

Consumer Credit Legal Centre NSW

Annual Report
2012 - 2013

Consumer Credit Legal Centre acknowledges the financial support provided by the Financial Counselling Services Program administered by the NSW Department of Finance and Services (Fair Trading), the Community Legal Services Program of the State and Federal Attorney-General's Departments, and the Commonwealth Financial Counselling Program administered by the Department of Families, Housing Community Services & Indigenous Affairs (now the Department of Social Services) for our core services. We also acknowledge project & other funding from the NSW Public Purpose Fund and Legal Aid NSW.

Consumer Credit Legal Centre (NSW) Inc

Level 1, 80 Cooper St. Surry Hills NSW

PO Box 538 Surry Hills NSW 2010

Credit and Debt Hotline: 1800 007 007

Insurance Law Service: 1300 663 464

Email: info@cclcnsw.org.au

Websites: www.cclcnsw.org.au & www.insurancelaw.org.au

Office Hours: 9:30am – 5:00pm weekdays

Administration: (02) 9212 4216

Fax: (02) 9212 4711

ABN: 40 506 635 273

Consumer Credit Legal Centre (NSW) Inc. ("CCLC") is a community legal centre specialising in financial services, particularly matters and policy issues related to consumer credit, banking and debt recovery. It is the only such Centre in NSW.

CCLC has a particular focus on issues that affect low income and disadvantaged consumers.

The goals of CCLC are:

- To assist consumers of financial services, particularly disadvantaged consumers, to effectively assert their rights and protect their legitimate interests.
- To promote consumer understanding of financial services regulation, policy and industry practice.
- To achieve redress for individual clients of the Centre.
- To promote reforms in regulation, policy and industry practice that will help create a fairer marketplace for consumers of financial services, particularly disadvantaged consumers.
- To achieve excellence in all aspects of the management and administration of a small community organisation.

In order to meet these goals, we:

- Provide information, legal advice and referral in relation to banking, credit, debt, insurance and related matters to consumers and community/welfare agencies;
- Provide ongoing casework services in relation to banking, credit and debt, insurance and related matters to consumers and community/welfare agencies. Where appropriate, this might include legal representation at Tribunal or Court hearings, and/or advocacy through industry dispute resolution schemes;
- Conduct community legal education on, and raise public awareness concerning regulation, industry practices and consumer issues in the areas of banking, credit and debt, insurance and other financial services. We also develop and disseminate CLE resources, such as kits and fact sheets, to different target groups;
- Pursue pro-consumer reforms in financial services' regulation (including self-regulation), policy and industry practice through casework, campaigns, and participation in policy development and review processes; and
- Develop and maintain the operation and management of the Centre.

CCLC Staff	6
Volunteers & Pro Bono Advice	7
Management Committee	8
Chair's Report	9
Coordinator's Report	10
Principal Solicitor's Report	11
Advice & Casework Overview	12
Credit & Debt Hotline	13
Credit & Debt Casework	16
Financial Counselling Casework	19
Mortgage Hardship	20
Pay Day Lending	22
Insurance Law Service	23
Client Demographics	26
Education	28
Policy & Law Reform	30
Administration Report	32
Financial Statement	33

Staff

Coordinator	Karen Cox
Principal Solicitor	Katherine Lane
Senior Solicitor	Alexandra Kelly
Senior Solicitor	Alice Lin
Senior Solicitor	Susan Winfield
Solicitor	Patricia Bray (Feb 2013 onwards)
Solicitor	Todd Buttsworth (Jan 2013 onwards)
Solicitor	Elisabeth Coroneo
Solicitor	Anjuma Kammanankada (Oct 2013 onwards)
Solicitor	Jennifer Lewis
Solicitor	Justin Lodge
Solicitor	Genevieve Schulz (Jul-Dec 2012)
Solicitor	Claire Shidiak Khoury (Jul-Aug 2012)
Solicitor	Harshanie Sooriyabandara
Solicitor	Hann Thea (July 2012-May 2013)
Policy & Communications Officer	Julia Davis (January 2013 onwards)
Senior Financial Counsellor	Lynda Johns
Senior Financial Counsellor	Greg Russell
Financial Counsellor	Christine Bahari (October 2012—Apr 2013)
Financial Counsellor	Marie Druon
Financial Counsellor	Denise Lake (until November 2012)
Financial Counsellor	Marianna Minhinnick
Financial Counsellor	Helen Rees
Financial Counsellor	Peter Schulz
Finance Officer	Len Kasper (Apr 2013 onwards)
Finance Officer	Chris Maddison (until April 2013)
Office Manager	Nicola Sutton
Office Manager	Kalie Zervos
Locum Office Manager	Rhonda Bown
Locum Office Manager	Anthony Lane

CCLC would like to acknowledge our sincere thanks to the following:

Practical legal training volunteers:

Angela Leung

Kim (Teener) Nguyen

Mark Elles

Charles Ukaegbu

Julie Nguyen

Christopher Michaelides

Kate McMurtie

Ruthanna Klawansky

Barristers providing pro bono advice:

John Kelly SC

Paul Batley

Ventry Gray

Adrian Maroya

Aditi Rao

Management Committee

Chairperson	Margaret Raffan
Treasurer	Matthew Simpson (until Dec 2012) Paul Baker (From Jun 2013)
Deputy Chairperson	Elissa Freeman (on maternity leave)
Secretary	Paul Baker
Ordinary Members	Amy Kilpatrick John Burke Karen Cox (Coordinator) Nicola Sutton (Staff Representative)

Thank you to Len Kasper & Chris Maddison, Finance Officers, for their regular attendance and advice to the committee. Chris Maddison left the Centre in April after doing a wonderful job for six and a half years.

Chair's Report

As in previous years, the Consumer Credit Legal Centre has faced increasing demand for its services across most of the categories for which advice and information are provided, but, in particular insurance-related calls have risen 55% over the last financial year. Not surprisingly this has placed considerable strain on resources, with 92% of callers being provided with legal advice while 8% were provided with information or referrals.

This call on resources has been partly offset by a substantial one-off grant from the Commonwealth to provide services to insurance consumers. We also thank Legal Aid NSW for their continuing support for this important service over a number of years now. The Commonwealth and New South Wales Attorneys General continue to be major funding sources for the Centre, as are the NSW Department of Finance and Services and the Department of Families, Housing, Community Services and Indigenous Affairs. Again, we express our thanks to governments for their continued support. Regrettably, the Public Purpose Fund support for the Mortgage Hardship Service ended at the end of this financial year. However, the demand for assistance in this area continues.

While last year's independent cost benefit analysis underscored the Centre's efficiency and effectiveness, this year has seen a number of operational developments which assist in the provision of high quality essential services to disadvantaged and low income consumers of financial services. The Centre's websites facilitate self-help options for those consumers who are able to access and use the materials provided. This allows the Centre to concentrate resources where they are most needed to assist consumers who are unable to adequately take action on their own behalf. Hits on the CCLC website were up 42% this years over last year. The Insurance Law Service website almost doubled its number of unique visitors and hits to this site were up 72%. The website also benefits other organisations and its increased use over the year is gratifying.

The focus on the sharing of information and resources continues across the Centre's community education activities in the form of presentations and workshops to financial counsellors, Legal Aid and Community Legal Centre lawyers in order to provide specialist legal information. This information is also provided in publications. In addition, the Centre gives workshops for Community Workers who assist migrant and special needs communities – clearly those especially vulnerable when undertaking complex financial transactions. Publications in the major community languages also assist workers in this regard.

Naturally, by providing front-line services, the Centre is ideally placed to provide advocacy on behalf of its clients in assisting policy and law reform, and to this end has contributed to a significant number of reforms over the year. These include the continuing process of credit reform, the Credit Reporting Code, a payday lending project as well as the Review of the General Insurance Code of Practice.

As always, a service reflects its leadership. Co-ordinator Karen Cox and Principal Solicitor Katherine Lane continue to provide inspiration to the Centre's committed and talented team, whose high quality work is evidenced by the figures shown in this Annual Report.

The Management Committee is no less committed to the objectives of the Centre and strives to provide whatever support and guidance is required. This year, regrettably, has seen the loss of two long term members, Matthew Simpson and Michael Sadaat. The Committee thanks them sincerely for their valuable contribution over the years. The remaining members, Elissa Freeman, Amy Fitzpatrick, Paul Baker and John Burke, were pleased to welcome Emma Curtis to the Committee and look forward to working together in the coming year.

Margaret Raffan

Chair

Coordinator's Report

CCLC staff excelled themselves again this year, with over 20,000 calls for advice and assistance being handled and 478 files opened. At the same time, 435 matters were finalised with some great results, some of which are included in this report. Again our record results were due in part to increased funding and we thank our funders for continuing to recognise and respond to the need for independent, expert advice and assistance for people in financial difficulty.

In this financial year CCLC installed a new phone system, giving us access to data analysis about incoming calls for the first time. As we have long suspected, demand for our service still far outstrips our ability to respond within the resources available. In a 6 month sample period in 2013 we lost 30% of calls to the Credit and Debt Hotline and a whopping 60% of attempted calls to the Insurance Law Service as a result of the available staff already being busy on other calls. This is despite an overall increase in calls taken (a 55% increase in the case of insurance related calls). It would be wonderful if this national service could be properly funded to meet this clearly articulated demand.

Unfortunately, our Mortgage Hardship Service, which has been funded by the NSW Public Purpose Fund (PPF) since 2009, ended with the conclusion of this financial year. We thank the PPF for its support over this period. While demand for mortgage hardship assistance has eased since its peak in 2011, CCLC is still receiving 150-160 calls for assistance per month in relation to mortgages in 2013. Further, the reduction in staff numbers as a result of this funding ceasing inevitably impacts on resources across the whole Centre, as all staff members have taken their turn on the Credit and Debt Hotline and the overwhelming majority of our intake for mortgage matters is via this route. This will only serve to exacerbate the *lost call* statistics referred to above.

I would like to thank our ongoing funders – Attorney General's State and Commonwealth, the NSW Department of Finance and Services (Fair Trading Division), Legal Aid NSW, and the Commonwealth Department of Social Services (formerly Families, Housing, Community Services and Indigenous Affairs). I would also like to thank the departmental staff who manage these programs, along with our Legal Aid NSW based program manager, for their ongoing support.

In this period we trained up 6 new staff members, only 2 of whom are still with us in the new financial year. This was largely as a result of temporary funding. This has been a big effort on the part of our senior staff, and I congratulate all staff, including those who have now moved on, for the fantastic amount of work done and the outcomes achieved. As always, I extend special thanks to our stalwart Principal Solicitor Katherine Lane, who has had a particularly challenging year, but has never wavered in her dedication to the work of CCLC and to advancing our clients' best interests.

