Tuesday 18 August 2026

Victorian Law Reform Commission
GPO Box 4637
Melbourne VIC 3001
Via email: legal.privilege@lawreform.vic.gov.au

RE: Legal Privilege and Integrated Legal Assistance Services review

Dear Commissioners,

Financial Counselling Victoria (FCVic) welcomes the opportunity to provide feedback on the Victorian Law Reform Commission's consultation regarding legal privilege and integrated legal assistance services.

FCVic strongly supports integrated service delivery models and recognises the significant benefits they deliver for clients experiencing disadvantage, particularly where legal issues are intertwined with financial hardship, family violence, consumer issues, housing insecurity and other social challenges.

FCVic's submission draws on the experiences of financial counsellors working within community legal centres and integrated service settings across Victoria. A key theme emerging from those experiences is that integration does not exist as a binary distinction between 'loosely integrated' and 'closely integrated' services. Rather, integration operates along a continuum, with services adopting different approaches depending on their client cohort, organisational structure, risk appetite, staffing model and area of practice.

Financial counsellors participating in the FCVic FCs in CLCs Network describe highly integrated models where lawyers and financial counsellors routinely collaborate, share information and jointly develop client strategies, alongside models with strong information barriers, separate files and more limited information sharing.

For this reason, FCVic considers that any reform of legal privilege should avoid rigid distinctions that assume only two categories of service delivery. The consultation paper identifies four service models and suggests different approaches to privilege based on whether integration is 'loose' or 'close'. In practice, many services sit somewhere between these categories, or move along the continuum depending on the matter type and client needs.

A legislative framework that is overly prescriptive risks creating uncertainty and may inadvertently discourage effective collaboration.

The experiences of financial counsellors also demonstrate that the relationship between lawyers and financial counsellors differs from some other integrated practice settings. In many matters, both professionals are working on the same presenting issue, albeit through different professional lenses.

As discussed during a recent Network meeting attended by the VLRC review team, financial counsellors and lawyers dealing with economic abuse, irresponsible lending, debt disputes and financial hardship are often asking similar questions and gathering the same information from clients. In some services, maintaining strict information barriers is neither practical nor desirable because the same information is required by both professionals to achieve the best outcome for the client.

Financial counsellors regularly gather, analyse and organise information that is necessary for their legal colleagues to provide accurate legal advice and representation. In integrated legal assistance settings, this function often bears similarities to the role performed by paralegals and other legal support staff, who assist lawyers by collecting and managing information relevant to the provision of legal advice and representation. While financial counsellors are distinct professionals with their own qualifications, ethical obligations and areas of expertise, these functional similarities may provide a useful analogy and demonstrates that financial counsellors ought to be afforded the same protections.

Effective financial counselling depends on clients feeling able to disclose sensitive information freely, and clients are more likely to do so when they understand that their communications are protected.

Importantly, integrated practice also reduces the need for clients to repeatedly recount traumatic experiences. Financial counsellors reported that shared approaches can minimise re-traumatisation, particularly for clients experiencing family violence, by enabling clients to tell their story once and receive coordinated legal and financial support. This benefit should be given significant weight in considering any reform options.

Particularly, clients commonly view a community legal centre as a single service and do not necessarily distinguish between lawyers, financial counsellors and other professionals involved in their matter. Many clients reasonably assume that information provided to one professional will be available to others assisting them. Therefore, any privilege framework should seek to minimise this complexity for clients rather than requiring them to navigate technical distinctions between privileged and non-privileged communications.

FCVic supports reforms that enhance protection for communications within integrated legal assistance settings. However, we caution against approaches that fail to recognise the nuances of different service models and practice areas. Some areas of practice are likely to require additional consideration. Family violence matters, for example, routinely involve complex interactions between financial counselling, legal advocacy, risk assessment and safety planning. Similarly, matters involving child protection, mandatory reporting obligations, information sharing schemes or other statutory disclosure requirements present challenges that may not arise in consumer, debt or civil law matters.

Accordingly, FCVic considers that any extension of privilege should be carefully designed to accommodate existing statutory obligations that are fundamental to the role of many professionals including financial counsellors.

Financial counsellors operate within a framework that prioritises client safety, informed consent and lawful information sharing. Participants in the consultation highlighted the importance of acknowledging mandatory reporting and information-sharing obligations and the possibility that any privilege may need to be qualified in particular circumstances. These interactions require careful consideration to ensure that reforms provide clarity for practitioners and clients alike.

Further, financial counsellors have long operated within a professional framework that includes explaining the limits of confidentiality to clients, including the possibility that records may be subpoenaed or otherwise lawfully disclosed. The current use of consent forms, information-sharing arrangements and file management practices in integrated services should be understood within this broader context. While these mechanisms assist organisations to manage privilege risks, they are also extensions of existing professional practices relating to informed client consent and transparency regarding confidentiality.

FCVic does not consider that clients should be required to choose between receiving integrated support and maintaining their legal rights. The consultation paper notes that some organisations rely on consent processes that effectively require clients to accept a risk to privilege in order to access holistic services. Similar practices were described by financial counsellors who use consent forms to explain risks associated with information sharing where clients require a coordinated response. While these mechanisms are necessary under current arrangements, they are an imperfect solution and can place additional burdens on people already experiencing significant disadvantage.

Ultimately, FCVic supports integrated service delivery because it delivers better outcomes for clients. Financial counsellors working in integrated settings consistently reported benefits including more holistic support, improved strategic decision-making, stronger professional collaboration and better client outcomes.

These benefits align with the consultation paper's recognition that integrated legal assistance services improve access to justice and help address the interconnected legal and social needs of people experiencing disadvantage.

FCVic therefore encourages the Commission to adopt a reform approach that:

1. recognises the diversity of integrated practice models operating across the legal assistance sector and avoids prescribing a binary model of service delivery;
2. accommodates the diversity of integrated practice settings across the legal assistance sector;
3. supports effective collaboration between lawyers and financial counsellors;
4. provides appropriate safeguards for areas involving family violence, child protection and other sensitive practice areas;
5. preserves compliance with mandatory reporting and statutory information-sharing obligations; and
6. promotes integrated service delivery as a key mechanism for improving access to justice and client outcomes.

Thank you for the opportunity to contribute to this important inquiry. [redacted]

Regards,

[redacted]

Zyl Hovenga-Wauchope
Chief Executive Officer
Financial Counselling Victoria