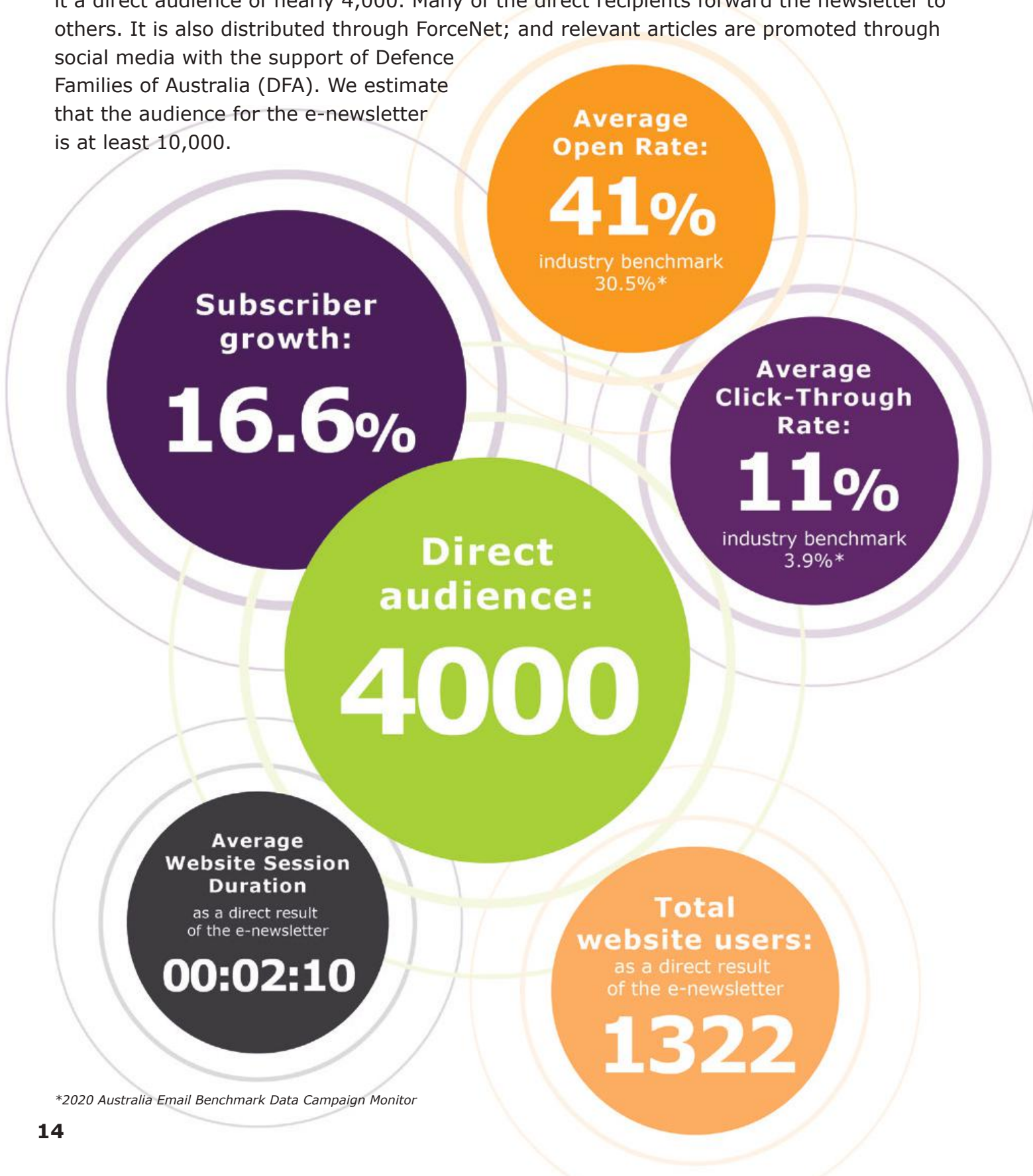
In addition to a competitive salary, ADF members receive a range of other allowances and benefits. These benefits, such as subsidised housing, medical and dental care, fitness facilities, and education, have a financial value.

The new employment package estimator and accompanying guide helps current ADF members gain a better understanding of the true value of their ADF remuneration package.



E-NEWSLETTER

The ADF Consumer's monthly e-newsletter aims to cover topics of interest to members and families in an engaging way and to inform readers about ADF Consumer's services, encouraging them to seek our support where appropriate. The newsletter has increasing numbers of subscribers and reader engagement. It is distributed to approximately 2,500 subscribers and to a separate group of around 1,400 senior ADF members by request; giving it a direct audience of nearly 4,000. Many of the direct recipients forward the newsletter to others. It is also distributed through ForceNet; and relevant articles are promoted through social media with the support of Defence Families of Australia (DFA). We estimate that the audience for the e-newsletter is at least 10,000.



*2020 Australia Email Benchmark Data Campaign Monitor

**SOME OF THE MOST POPULAR
RECENT ARTICLES HAVE BEEN:**

1. Tax Deductions for Home Office Expenses
2. Top Ten Actions for Tough Times
3. New Cars – Should You Buy in 2020?
4. ADF Family Health Information
5. Tax Tips – Our 2020 List



After the COVID-19 pandemic began to impact the personal finances of Australians including members and families, we used the e-newsletter to communicate important information including tips for dealing with financial hardship and the strict rules for, and pros and cons of, early access to superannuation.

We have recently reviewed the performance of the newsletter and its value to our audience; and plan to publish an additional mid-month newsletter with a focus on promoting the educational resources and information available from the ADF Consumer website and other reputable sources.



ONLINE ENQUIRIES

We offer an online enquiry service through the ADF Consumer website and a dedicated email address. We received 330 enquiries this year to which we responded by phone and email.