The impact our financial counsellors and solicitors have had on people's lives is perhaps best expressed by those clients themselves [quotes from CCLC client satisfaction surveys for 2011-2012]:

"I was deeply depressed & having to vacate my home of 29 years, I thought that nothing could be done... But [CCLC solicitor] gave me hope support advice & achieved the outcome that I never thought possible."

"I feel you provide a wonderful service when people feel the desperation I felt it is amazing how your service helped me cope."

"Forced the insurance company to do its job properly, resulting in a significant payment to me and my wife – [CCLC was] a bedrock of support, full of prompt and learned advice."

Karen Cox

Coordinator

Principal Solicitor's Report

When I started work as a solicitor at CCLC in 2001, I had no idea that the demand for our services would continue to grow so steadily over so many years. Yet it has and this demand has meant we spend a lot of time trying to work smarter with our limited resources.

A key and ongoing challenge for CCLC is trying to meet demand while maintaining the quality of our very specialist advice. It cannot be stressed enough how important it is that consumers have access to specialist advice on credit, debt and insurance. Financial services is an extremely complex area and consumers need access to that expertise. Consumers tell us regularly how relieved they are to find advice being given by solicitors or financial counsellors that clearly know their specialist area. This feedback reinforces the important role of specialist community legal centres.

Demand for the Insurance Law Service has continued to rise. The demand is so significant, it is impossible with our current resources to answer all the calls. This demand spike is not just related to natural disasters. There is a general, every day, demand for legal advice about insurance claims and car accident debts. It is evident that consumers need access to specialist advice to assist in understanding their rights in dealing with the insurer.

Another important aspect of our work this year was the payday lending project. The project involved focussing on advice, casework and education of consumers, community workers and financial counsellors regarding payday loans. Research shows that it is often the most disadvantaged consumers who access payday loans. This accords with our advice and casework experience. For this reason, it was important to investigate the compliance of these types of loans with the National Credit laws.

We found that there were significant and systemic problems with payday lending including:

1. Systemic lack of compliance with the responsible lending provisions of the credit laws;
2. Systemic avoidance of the interest rate cap of 48% p.a. interest rate cap in NSW (while it was in force); and
3. That a number of lenders continue to operate outside the regulatory regime for consumer credit.

It remains of concern to CCLC that these systemic issues are ongoing. Non-compliance with consumer protection laws indicates a serious problem with the entire payday lending industry. It is noted that similar systemic problems with payday lending have been identified in the US and the UK. CCLC will continue the important work of representing consumers in matters where payday lenders have not complied with the credit laws.

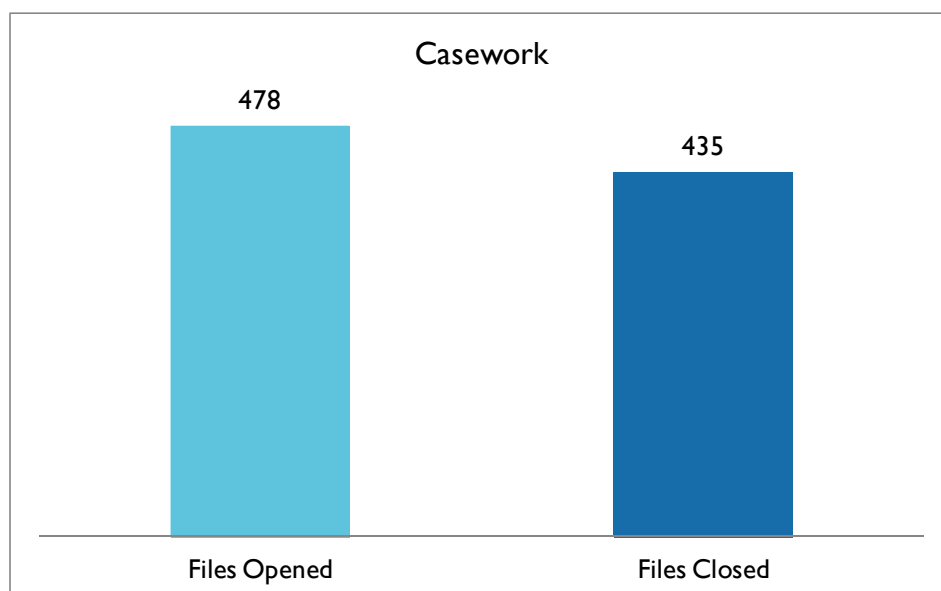
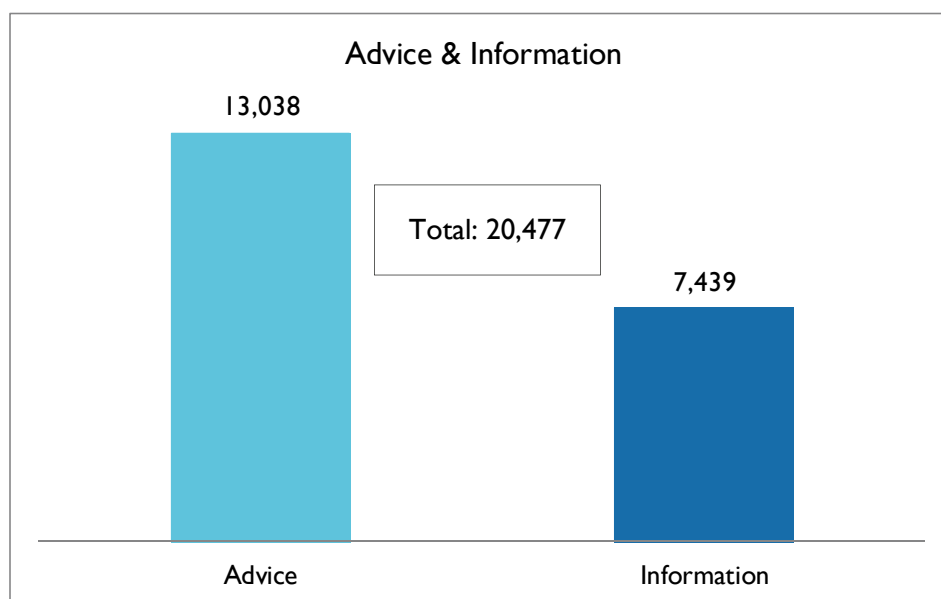
I want to thank my whole team for getting better and better at advice, casework, CLE and law reform every year. I particularly want to thank the senior solicitors and senior financial counsellors for their amazing work in providing guidance to the team and support and assistance to me. Lastly, I want to thank Karen Cox, the Coordinator, for being endlessly supportive and incredibly knowledgeable.

Kat Lane

Principal Solicitor

Service at a glance

CCLC staff handled 20,477 calls and opened 478 files in the course of the financial year 2012/2013.

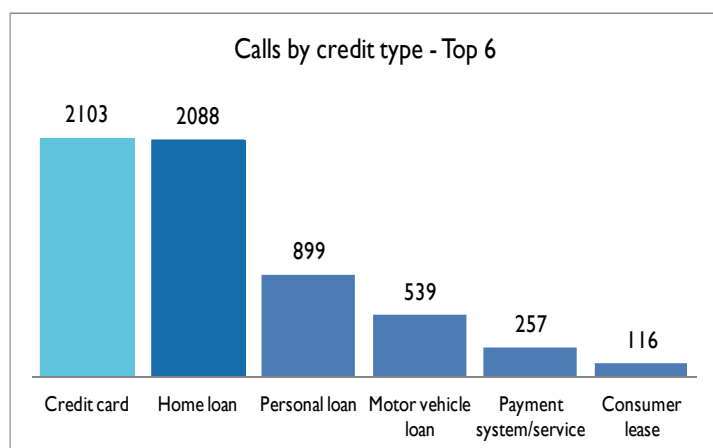


Credit & Debt Hotline

14,836 calls were taken by the Credit and Debt Hotline in 2012/ 2013. These were made up of 7,864 advice calls and 6,972 information and referral calls. Financial counsellors handled 65% of the information calls and 57% of the advice calls. The remainder were handled by solicitors.

The Consumer Credit Legal Centre (CCLC) operates the Credit and Debt Hotline (CDH), which provides legal advice and financial counselling information and referrals to NSW residents. This is a telephone service and it is the central point of contact for people requesting assistance in relation to credit, debt and financial hardship. Callers are given initial information, legal advice (if appropriate) and a referral to a suitable face-to-face financial counselling or legal service. Some clients receive ongoing casework assistance from CCLC.

The type of inquiries to the CDH range from the simple - including consumers asking for the contact details of their nearest financial counsellor or how to get a copy of their credit report - to very complex inquiries requiring legal advice in relation to home mortgages and bankruptcy proceedings.



Credit cards overtook home loans in this period as the most common product held by consumers seeking assistance, but home loans were close behind. Many of the personal loans recorded were pay day loans and other small amount, high cost contracts. There was also an increase in people seeking advice about payment system problems. Council rates

remained the most common debt type after consumer loans, but strata management fees fell to third place this year after energy and telecommunications bills.

Calls to the CDH may be one-off advices, or increasingly, a series of on-going advices given to the same consumer. It is a goal of the CDH to assist consumers to self advocate and as such we provide long-term direction, as well as discrete advice depending on the type of caller and the issue presented.

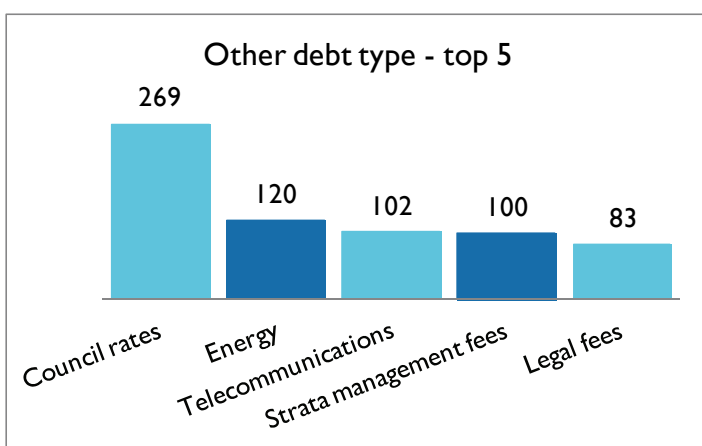
A key function of our staff on the phones is to determine the level of assistance required by a consumer. Many consumers who are able to self-advocate with little guidance are referred to resources on the CCLC website for sample letters and fact sheets. Others are referred to their creditor's internal dispute

resolution contacts or external dispute resolution services, with CCLC staff often dictating more customised letters over the phone. The CDH strives to ensure that service provision is our key priority, while also applying the knowledge gained from client contact to seek systemic solutions where appropriate.

For consumers who are unable to self-advocate, either because of the complexity of their problem, or their level of disadvantage, assistance can be provided in-house, by solicitors, financial counsellors, or both undertaking complementary tasks according to their expertise.

The majority of callers are members of the public. CCLC also provides legal support to financial counsellors across NSW. The CDH maintains support networks and contacts with Financial Counsellors by visiting regional and remote regions, providing training both in Sydney and in regional and remote areas on relevant issues, and attending various Financial Counselling Association of NSW meetings in Sydney.

CDH is funded by the Financial Counselling Services Program administered by the NSW Department of



Finance & Services; Community Legal Services Program funded by State and Federal Attorney General's Departments (AG's); and the Federal Department of Families, Housing, Community Services and Indigenous

Case study – compassionate release

Chronically ill, suffering from a mental illness and a range of serious health conditions, our client called CCLC's Credit and Debt Hotline from prison seeking assistance with her financial problems. She had nine debts ranging from \$150 to \$5,000 and totalling about \$16,000 and including \$3,000 in fines. She also had a very poor prognosis. She did not want to go bankrupt because she owned a share in the mobile home that would be her home upon release. She said she had financed the original purchase of the home with money from compensation (which would mean that in theory it would be protected in bankruptcy) but she no longer had any paperwork and could not give very coherent instructions on where proof of this fact might be located.

A CCLC financial counsellor undertook to negotiate with a number of the creditors. She also made a complaint about the debt collection practices of one entity who continued to harass the client when she was in prison and clearly had no capacity to make or arrange payment. By the time the client was released from prison she had an arrangement to pay off her fines, phone bill and site fee arrears from her Disability Support Pension. All the other creditors except one agreed to waive the debts on compassionate grounds and the remaining creditor gave the client a 12 month moratorium so that her situation could be reviewed. The client was released from prison in mid 2012 and was grateful to be able to return to her mobile home without the debts hanging over her head. She died less than 12 months later.

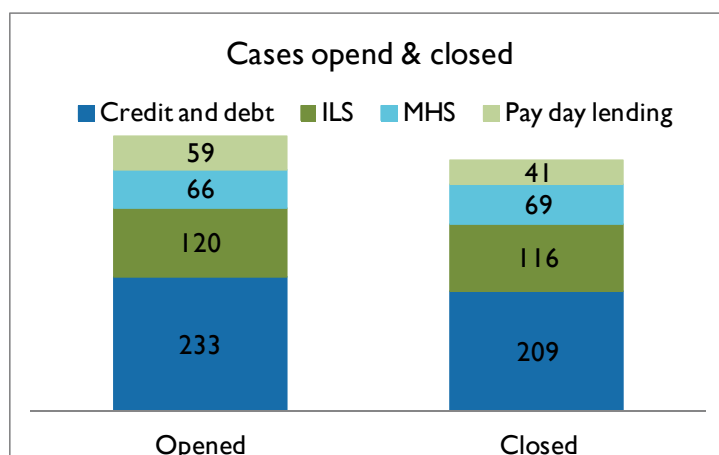
Affairs (FAHCSIA – now, the Department of Social Services).

Referrals to face-to-face financial counselling

A key role of the CDH is to refer callers to face-to-face financial counselling services in the community operated by other organisations. We provide a single point of contact for NSW residents in financial difficulty. We are well aware that financial counselling resources are stretched and therefore CDH staff try to identify callers who can self-advocate and resource them accordingly. Despite this filtering process, the number of callers referred to other financial counselling services grows each year with 6,678 referrals this financial year.

Credit & Debt Casework

Over the last financial year, the general credit and debt service at CCLC opened a total of 233 files. A further 245 files were opened by the Insurance Law Service (ILS), the Mortgage Hardship Service (MHS) and the Pay Day Lending Project. This includes files opened by financial counsellors and solicitors.



Financial hardship in relation to repaying loans to either original creditors or debt collector assignees remained the most common issue for casework, however there were a range of other issues covered. Failure to comply with responsible lending obligations and unjustness also featured. Other less frequent cases included car reposessions, strata debts, credit report listings, bankruptcy notices and creditor's petitions, telecommunications debts, guarantees or other intra-familial debt, complaints about debt agreements, consumer leases, pawn broking agreements, and linked credit sales.

We have also run a number of cases for consumers who had signed up to pay significant fees to other entities for services CCLC and many financial counsellors would provide for free – these have included credit repair services, debt negotiation services, budgeting services and brokers who refer people to Debt Agreement Administrators for a fee. In many of these cases consumers have paid fees ranging from \$1,000 to \$11,000 resulting in further deterioration of their financial position.

Casework included many matters in External Dispute Resolution (“EDR”) and Court. The graphs on the next page cover all files closed in the financial year, including insurance mortgage hardship & pay day lending (32 of the 81 Financial

Case study – high price to pay for a budget

Personal budgeting services offered for a fee have been the subject of a number of recent calls to CCLC. One client was 65 years old and on a Disability Support Pension. He works a few hours sporadically when his condition does not prevent it completely (at which times he receives a part pension). He contacted a budgeting service who prepared a “savings plan”. The consultant arranged for all of his earned income and Centrelink to be diverted to the budgeting service, which would then pay his bills and provide him with a “living wage”. In the weeks when he was reliant solely on the pension, he received only \$25 per week living expenses. He went to a financial counsellor at a local agency who arranged food vouchers to get him through the week.

He wanted to cancel the contract. He kept receiving letters and phone calls saying he was overdue on his bills, which distressed him as he otherwise had a good payment history with his creditors. It was also clear he could not live on \$25 per week. He had already paid over \$700 for the budgeting service and he was contractually obliged to pay another \$1,200.

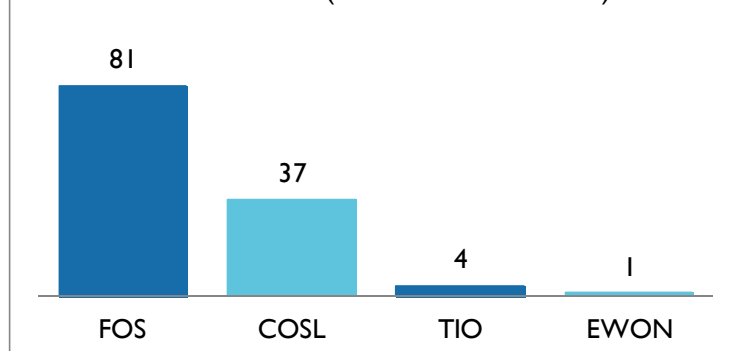
A CCLC solicitor raised a dispute and the budgeting service offered to release our client from the contract including the remaining \$1,200 fee. CCLC argued for a refund of the amount the client had already paid so that he could use this amount to catch up on his bills. This amount was eventually refunded after the solicitor lodged a dispute with the Financial Ombudsman Service.

Case study – overzealous debt collection

After 16 years our client was pursued by a debt collector for an alleged phone bill of \$375 plus interest. The debt collector had issued 53 garnishees on bank accounts in an attempt to collect the debt. A CCLC solicitor succeeded in getting the judgment set aside and made various offers to settle the debt which were rejected. The debt collector was by then seeking \$1,800.

The matter went to hearing and the Local Court decided in our client's favour on the basis that the debt collector had not established the existence of the debt. There were also irregularities in the notice of assignment and the calculation of interest but these were all ultimately irrelevant when the original debt was not proven.

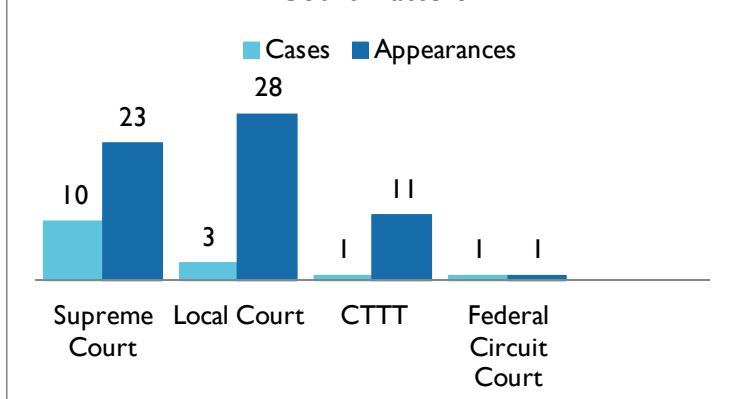
Cases in EDR (based on closed files)



Ombudsman Service matters, for example, are insurance files). Files still open at the end of the financial year have not been included.

The number of matters in Court is included in the graph below. This includes files closed in the 2012/2013 financial year only. Appearances on these files may have occurred in earlier years depending on how long the file has been open.

Court matters



Many other appearances have not been included here because the relevant file was not closed at the conclusion of the financial year.

The matters in the Supreme Court relate largely to applications for temporary stays of eviction in the Possessions List. In most cases these applications enabled the borrower more time to move out and/or find alternative

The debt collector then lobbied the then Insolvency and Trustee Service of Australia to appoint a trustee to re-open the client's husband's 10 year old bankruptcy and attempt to set aside a family court order giving \$35,000 from the proceeds of sale of a joint property to our client. Our client has no assets any more and the action appeared nothing more than severe harassment and retribution for the debt matter. CCLC assisted the client to respond to enquiries from the trustee and complained to ASIC about the actions of the debt collector.

Case study – beware credit repair

Disappointed to find a default listing on her credit report when she wanted to apply for finance, our client rang a company offering to assist with improving credit reports. She explained that the default stemmed from a disputed telephone bill. The consultant took her bank account details and said there would be a \$900 fee upfront and another \$900 fee if the default listing was successfully removed.

The client hung up the phone and had a complete change of heart – this seemed like a lot of money. She immediately called the NSW government Fair Trading Division, who advised her she could lodge a complaint in the Telecommunications Industry Ombudsman Service free of charge. She did so and the dispute in relation to the default listing was resolved the very next day.

Our client then rang the credit fix company to say that she didn't want their help anymore and cancelled the direct debit authority. The company said that client was still liable to pay their \$900 fee and that they would be charging dishonour fees if she failed to make the scheduled payment. CCLC wrote to the company and they quickly withdrew their claim for their fees. CCLC has complained to ASIC about a number of these companies who often charge consumers significant fees to access external dispute resolution services that are available to consumers for free.

accommodation, or the opportunity to negotiate to sell their own home rather than face eviction (See Mortgage Hardship Casework Service on page 20).

Complaints

In this same period at least 36 complaints were made to ASIC, one to the ACCC and two to the police. Due to limitations in our database, these numbers only relate to complaints made when a file is opened for that purpose alone. Where a complaint is made as an adjunct to a substantive dispute in EDR, then this is not currently captured.

In this period ASIC took enforcement measures which were directly related to issues raised by CCLC and other consumer advocates:

Over 6,400 consumers were to be refunded more than \$3.3 million by RHG formerly known as RAMS, following concerns raised by ASIC about discharge and early termination fees charged on home loans terminated since 1 July 2010. Early termination fees on mortgages have now been prohibited by law, although may still apply in relation to mortgages entered prior to the introduction of the ban.