The most common topics people enquired about included:

- Superannuation, including seeking early access;
- Assessing the value of the ADF remuneration package;
- Personal taxation, including the pros and cons of salary packaging;
- ADF Consumer's services and educational support to units;
- Preparing financially for transition; and
- Seeking a referral to another service, for example to a financial adviser or financial counsellor.

In response to the COVID-19 pandemic, we made educators available during business hours – a 'duty officer' system - to ensure we were able to respond promptly to requests for help.



REFERRALS TO OTHER SERVICES

ADF Consumer's role as set out in our charter is strictly confined to education and information provision. We provide financial education in the most tailored way we can for our clients. Where members need more than this and are seeking personal advice or counselling we help them find a suitable reliable service.

FINANCIAL ADVICE VERSUS FINANCIAL COUNSELLING

The terms financial adviser (or financial planner) and financial counsellor are frequently confused. They have quite distinct meanings and the difference is important to understand.

A **financial adviser** is a person who is licensed under an Australian Financial Services Licence issued by ASIC to offer 'personal financial advice' on financial products (for example superannuation, life insurance and managed investments). A financial adviser engages in a commercial process which is usually called 'financial planning' on which fees, commissions and other forms of remuneration are charged to clients.

A **financial counsellor** is a person who is authorised by ASIC to offer advice in the form of counselling to people who are experiencing major financial difficulties. This is always a free service and does not involve product advice and 'financial planning'. Typically, a financial counsellor is employed by a not-for-profit or charity and helps clients resolve their current financial issues as well as providing education and support so they are less likely to get into financial difficulty again in the future.



ADF FINANCIAL HELPLINE

Since inception, ADF Consumer has helped members and their families suffering financial hardship by assisting them to find a suitable financial counsellor. We have developed relationships with the peak body, Financial Counselling Australia (FCA) and an informal network of individual financial counsellors to whom we may refer our clients from time to time.

We have also recently commenced a trial of a dedicated financial counselling service for current and former members and their families, the ADF Financial Helpline. We have collaborated with Bravery Trust, a military charity specialising in helping veterans and families in financial hardship, for the trial. The aim is to determine whether a dedicated service is more capable of meeting our peoples' needs than mainstream services. Bravery Trust has commenced providing financial counselling services and is conducting an evaluation of this service.

The criteria for success include that the services are:

- **Timely** – clients receive assistance promptly;
- **Tailored** – the people providing the service understand the unique features of Service life and the entitlements and support available to members and families;
- **National** – able to be delivered effectively for members and families anywhere in Australia; and
- **Fit for purpose** – at least as effective as those provided by mainstream financial counsellors.

We intend to use the lessons from the trial to improve the financial counselling services available to members and their families. The next steps will depend on the outcomes of the evaluation.



FINANCIAL ADVICE REFERRAL PROGRAM

Upon the request of the Chiefs of Service Committee (COSC) in 2012, ADF Consumer established the Financial Advice Referral Program for ADF members and their families. Its purpose is to help our people find a financial adviser who is not influenced by conflicts of interest. The Hayne Royal Commission and a number of other inquiries and financial scandals in recent years have uncovered a problem in the financial advice industry relating to 'conflicted remuneration' – a situation where many financial advisers' interests conflict with their clients' interests because of the way they are remunerated. For example, percentage fees on assets under management, encouraging advisers to minimise the advantages of paying off debts over investing. The Program provides a list of advisers who operate without remuneration based conflicts of interest who are therefore more likely to provide advice in their clients' best interests.



FUTURE INITIATIVES

In 2019, we had started planning and making improvements to our services, particularly in the digital and online area. The COVID-19 pandemic has increased the necessity and urgency; and sharpened the focus of those improvements. Our priority projects for the coming year include the following:

FURTHER DEVELOPMENT OF THE EMPLOYMENT PACKAGE ESTIMATOR

We will continue to develop our ADF Employment Package Estimator in order to improve the quality and usefulness of information available to members and families on the value of the ADF employment package. Planned improvements include:

- A guide and estimator for members considering moving between service categories, particularly between Service Category (SERCAT) 6 and SERCAT 7; and
- A guide and complementary employment package estimator for prospective members.

PROVIDING MORE HELP WITH GETTING FINANCIAL ADVICE

We will continue to help members and families access suitable financial advice, including through:

- Exploring the use of 'robo advice' financial technology to provide a more affordable option; and
- New content on getting financial advice, including an updated educational film.



BROADENING OUR FINANCIAL EDUCATION

We will broaden the scope of our online and face to face financial education including with:

- More information for potential ADF members;
- A new comprehensive initial training education package;
- Tailored information for ADF families;
- A new educational package tailored for members in their first two years post transition; and
- New more accessible, practical content including quizzes and frequently asked questions (FAQs).

FURTHER IMPROVING OUR USE OF TECHNOLOGY

We will continue to improve our effectiveness through the use of technology including:

- New online presentations;
- New and improved video content;
- Better targeting and use of the ADF Consumer newsletter; and
- Implementation of advanced analytics to further tailor our content and education for members and their families







THE CENTRE'S MEMBERS

CHAIR:

Air Commodore Robert M. C. Brown AM

HEAD PEOPLE CAPABILITY:

Major General Natasha Fox AM CSC

NAVY REPRESENTATIVE:

Commodore Matthew Buckley CSC RAN

ARMY REPRESENTATIVE:

Brigadier Matthew Patching

AIR FORCE REPRESENTATIVE:

Air Commodore Karen Ashworth CSC

DIRECTOR NATIONAL OPERATIONS:

Ms Margot Kropinski-Myers

MANAGER OPERATIONS:

Mr Frank Lilley



ADF FINANCIAL SERVICES CONSUMER CENTRE

Helping members and their families
through independent financial education

adfconsumer.gov.au

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