As a result of proceedings commenced by ASIC, the Federal Court of Australia has found one of Australia's largest debt collection companies, ACM Group Limited, harassed and coerced debtors and engaged in 'widespread' and 'systemic' misleading and deceptive conduct when recovering money.

Case study – dodgy devotees exploit vulnerability

Our clients turned to a church group for support after their second child was born with a serious heart condition affecting his development. After months of regular prayer sessions with the church group, the clients began noticing improvements in their son's condition. The church elders then told the clients that their son's healing was a blessing from god, and that if they did not agree to do god's work by borrowing money to help the church invest in property developments, god could take his blessing away.

One of the church elders was also a finance broker and arranged a substantial advance on top of the clients' existing mortgage, which they had little hope of ever repaying. One of our clients had stopped working to care for their son, and the other was already working two jobs to keep up to date with their existing mortgage. The church elders made some repayments towards the loan before they were made bankrupt and their investment company put into liquidation.

Our clients were faced with repossession proceedings in the Supreme Court. When they contacted CCLC there was already a judgment against them for the entire amount of the mortgage and eviction was only a matter of time.

CCLC instructed counsel to apply to set aside the default judgment in the Supreme Court, and issue a Statement of Claim against the other parties involved, including the company the church elder/broker worked for. The matter was resolved at mediation-the clients are now able to remain in their home, servicing a mortgage they can afford.

Financial Counselling Casework

CCLC financial counselling casework clients include:

- Clients who are also being assisted by CCLC solicitors or, in the case of mortgage matters, by Legal Aid NSW solicitors;
- Clients who have difficulty in obtaining an appointment with their local financial counsellor, for example -
 - Due to medical reasons the client cannot leave their property, is unable to travel or is in hospital
 - The local financial counselling agency appointment books have closed because they have insufficient resources to take on any new clients at that point in time
 - The local financial counselling agency has a conflict or is unable to assist the client for any other reason
 - There is no local financial counselling agency available in the clients locality;
- Clients who are in prison;
- Clients whose situation is urgent as legal action has commenced or is about to commence;
- Clients who may simply need minor (one-off) assistance with drafting a complaint to an external dispute resolution (EDR) or writing a letter to a creditor.

Where possible, CCLC financial counsellors try to arrange face-to-face appointments with clients. When this is not available other methods of communication are used for example a combination of telephone / email / fax or mail, whatever is most convenient for the client.

CCLC financial counsellors opened 56 casework files and finalised 61 (not including mortgage hardship cases).

Financial counselling files usually involved a number of debts. Council rates, strata management fees and telecommunications were the most common types of debt after consumer credit (including credit cards, mortgages and other consumer loans).

Case study – promoting rehabilitation

With seven months remaining on his prison sentence and worried about a number of debts that he was unable to service, our client contacted CCLC via his welfare officer. He was separated from his wife and had a young child. He owed over \$25,000 across three credit card accounts and had a legal bill of \$10,000.

After discussing his options with a CCLC financial counsellor he opted to authorise the financial counsellor to attempt to negotiate moratoriums on repayments and interest on all the credit cards so that he could eventually repay them upon his release from prison. His extended family were helping with the legal bill.

The CCLC financial counsellor went to considerable effort to get an arrangement in place with every lender. Some of the lenders were more amenable than others and one insisted on a \$10 per month payment even while he was in gaol before agreeing to freeze the interest. Once the client was on work release he was able to pay more towards reducing his debts, but even this was some effort to arrange as all payments from the client's prison account had to be approved by the prison authorities.

Our client was later released from prison as anticipated, having reduced the balance on all his debts rather than having the interest compound and spiral out of control. He went to a well paid job so that he could return to normal repayments (and paying interest) and even reconciled with his wife.

Mortgage Hardship Service

The Mortgage Service (MHS) is a joint project between CCLC and Legal Aid NSW. It commenced in 2009 as a response to the growing number of home repossession in NSW. The project commenced with two year funding from the Solicitor's Public Purpose Fund, which was subsequently renewed for a further 12 months. With additional funds scraped together from various surpluses we managed to keep the service operating until 30 June 2013. The service targets and assists NSW residents facing "Mortgage Stress" and financial hardship, providing a holistic, multidisciplinary approach to a client's needs. The aims of the service are:

1. To prevent home repossessions in cases where this is a realistic option by providing legal advocacy, financial counselling and related assistance; and
2. To assist borrowers who cannot realistically maintain their home loan repayments in the longer term to leave their home with minimal financial loss and social disruption.

The MHS involves solicitors and financial counsellors working closely together on each client's file. There is a tangible advantage in this approach for clients, as it:

- Ensures the client's whole financial situation can be assessed, and not only the mortgage problem;
- Increases the likelihood that any solutions reached with mortgage providers are sustainable (for example, financial counsellors conduct negotiations with other non-mortgage creditors where necessary); and
- Maximises the probability that either a client's home can be saved long-term, or alternatively that the client can come to terms with selling the home as being the best option to regain control of their financial situation.

In the 2012/2013 financial CCLC has undertaken 67 cases for consumers in mortgage hardship during the course of the year. Of the 67 cases, 16 were opened by financial counsellors and 51 by solicitors.

Duty Roster Scheme at the Supreme Court of NSW

The Solicitor Scheme set up at the Supreme Court of NSW continued throughout 2012/2013, for referrals made from the Duty Registrars and Judges. The service provides advice with urgent stays on writs for possession and possible defences for otherwise unrepresented litigants in the possessions list. Between July 2012 and 30 June 2013 approximately

Case study – almost homeless with tiny baby

A frantic young woman rang the Credit and Debt Hotline at CCLC at 4:20pm. She was scheduled to be evicted from her home the following day at 11am. She had previously received a Notice to Vacate from her home loan lender but she suffered a detached retina during the last stage of her pregnancy and had asked her partner to "deal with it". Once her sight had returned, and whilst nursing her two week old baby, she discovered that nothing had been done. She had heard about the impending eviction only the day before at about 3:30pm. She had immediately called the lender and was informed that the only way to stop the eviction was to pay \$5,000 by 5pm the same day. She did not have any money to offer at all in such a short time frame.

As the caller was based 250 kilometres from Sydney she could not make it to the Supreme Court to apply for an urgent stay of eviction. A CCLC solicitor attended the Supreme Court and got an urgent stay at 10am on day of the eviction. CCLC were prepared to attend for a further stay, however the lender agreed to a stay by consent on terms of a repayment arrangement.

After some consultation with the client, she recognised that she had been struggling for some time with paying the mortgage and she decided to sell instead. She found a buyer and walked away with about \$50,000 after paying out the mortgage. She did not save the home but she was spared the hardship and indignity of being evicted at short notice with a two week old baby and still recovering from an operation. She moved out on her own terms, saved on enforcement costs, and did not have to endure a mortgagee sale.

38 clients have been advised at the Court by CCLC.

Assistance at the Court ranged from providing face to face advice in relation to statements of claim, (including lodging in the relevant external dispute resolution scheme where appropriate), to advice about appeals in the Court of Appeal, drafting notices of motion and affidavits for urgent stays on notices to vacate, to appearing for clients before the Registrar or duty Judge to obtain a further stay on a writ for possession.

As noted in the Courts section, CCLC made 23 appearances in the Supreme Court on files closed in this financial year.

Funding for this project has since ceased. CCLC is continuing to contribute to the Supreme Court roster with Legal Aid NSW but on a reduced basis. We will continue to assist clients with mortgages but we have less staff with which to offer this service and will therefore be constrained in the number of people we can assist.

Case study – happy ending

Our client was a single mum with four children. She had considerable equity in her property but with almost \$20,000 in arrears she was in serious trouble. She had fallen behind over time as a result of late child support payments. She could meet her regular repayments but had no hope of catching up on the arrears. When she found CCLC there was already a judgment for possession of the property and the family were scheduled for imminent eviction.

CCLC assisted the client to lodge in the Credit Ombudsman Service, which has a very limited post-judgment jurisdiction. The credit provider agreed to cancel the scheduled eviction. Our client's mortgage was not large and her parents then made an arrangement to pay out the loan in its entirety. This allowed the family to remain in their home and the client could pay back her family over time.

Pay Day Lending

CCLC, working in co-operation with Legal Aid NSW, conducted a 12 month project focussing on pay day lending. The project largely consisted of acting for clients, often with multiple pay day loans, to test compliance with the credit law.

CCLC opened 59 pay day lending files and closed 41 in the 2012/2013 financial year.

The project also:

- Created a Flyer called “There’s a better way than pay day” to encourage disadvantaged consumers to get advice and look for alternatives to pay day loans;
- Created resources for financial counsellors for advocating using the new credit laws;
- Made complaints to ASIC about non-compliance with the law (some of which contributed to enforcement action announced by ASIC in the months following the conclusion of the financial year).

CCLC has found widespread non-compliance with the law, with particular failures in the area of responsible lending. A number of companies have sought to avoid the application of the law altogether. New provisions have commenced in relation to small amount credit contracts in 2013 (March and July) and despite the end of the funded project, CCLC will continue to act for clients with pay day loans and will remain vigilant to ensure that the laws are both complied with and effective to protect clients from harmful debt traps.

Case study – shafted by short term credit

In need of some cash after paying for a medical procedure had eaten into her meagre Disability Support Pension income, our client sought a loan from a pay day lender. She obtained \$150 the first time. Two days later, and before any payments were due on the first loan, she borrowed another \$50. She had already defaulted on the first loan 4 times and the second loan once when she found herself in need of yet another loan which was duly granted, this time for \$75. By this time she had paid off the first loan but not the second. A few weeks later (the day after she paid off the second loan and having by then defaulted two more times on her second loan, and once on her 3rd loan), the client received her fourth and final loan from the same lender.

When she presented at CCLC our client had borrowed a total of \$375 and repaid over \$1,300. She allegedly still owed over \$700 to settle the final loan. That means that \$375 borrowed in small instalments over a 3 month period, had cost her close to \$1,675 in fees and charges. This is a perfect example of why short term, high cost lending is a poor solution for people in financial difficulty.

CCLC raised a dispute with the lender and broker on the grounds that both entities had failed to comply with responsible lending laws, that the loans were unsuitable, and that the client had been misled about the cost of the loans. Unable to settle the matter with the parties involved, a dispute has been lodged with the Credit Ombudsman Service. We have since added a further complaint to our client’s list of grievances because she continued to receive text messages encouraging her to apply for further credit even after the dispute had been lodged. The lender claims it is not covered by the Credit Law because the charges payable to the broker for transferring the money directly to our clients account are allegedly not *charges imposed or provided for under the credit contract*.

Case Study – spiralling deeper into debt

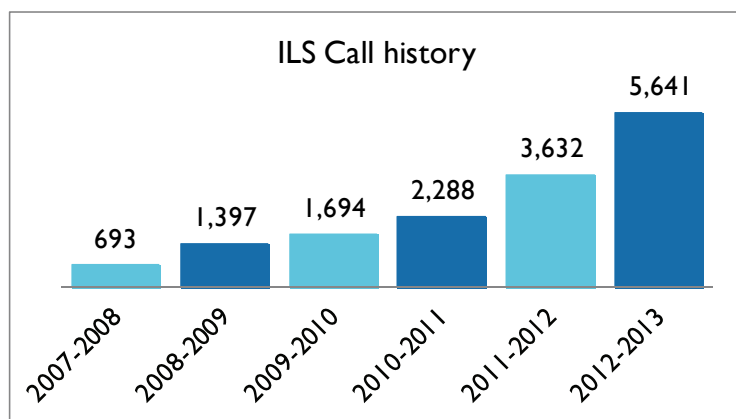
Our client had a serious pay day lending habit. One lender would allow him to refinance his debt with a new loan (and new fees and charges) every time he had paid off about 70% of the loan. Another lender would not refinance an outstanding loan but would allow him to take out a new loan the very same day that he made the final payment on the loan before. On top of this he started taking cash advances every fortnight, starting at about \$70 and increasing over time to \$100. For all of this there were significant charges which ate into his limited income and kept him *addicted* to debt.

Our client saw no way out of this endless cycle and only approached CCLC when a stint in rehabilitation prevented him from repaying his loans at all. CCLC wrote to the lenders involved alleging breaches of the responsible lending laws and the 48% interest rate cap then still applicable in NSW. Most of the lenders were keen to offer hardship arrangements but did not acknowledge any breach of applicable laws. CCLC lodged in the Credit Ombudsman Service and has since settled all matters to the client’s satisfaction.

The Insurance Law Service

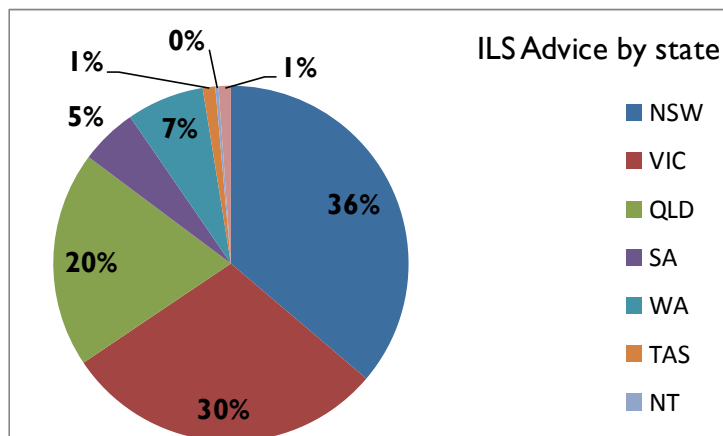
The Insurance Law Service (ILS), a national service offered by Consumer Credit Legal Centre, is funded by both Legal Aid NSW and Commonwealth Attorney General's department via the Community Legal Services Program. This year we received a substantial one-off grant from the Commonwealth in addition to our recurrent funding.

Service growth has continued at a rapid pace placing considerable strain on available resources. Clearly demand for advice and assistance in this area is high.



Advice

Legal advice is available nationally via 1300 663 464. The service answered 5,641 calls or an average of 470 calls per month during the period from July 2012 to June 2013. This represents a 55% increase in calls over the previous financial year. Ninety-two per cent of the callers received legal advice from the service whereas the remaining 8% of callers were provided with information or referrals only.



Case study – communication problems

Our client had an entitlement to total and permanent disability cover from insurance associated with her superannuation fund. She requested our assistance after she had struggled for 6 months to have her claim approved. Her condition not only affected her ability to work but also her speech and her ability to deal with stress. This had caused difficulties for her in communicating effectively with both the superannuation fund and the insurer. Two months after we became involved our client was paid out her entitlement, including interest for the delay period and compensation for non-financial loss. We also disputed the calculation of her CPI indexation, resulting in a higher payout.

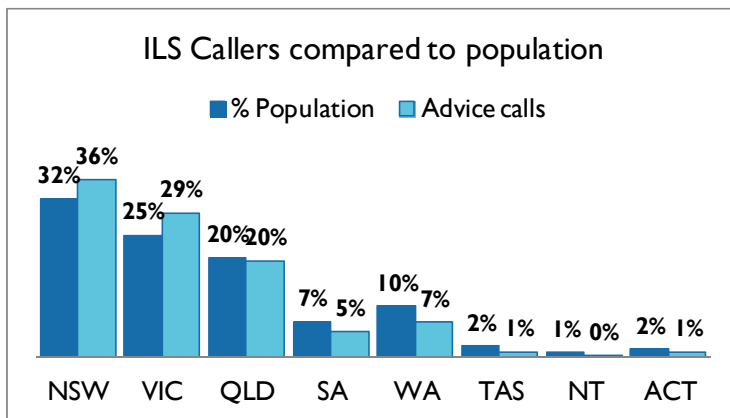
Case Study – after the deluge

A number of disputes arising out of the Queensland floods of January 2011 continued to run throughout this financial year. A number of clients being represented by either CCLC's Insurance Law Service, Caxton Legal Centre or Legal Aid Queensland were in the position where their policies covered them for flash flood only – that being sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood and stormwater run-off or stormwater run-off.

The problem faced by our clients was that the heavy rain which fell in the preceding 24 hours fell first on the Wivenhoe dam, leading the dam operators to have to let the water go rapidly in order to avoid overtaxing the dam structure. The insurers argued that this took the event outside the parameters covered by the policy – either it was the dam operators releasing the water that caused the flood rather than the rain itself, or the waters which made up the flood were a mix of rain from the previous 24 hours and earlier downfalls. We argued (as did our Queensland colleagues) that the extraordinary amount of rain that fell in the 24 hours immediately preceding the damage to our clients' properties was the proximate cause of the relevant flood, and the fact that it fell on the dam first before being released onto nearby properties below the dam did not break that chain of causation.

The Financial Ombudsman Panel found in favour of the complainants and many clients, including ours, were finally paid.

As usual, a significant number of calls (41%) were not from insurance customers but rather from consumers being pursued by insurance companies for debts. The vast majority of these calls related to motor vehicle accidents for which the caller was uninsured.



A National Service

While national promotion is a challenge with limited resources, 64% of callers for this period came from outside NSW. Victoria (at 29% of calls) was the biggest source of calls outside NSW, followed by Queensland (20%).

Calls were received from every State and Territory in Australia. A comparison of callers to the service compared to the population of each State and Territory reveals that callers from NSW and Victoria are over-represented, Queensland callers are proportionate to population and there is some room for improvement in relation to the other States and Territories which are more geographically remote to Sydney.

Natural Disasters

The ILS received 278 calls about natural disasters in this period, the vast majority of which related to storm/flood scenarios. There were also calls about bushfire, earthquakes/tremors causing damage and one about rising tidal water.

Claims – Insurance Types

The most common type of insurance claim callers sought advice about was motor vehicle insurance at 49% of claims related calls. Of these, 88% were about comprehensive insurance and 12% concerned 3rd party property policies. The next most common policy type was home insurance at 26%, with the 64% of those calls concerning home building and 36% home contents. Calls about travel insurance, life insurance and income protection insurance were next most common at 4% of calls each, followed by consumer credit insur-

Case study – overly technical rejection

An accident occurred involving a car driven by our client's wife. Both our client, the owner of the car and the policy holder under a comprehensive motor vehicle insurance contract, and his wife are from a non-English speaking background. She exchanged particulars with the driver of the other car. Our client then picked her up from the scene as the car was wrecked and they went to pick up their child from childcare. Upon returning to the scene about an hour and a half later the other party advised our client that the police had been and gone and had taken down all the details.

Our client made a claim with his insurer. The insurer rejected his claim on the basis that his wife had *left the scene of an accident without a lawful excuse*. They said it was a legal requirement that she wait for the police and provide them with her particulars.

CCLC's Insurance Law Service argued that our client's wife had complied with her legal obligations; in any event the insurer had provided no evidence that the conduct of our client's wife had in any way contributed to the loss or prejudiced the insurer's interests. The insurer agreed to pay the claim.

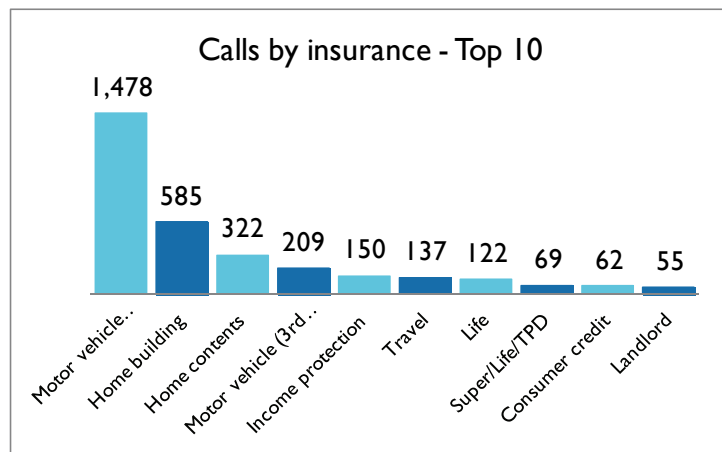
Case study – too many hoops to jump through

Life insurance is supposed to make things easier when terrible things happen. Our client had a life insurance policy which provided that if she became totally and permanently disabled while the policy was on foot then the life insurance policy would remain on foot but the premiums would be waived "*as if they had been paid*". The insurer accepted that our client was totally and permanently disabled back in 2001. However, they interpreted the policy to mean that the client had to pay the premiums monthly as before, attend medical examinations periodically throughout each year, and then receive a refund of the premium if the medical reports confirmed her ongoing disability.

Our client was going through a separation from an abusive partner, in addition to dealing with her own condition, and often failed to jump through the required hoops in order to get a refund. Further, she was out of pocket in the meantime, and she could ill afford this. By the time she approached the Insurance Law Service at CCLC she had not had a refund of premiums since 2005.

CCLC assisted the client to lodge a complaint in the Financial Ombudsman Service on the basis that the policy should be interpreted according to the plain English meaning of the words "*waived as if they have been paid*" and our client should receive a refund of all the premiums paid (and not already refunded) since she was found to be totally and permanently disabled.

ance and life/TPD attached to superannuation.



Insurance Casework

The ILS opened 120 files for the period ending 30 June 2013 (compared to 75 last year) and closed 116.

Types of insurance casework matters

Files opened ranged from clients who were only given written advice on their prospects of success after a review of documents and instructions, to cases which went all the way to determination at the Financial Ombudsman Service. Of files closed in this period, 32 had been lodged in the Financial Ombudsman Service. Of these about 8 went all the way to determination with all but one resulting in either full or partial payment of the client's claim. Home building insurance matters were the most common among casework files, followed by comprehensive motor vehicle insurance, contents insurance, consumer credit insurance, travel insurance, life insurance, TPD and funeral insurance. As in previous years a number of files were opened to assist clients in hardship who were being pursued for debts by insurance companies.

Twenty-eight matters involved storm/flood type incidents, with some of these representing the tail end of the January 2011 Queensland flood cases.

The operation of an exclusion or condition formed the basis of most disputes, but there was a wide variety of issues including disputes over quantum or scope of works/repairs, delays in processing claims, misleading representations, non-disclosure, allegations of fraud, excess disputes and automatic

Further, she should not have to pay premiums in the future, or provide any further proof of her ongoing disablement. The matter was settled to our client's satisfaction.

Case study – walking the sales talk

Our client, a young man with three children, suffered from a brain tumour. After receiving treatment it appeared to disappear along with all symptoms and he was given the "all clear". He later applied for a personal loan. In the course of the application the bank offered him consumer credit insurance. He told the bank consultant about the brain tumour and the consultant strongly recommended he take out consumer credit insurance in case he suffered a recurrence.

He was then diagnosed with a second brain tumour. His claim was refused on the basis of a pre-existing condition. CCLC assisted the client to lodge in the Financial Ombudsman Service and argued that the insurer was unable to rely on the pre-existing condition clause because of the sales person's representations that he would be covered.

The insurer relented and paid the claim.

Case study – funeral insurance rip off

The cultural norm for our client, a disability support pensioner from a non-English speaking background, is that elaborate funerals are held upon the death of a parent. He cares for his elderly mother and worries about how he will pay for her funeral when she dies. In 2005, having seen a day time television advertisement promoting funeral insurance, he rang the insurance company and arranged insurance for himself and his mother. The premiums were much more expensive than those in the advertisement but he was just able to afford them. He was given limited and misleading information about the extent to which those premiums would increase over time.

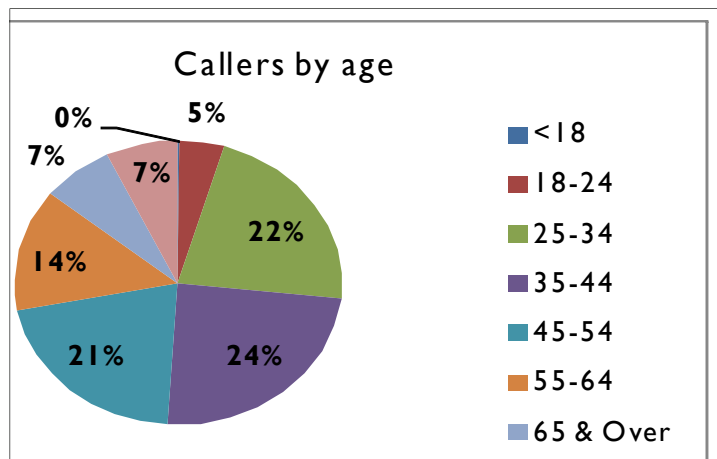
In actual fact the premiums increased by 83% within five years. Our client maintained the policy for as long as he could. Essentially he was throwing good money after bad. Eventually he could no longer afford the premiums and had to cancel the policy. He had paid over \$16,000. We assisted the client to lodge a dispute in FOS and the client ultimately opted to settle the matter at conciliation.

Access and Demographics

CCLC aims to be accessible as possible. We hope to make our services available to people from all parts of NSW and the ACT in relation to credit and debt, and to the entire country in relation to insurance. We also seek to be accessible and relevant to consumers of all ages and from diverse cultural and linguistic backgrounds. As a state-wide telephone advice service this presents ongoing challenges and we are dependent on regional Legal Aid offices, community legal centres, financial counsellors and other community organisations to

help us stay in touch with our client base. We particularly encourage referrals from rural and regional organisations, Indigenous organisations and bi-lingual workers; we also provide advice to them to assist in servicing their own clients and we make use of their facilities at times to stay in touch with our clients.

In the following sections casework clients refers to clients whose files were closed in the 2012/2013 financial year.



Age

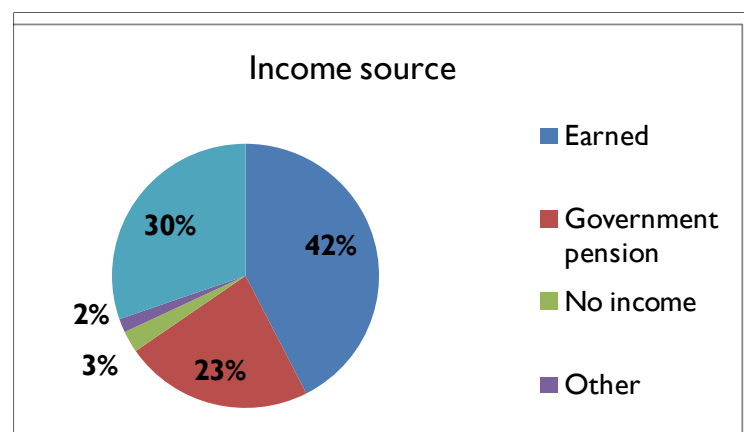
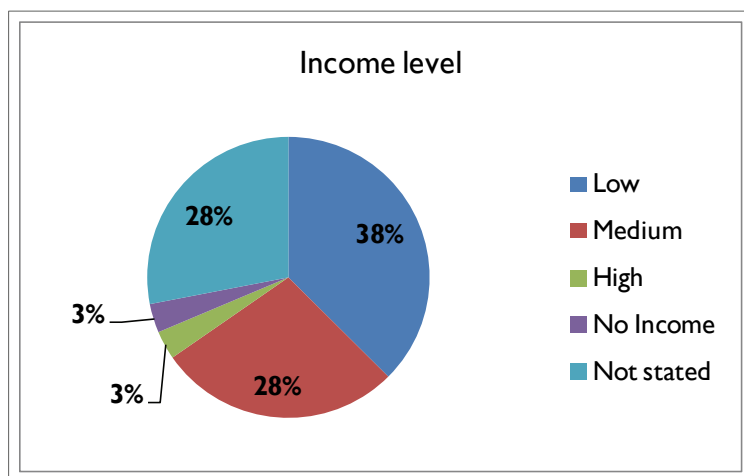
As in previous years, the largest number of callers fall into the 35-44 age range by a small margin, with 25-34 and 45-54 a close second and third. Users of the service come from all age groups, from a handful of callers under 18 to a fair sized group of over 65's. The age distribution of our casework clients follows a similar pattern but reveals a greater likelihood for older clients to meet our selection criteria for more intense assistance (over 65s for example made up 7% of advice callers but 14% of casework clients).

Gender

Callers to the advice line are 53% male and 46% female this financial year. On the other hand only 47% of casework clients were male and 53% female (or other).

Income

As would be expected, the bulk of our clients have a low or medium income or no income at all. There is no income or assets test in relation to obtaining one-off advice from CCLC, but more intensive advice and casework services are generally restricted to those who cannot afford private legal assistance. 23% of callers were in receipt of a Government payment or pension as their main source of income and 37% reported a low income (less than 26,000 per annum). As would be expected over 81% of casework clients have a medium income or less, with 56% reporting a low



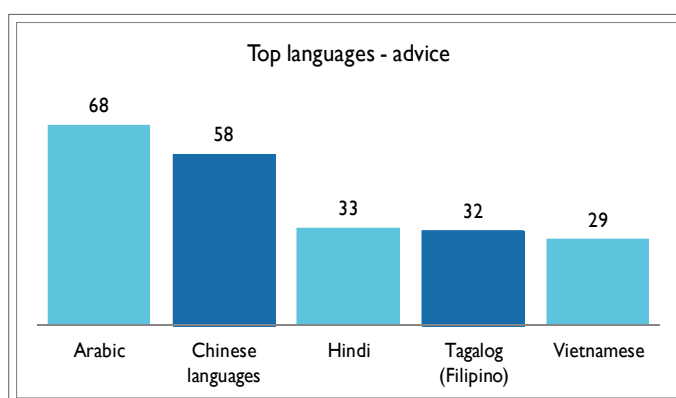
income and 4% no income. 44% of casework clients received a Government payment or pension as their main source of income.

Indigenous status

Only about 1% of callers to the service self-identified as Indigenous. On the other hand the figure for casework clients with files closed in this period was 5%.

Main Home Language

6% of callers indicated that English was not their first language or the main language spoken at home. Callers spoke many different languages, the most commonly spoken being Arabic, Chinese, Hindi, Tagalog, Spanish, Italian and Vietnamese. By contrast, 14% of clients whose files were closed in this financial year spoke a language other than English at home, reflecting the priority given to those who face particular barriers in being able to represent themselves. There were 29 non-English language groups represented among casework clients whose files were closed in this period including languages as diverse as Swahili, Kriol, Amharic, Sinhalese, Dinka, and Slovene, in addition to more commonly spoken languages such as Arabic, Chinese, Spanish and Vietnamese.



Geographical Area

While the majority of the 9,574 advice callers (76%) came from capital cities (from around Australia in the case of insurance), calls were also received from inner (17%) and outer (6%) regional Australia. In the general population capital city dwellers represent about 69% of the population, inner regional residents 20% and outer regional residents 9%. Calls were also received from remote and even very remote areas, but they made up less than 1% (compared to about 2% in the population).

For the Credit and Debt Hotline, which is NSW only, 39% of callers came from outside Sydney. The addition of quarterly visits to different regions of NSW to our CLE and advice program will also assist in making sure we reach the more vulnerable parts of the regional population – See our Education and Policy Report.

Education

Community education

Community Legal Education continues to be a vital part of the Centre's work. The presentations and workshops given to community workers are an effective use of the Centre's limited resources to achieve the aims of informing and empowering the community. The CCLC and ILS websites are particularly effective in helping our clients turn our advice into meaningful self-representation. The growth in the use of the Centre's websites is particularly encouraging.

Websites

www.cclcnsw.org.au is the Consumer Credit Legal Centre's credit and debt website. The site contains fact sheets and sample letters dealing with the most common credit and debt issues affecting people in financial hardship. The information on the site is geared toward being practical and immediately useful and is a vital corollary of the telephone advice given by the Centre. It is also used as a stand-alone resource by members of the public, financial counsellors and other community workers. This site has been used by 99,391 unique users in the 2012/2013 financial year (this is an 18% increase from the previous year) and has had 2,696, 858 hits (42% increase).

The Insurance Law Service website contains information, fact sheets and sample letters to assist people claiming on their insurance, disputing a refusal of their claim or dealing with an alleged debt to an insurance company. The site is www.insurancelaw.org.au. Like the credit and debt website it both stands alone and is an important co-resource for the ILS telephone advice. The number of users to this site has almost doubled to 76,498 unique users in this financial year and the number of hits went up 72% to 1,992,749. This year we have doubled the number of information factsheets about insurance on the website. Some of the new factsheets include information on funeral insurance, delayed claims, problems with the quality of repairs made on your property, insurance fraud investigation, rental car insurance, and how to read your PDS. At the end of the 2012/2013 financial year we added a new Email Contact Form to the website for consumers that want to reach us after hours, or who are unable to get through on the ILS hotline.

CCLC has also engaged a web design firm to relaunch both our main CCLC website as well as our Insurance Law Service website. Both sites will have new content and interactive pages for consumers. Our focus is to make the websites more user-friendly with better self-help resources in order to take some of the pressure off of our over-burdened telephone hotlines. The aim is to relaunch both websites in the next financial year. We have also engaged a graphic designer to redesign our factsheet templates.

CCLC's community education activities

CCLC community education strategy is geared toward spreading our specialist skills and knowledge in the most effective means. To this end, the following activities were undertaken by CCLC staff:

- Presentations and workshops to financial counsellors, Legal Aid and CLC lawyers, providing them with up to date specialist legal information to guide their advice and casework;
- Training was provided to trainee financial counsellors in credit and debt, mortgage hardship and insurance matters as part of their progress toward accreditation;
- Attendance and participation at conferences, seminars and meetings to maintain close relationships with the community sector and government;
- Publications created aimed at resourcing financial counsellors and Legal Aid and CLC lawyers;

- A new series of self-help checklists for consumers developed called “Know Your Rights” designed to point out the tricks and traps in car loans, home loans, using brokers, responding to a statement of claim, and insurance investigations;
- Workshops for Community Workers assisting immigrant communities and other special needs communities;
- Presentations on credit, debt & insurance to recent immigrant and refugee communities;
- Presentations on risk management to NSW Community Legal Centres and Legal Aid NSW lawyers;
- CCLC’s regular e-flyer distributed to financial counsellors, caseworkers and lawyers;
- Publications on credit and debt in English and other community languages made available on the website and in hard copy;
- Educating and supporting Financial Counsellors and caseworkers through the CDH line and by the Financial Counsellors hotline.

Regional Visits

CCLC is now building quarterly visits to regional areas of NSW into our planning on a permanent basis. While our phone service and web-based resources are a great way of reaching clients over large distances we realise that those people most in need are often those who cannot make use of such services and need face-to-face assistance.

So far we have visited Lismore, Nowra and Broken Hill (including also Wilcannia and Menindee). Advice to the public was offered in all locations, in addition to community education events for community workers and/or financial Counsellors, and/or general information stalls at community events. The advice option was not taken up by the public in Nowra and we are evaluating each visit to improve effectiveness over time. Where possible we open casework files for clients identified at regional visits and where necessary we work with an agency in the client’s local area to stay in contact with the client and assist us with obtaining instructions and documentation.

Policy & Law Reform

Policy and law reform advocacy remains a vital part of CCLC's work. Our large volume of advice and casework assists us to identify systemic issues, and many examples are used as part of CCLC submissions to properly illustrate consumer problems and inform the policy outcomes and reforms we are seeking.

As in past years, CCLC was involved in a wide range of law reform issues during the 2013/2013 financial year.

Highlights in Policy and Law Reform

- We applied for and were granted the annual CLCNSW Funding for a research project into the effectiveness of law reform and advocacy activities in CLCs across NSW. This research project will conclude in the next financial year.
- We coordinated and authored the Joint-consumer Submission to the Review of the General Insurance Code of Conduct, including meetings with the reviewer, preliminary circulation of issues and a teleconference with consumer advocates to refine the draft.
- We coordinated and co-drafted the Joint-consumer Submission to the Australian Retail Credit Association regarding the new Credit Reporting Code. We also met with VEDA, ARCA and the Independent Code developers several times during the submission process, and hosted multiple consumer teleconferences.
- Our Payday Lending project continued involving representing consumers in their individual disputes, making complaints to ASIC about non-compliance, and the development of resources and promotion of the project to financial counsellors and other community organisations.
- In January 2013 we hired a full-time Policy & Communications Officer (Julia Davis).

Other policy work included many submissions—for example:

1. In response to the Strata & Community Title Law Reform Discussion Paper covering mainly Debt Recovery and dispute Management;
2. To the review of the Civil Procedure Regulations - asking for automatic waiver of court fees for CLC clients where proceedings discontinued;
3. To the Senate enquiry into the adequacy of the job seeker allowance (Joint submission with Consumer Action Law Centre);
4. To the Commonwealth Treasury (various submissions) regarding the Credit Reforms Phase 2 Bill, amendments to the regulations, point of sale consumer credit and further consumer lease reforms, and changes to disclosure requirements;
5. To the Independent Review of Centrepay (and we attended related consumer meetings) ;
6. To the Australian Prudential Regulation Authority (APRA) regarding changes to its statistical publications;
7. To the Senate Inquiry into the impact of federal court fee increases since 2010 on access to justice in Australia. A CCLC solicitor was invited to attend the subsequent Senate hearings as a witness;
8. To the Independent Review of Mutual Banking Code of Practice;
9. To Good Shepherd responding to their discussion paper on insurance access, understanding, affordability an uptake for low-income Australians;
10. To the Commonwealth Treasury in relation to the draft *Insurance Contracts Amendment (Unfair*

Terms) Bill 2013 (joint submission with Consumer Action Law Centre and Legal Aid (NSW);

11. To the Office of the Australian Information Commissioner regarding the OAIC Guidelines for developing codes.

Regular Committees on which CCLC is represented:

- Supreme Court Possession List Users Group
- Australian Bankers Association Consumer and Community Consultative Forum & Reputation - Stakeholder meetings
- Veda Advantage Consumer Liaison Meetings
- Insurance Reform Advisory Group
- The Australian Securities and Investments Commission Consumer Advisory Panel
- Combined Insurance Lawyers Service
- Various Combined Community Legal Centre Group meetings
- FOS Consumer Liaison Group

Media

CCLC continues to be very active in various forms of media including print, radio, television, both mainstream and regional media. Engaging with the media is a key opportunity for us to:

- To increase awareness of our services with the general public;
- To educate consumers about their rights and warn about potential pitfalls; and
- To encourage and facilitate debate on law-reform issues.

The majority of the media work has been undertaken by the Principal Solicitor, Katherine Lane, with contributions from other staff members at times. We also occasionally connect our clients with journalists when they have a story that needs to be told in the public interest.

A highlight from our media activities this financial year was Katherine Lanes appearance on the new consumer television show *The Checkout*: Once in relation to motor vehicle finance and a second time in relation to peer-to-peer lending.

A second highlight of our media activities is the series of radio interviews done by our solicitor Jen Lewis regarding the risks associated with funeral insurance for elderly consumers.

Administration Report

In 2012/13, the CCLC Administration team comprised of Chris Maddison (Finance Officer) until April 2013; Len Kasper (Finance Officer) from April 2013; Nicola Sutton (job share Office Manager); Kalie Zervos (job share Office Manager); Anthony Lane (Locum Office Manager); and Rhonda Bown (Locum Office Manager).

The responsibilities of the Administration team cover a range of governance, resource, staffing and facility activities. Recent highlights were:

- Procurement of new office scanner for archiving of closed files;
- Coordination of relocating physical archived client files to external storage unit;
- Coordination of renovations to accommodate new solicitors;
- Overseeing, with the Coordinator, the installation and implementation of new telephone system – a lengthy process of liaising with technicians to get the system working in the way we were promised;
- Overseeing, with the Coordinator, the changeover of the centre's IT system to a "cloud" server;
- Set up and maintenance of monthly targets and results display boards for staff;
- Procurement of new photocopier/fax and disposal of old office equipment.

Governance activities

The Team is responsible for maintaining financial records and reports to assist in the day-to-day operation of the centre and for the benefit of the Management Committee. They also gather performance statistics, collaborate with the Coordinator on submissions to funding bodies, compile supporting documents (i.e. agendas, minutes, etc) for meetings with staff and the Management Committee, and coordinate the publication of the Annual Report.

Resource activities

Resource tasks include the distribution of e-flyers and brochures, and referral advice to first-point-of-contact callers who call outside designated advice times.

Staffing activities

Staffing tasks include remuneration, recruitment, induction and staff training, travel and accommodation arrangements, staff activities (i.e. planning days, functions, etc) and the administrative support of the volunteer program.

Facility activities

Facility tasks include information technology support through liaison with external support contractors (i.e. computer and telephone systems administration, software and hardware updates, data backup, database maintenance, etc.) as well as physical storage and archiving procedures. The Administration team is committed to an environmentally friendly office.

Financial Statement

1 July 2012 to 30 June 2013

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273
Financial Report for the Year Ended 30 June 2013

COMMITTEE'S REPORT

Your committee members submit the financial report of the Consumer Credit Legal Centre (NSW) INC (the Association) for the financial year ended 30 June 2013.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Margaret Raffan, Chair
Elissa Freeman, Deputy Chair
Matthew Simpson (resigned 15/12/2012)
Amy Kilpatrick
Michael Saadat (resigned 15/12/2012)
John Burke
Paul Baker
Karen Cox
Nicola Sutton
Emma Curtis (joined 4/6/2013)

Principal Activities

The principal activities of the Association during the financial year were the provision of legal services and financial counselling services in accordance with the Constitution.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The Surplus amounted to \$84,194 for the financial year ended 30 June 2013.

Signed in accordance with a resolution of the Members of the Committee.



.....
Margaret Raffan



.....
Paul Baker

Dated this 10th day of October 2013

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
INCOME			
Grants	2	1,650,261	1,242,368
Project income	3	111,000	19,815
Interest received		42,976	44,867
Other income	4	21,646	20,266
		<u>1,825,883</u>	<u>1,327,316</u>
EXPENDITURE			
Salaries		1,116,839	883,385
Superannuation		107,064	88,388
On costs		152,675	144,099
Rent		131,209	129,852
Repairs and maintenance		825	189
Other Premises Costs		24,486	20,510
Staff Training		7,689	7,563
Staff Recruitment		2,166	-
Communications		67,368	41,689
Office Overheads		37,367	33,681
Insurance		11,872	3,578
Finance, Audit & Accounting Fees		8,262	7,504
Library, Resources & Subscriptions		16,478	18,078
Travel		5,383	9,555
Programming and Planning		26,204	1,389
Client Disbursements		2,194	5,115
Minor Equipment		1,562	275
Depreciation		22,052	24,090
Other		- 6	-
TOTAL EXPENSES		<u>1,741,689</u>	<u>1,418,940</u>
Current year surplus/ (deficit)		84,194	- 91,624
Other comprehensive income		-	-
Total comprehensive income		<u>84,194</u>	<u>- 91,624</u>

The accompanying notes form part of this financial report.

CONSUMER CREDIT LEGAL CENTRE (NSW) INC**ABN: 40 506 635 273****STATEMENT OF FINANCIAL POSITION****As at 30 June 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents		796,968	715,532
Trade and other receivables	5	4,705	5,002
Prepayments		7,508	9,977
GST receivable		5,522	-
TOTAL CURRENT ASSETS		814,703	730,511
NON-CURRENT ASSETS			
Rental Bond		15,030	15,030
Financial assets		17,001	17,001
Property, plant and equipment	6	50,664	56,772
TOTAL NON-CURRENT ASSETS		82,695	88,803
TOTAL ASSETS		897,398	819,314
CURRENT LIABILITIES			
Employee Benefits	7	330,062	260,644
Grants received in advance	8	115,539	232,039
Other provisions	9	17,000	17,000
GST liabilities		-	7,388
Employee liabilities		69,261	35,798
Creditors & Accruals		60,884	45,987
TOTAL CURRENT LIABILITIES		592,746	598,856
TOTAL LIABILITIES		592,746	598,856
NET ASSETS		304,652	220,458
MEMBERS' FUNDS			
Reserves	10	25,292	25,292
Retained surplus	11	279,360	195,166
TOTAL MEMBERS' FUNDS		304,652	220,458

The accompanying notes form part of this financial report.

CONSUMER CREDIT LEGAL CENTRE (NSW) INC

ABN: 40 506 635 273

STATEMENT OF CHANGES IN MEMBERS' FUNDS

As at 30 June 2013

	Reserves \$	Retained surplus \$	Total Equity \$
Balance as at 1 July 2011	25,292	286,790	312,082
Deficit for the year	-	- 91,624	- 91,624
Total comprehensive loss for the year	-	- 91,624	- 91,624
Balance as at 30 June 2012	25,292	195,166	220,458
Surplus for the year	-	84,194	84,194
Total comprehensive income for the year	-	84,194	84,194
Balance as at 30 June 2013	25,292	279,360	304,652

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. Income Tax

The Association is exempt from Income Tax in accordance with the provisions of the Income Tax Assessment Act 1997.

b. Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

c. Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

d. Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

e. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at reporting date.

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

f. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments which mature within three months or less from the date of the end of financial year.

g. Revenue

Grant income, is recognised as revenue in the year to which the associated expenditure and grant funding agreement relates. Accordingly, this income received in the current year for expenditure in future years are treated as grants in advance.

Unexpended specific grant income at 30 June each year is disclosed as a liability in the accounts. The amount brought to account as income is equivalent to that amount expended by the Association during the financial year. Where surplus funds are required to be repaid, they will remain as a liability in the accounts until repayment.

Interest revenue is recognised using the effective interest rate method which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of Goods and Services Tax (GST).

h. Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: GRANTS INCOME	2013	2012
	\$	\$
Commonwealth Attorney General - CLSP Generalist services	143,420	140,883
State Attorney General - CLSP Generalist services	134,107	129,896
Office of Fair Trading - FCSP NSW	627,048	559,235
FaHCSIA - CFCP	115,214	164,500
NSW Public Purpose Fund - Mortgage Hardship Service	280,000	46,662
Commonwealth Attorney General - CLSP Insurance	172,472	71,192
Legal Aid NSW - Insurance Law Service	116,000	130,000
Financial Counselling Trust Fund (Sydney Water)	62,000	-
	<u>1,650,261</u>	<u>1,242,368</u>
CLSP -Community Legal Services Program		
CFCP - Commonwealth Financial Counselling Program		
FCSP NSW - Financial Counselling Services Program NSW		

NOTE 3: PROJECT INCOME	2013	2012
	\$	\$
Bankruptcy Tool Kit Project	15,000	19,815
Legal Aid NSW - Payday Lending Project	96,000	-
	<u>111,000</u>	<u>19,815</u>

NOTE 4: OTHER INCOME	2013	2012
	\$	\$
Consultancy fees	20,000	1,141
Disbursements recovered	-	3,030
Legal Costs recovered	569	659
Sitting fees	1,077	1,436
Provision for telephone upgrade		14,000
	<u>21,646</u>	<u>20,266</u>

NOTE 5: TRADE AND OTHER RECEIVABLES	2013	2012
	\$	\$
Sundry debtors	495	718
Interest receivable	4,210	4,284
	<u>4,705</u>	<u>5,002</u>

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	\$	\$
Computer Equipment - at cost	39,186	47,256
Accumulated depreciation	- 35,576	- 40,772
	<u>3,610</u>	<u>6,484</u>
Office Equipment - at cost	52,940	60,931
Accumulated depreciation	- 20,470	- 22,581
	<u>32,470</u>	<u>38,350</u>
Office furniture and equipment - at cost	25,164	23,763
Accumulated depreciation	- 14,045	- 11,825
	<u>11,119</u>	<u>11,938</u>
Leasehold improvements - at cost	35,265	27,345
Accumulated depreciation	- 31,800	- 27,345
	<u>3,465</u>	<u>-</u>
Total Plant and equipment	<u>50,664</u>	<u>56,772</u>

NOTE 7: EMPLOYEE BENEFITS

	2013	2012
	\$	\$
Provision for Annual Leave	159,776	121,879
Provision for Long service Leave	144,429	114,774
Provision for Parenting Leave	16,622	15,891
Provision for Sick Leave	9,235	8,100
Total Employee Benefits	<u>330,062</u>	<u>260,644</u>

NOTE 8: GRANTS RECEIVED IN ADVANCE

	2013	2012
	\$	\$
Office of Fair Trading - FCSP NSW	60,500	-
Financial Counselling Trust Fund (Sydney Water)	-	62,000
Legal Aid NSW - Insurance Law Service	-	100,000
Bankruptcy Tool Kit Project	55,039	70,039
	<u>115,539</u>	<u>232,039</u>

NOTE 9: OTHER PROVISIONS

	2013	2012
	\$	\$
Provision for Make good	12,000	12,000
Provision for PI Insurance excess	5,000	5,000
	<u>17,000</u>	<u>17,000</u>

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 10: RESERVES	2013	2012
	\$	\$
Reserve for future projects	14,000	14,000
Reserve for office equipment	11,292	11,292
	<u>25,292</u>	<u>25,292</u>

NOTE 11: RETAINED SURPLUS	2013	2012
	\$	\$
Balance brought forward - tied	7,722	114,206
Balance brought forward - untied	187,444	172,584
Current year surplus/(deficit) - tied	83,838	- 106,484
Current year surplus/(deficit) - untied	356	14,860
Balance carried forward - tied	<u>91,560</u>	<u>7,722</u>
Balance carried forward - untied	<u>187,800</u>	<u>187,444</u>

NOTE 12: LEASING COMMITMENTS	2013	2012
	\$	\$
Operating Lease Commitments		
Being for office rental		
Minimum lease payments:		
not later than 12 months	129,852	129,852
between 12 months and 5 years	54,105	183,957
greater than 5 years	-	-
	<u>183,957</u>	<u>313,809</u>

The property lease is a non-cancellable lease with a Three year term, with rent payable monthly in advance. The lease agreement will continue for the three years without any rent increase. An option exists to renew the lease at the end of the lease term for an additional term.

NOTE 13: RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14: INCOME & EXPENDITURE

	Commonwealth and State Attorney General \$	Office of Fair Trading \$	FaHCSIA \$
INCOME			
Grants	845,999	627,048	115,214
Other project income	96,000	-	-
Interest received	23,636	15,257	2,578
Other income	10,341	228	-
	<u>975,977</u>	<u>642,533</u>	<u>117,792</u>
EXPENDITURE			
Salaries	645,816	389,859	85,791
Superannuation	60,445	34,510	9,749
On costs	48,943	26,041	9,205
Rent	74,748	55,108	1,353
Repairs and maintenance	446	347	33
Other Premises Costs	13,226	10,281	980
Staff Training	2,523	4,452	381
Staff Recruitment	814	1,353	-
Communications	22,374	41,213	3,780
Office Overheads	17,051	11,655	997
Insurance	5,428	6,010	435
Finance, Audit & Accounting Fees	3,057	4,957	248
Library, Resources & Subscriptions	8,658	7,602	218
Travel	1,560	3,507	316
Programming and Planning	3,068	8,388	448
Client Disbursements	1,316	877	-
Minor Equipment	921	469	125
Depreciation	13,011	6,616	1,764
Other	- 6	-	-
TOTAL EXPENSES	<u>923,399</u>	<u>613,243</u>	<u>115,821</u>
Current year surplus/ (deficit)	<u>52,578</u>	<u>29,289</u>	<u>1,971</u>

CONSUMER CREDIT LEGAL CENTRE (NSW) INC
ABN: 40 506 635 273

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

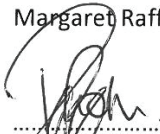
In the opinion of the Committee the financial report as set out on pages 2 to 10:

- 1 Presents a true and fair view of the financial position of Consumer Credit Legal Centre (NSW) Inc as at 30 June 2013 and its performance for the year ended on that date.
- 2 At the date of this statement, there are reasonable grounds to believe that Consumer Credit Legal Centre of (NSW) Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:


.....

Margaret Raffan


.....

Paul Baker

Dated this 10th day of October 2013



Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 9223 1762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners, including Johnston Rorke,
is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane

**CONSUMER CREDIT LEGAL CENTRE (NSW) INC.
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONSUMER CREDIT LEGAL CENTRE (NSW) INC.**

We have audited the accompanying financial report, being a special purpose financial report, of Consumer Credit Legal Centre (NSW) Inc. (the Association), which comprises the statement of financial position as at 30 June 2013, statement of changes in members' funds and the statement of comprehensive income for the year ended on that date, a summary of significant accounting policies and other explanatory information.

The responsibility of those charged with governance

The committee of the Association are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of accounting described in Note 1, is appropriate to meet the reporting requirements of the *Associations Incorporation Act 2009* and is appropriate to meet the needs of the members. This responsibility also includes such internal control as the committee determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with APES 110 *Code of Ethics for Professional Accountants*.

Auditor's opinion

In our opinion, the financial report of Consumer Credit Legal Centre (NSW) Inc. is in accordance with the *Associations Incorporation Act 2009*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2013 and of its performance for the year ended on that date;
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Associations Incorporation Regulation 2010*; and
- (c) that proper accounting records and other records have been kept as required by the Act.

In forming our opinion, we have obtained all the information and explanations required.

Basis of Accounting

Without modifying our opinions, we draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's financial reporting responsibilities under the *Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose.



PITCHER PARTNERS



MARK GODLEWSKI

Partner

Registered Company Auditor - 172348

Sydney, 15 October 2013

