



**Financial Rights**  
LEGAL CENTRE

## ANNUAL REPORT



FINANCIAL RIGHTS LEGAL CENTRE ACKNOWLEDGES THE TRADITIONAL OWNERS, CUSTODIANS AND ELDERS OF THE LANDS ACROSS AUSTRALIA AND PARTICULARLY THE GADIGAL PEOPLE OF THE EORA NATION BOTH PAST AND PRESENT, ON WHOSE TRADITIONAL LAND THE FINANCIAL RIGHTS LEGAL CENTRE'S OFFICE IS SITUATED.

## FINANCIAL RIGHTS LEGAL CENTRE

Level 1, 80 Cooper St. Surry Hills NSW  
PO Box 538 Surry Hills NSW 2010

National Debt Helpline: 1800 007 007  
Insurance Law Service: 1300 663 464  
Mob Strong Debt Help: 1800 808 488  
Advice Hours: (EST) 9:30am – 4:30pm weekdays

Email: [info@financialrights.org.au](mailto:info@financialrights.org.au)

Websites: [financialrights.org.au](http://financialrights.org.au) [insurancelaw.org.au](http://insurancelaw.org.au) [mva.financialrights.org.au](http://mva.financialrights.org.au)

Office Hours: 9:30am – 5:00pm weekdays  
Administration: (02) 9212 4216  
Fax: (02) 9212 4711

ABN: 40 506 635 273

Financial Rights acknowledges the financial support for our core services provided by the Financial Counselling Services Program administered by the NSW Department of Finance and Services (Fair Trading), the Financial Capability and Wellbeing Program administered by the Commonwealth Department of Social Services, and the Community Legal Services Program of the State Department of Justice and the Federal Attorney-General's Department.

We have also been fortunate enough to be the beneficiary of significant funds provided by financial services providers as Community Benefit Payments as a result of enforcement action and market surveillance activity undertaken by ASIC.



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## ABOUT US

### ADVICE & ADVOCACY FOR CONSUMERS IN FINANCIAL STRESS

Financial Rights Legal Centre is a community legal centre that specialises in helping consumers understand and enforce their financial rights in relation to consumer credit, banking, insurance, debt recovery and related issues. It is the only such centre in NSW, and it has a particular focus on issues that affect low income and disadvantaged consumers. We provide free and independent financial counselling, referral, legal advice and casework to individuals about a broad range of financial services and we advocate for law reform and regulation that benefits consumers in these areas.

As a community legal centre, Financial Rights is largely government funded and independently managed by a voluntary management committee. We maintain a particular focus on issues that affect vulnerable and disadvantaged consumers. We provide a well-integrated combination of information, advice, casework, and education to assist consumers in financial stress. We also conduct research and collect data to campaign for changes to law and industry practice for the benefit of consumers. We employ both financial counsellors and solicitors to provide the best service for our clients.

### PURPOSE & OBJECTIVES

To help alleviate poverty, disadvantage, and financial exclusion by:

1. Assisting consumers of financial services (including but not limited to consumer credit, banking, insurance and debtor advisory services), particularly disadvantaged consumers, to effectively assert their legal rights and protect their legitimate interests;
2. Educating, counselling and advocating for members of the public, particularly people facing economic disadvantage and financial exclusion, in relation to managing their personal finances and asserting their rights in relation to income and access to affordable essential services;
3. Achieving positive financial outcomes and, where appropriate, redress for individual clients of the Centre through, financial counselling, legal advice, legal representation and other complementary activities;
4. Promoting better consumer understanding of financial system laws, regulation, policies and industry practices and informing public debate in relation to consumer protection policy; and
5. Promoting reforms in law, regulation, government policy and industry practice that will help create a fairer and safer marketplace for consumers of financial services, particularly disadvantaged consumers, and promote financial inclusion.



## OUR STAFF

### Anne Bissaker

Finance Officer

### Michelle Burge

Solicitor

### Almond Cafarella

Administration Officer

### Suwana Combo

Aboriginal Service Coordinator

### Karen Cox

Coordinator

### Tracy Cusack

Financial Counsellor

### Julia Davis

Policy & Communications Officer

### Marie Druon

Financial Counsellor

### Jane Foley

Senior Solicitor

### Jerome Forgas

Financial Counsellor

### Kathryn Grimshaw

Solicitor

### Mark Holden

Solicitor

### Louise Jansson

Solicitor

### Miriam Jay

Financial Counsellor

### Lynda Johns

Senior Financial Counsellor

### Alexandra Kelly

Principal Solicitor

### Hong-An King

Solicitor

### Amy Knox

Senior Solicitor

### Katherine Lane

Principal Solicitor

### Jennifer Lewis

Senior Solicitor

### Alice Lin

Senior Solicitor

### Drew MacRae

Policy & Advocacy Officer

### Marianna Minhinnick

Financial Counsellor

### Helen Rees

Financial Counsellor

### Greg Russell

Financial Counsellor

### Peter Schulz

Financial Counsellor

### Claire Shidiak Khoury

Solicitor

### Graham Smith

Financial Counsellor

### Ma'ata Solofoni

Senior Solicitor

### Lara Song

Solicitor

### Harshanie Sooriyabandara

Solicitor

### Lody Stewart

Financial Counsellor

### Nicola Sutton

Office Manager

### Fiona Thatcher

Solicitor

### Rebekah Wong

Solicitor

### Marianna Zaunders

Solicitor

## OUR STRENGTH

One of the most powerful aspects of the Financial Rights Legal Centre is how our financial counsellors and solicitors work together to bring about the best possible outcomes for our clients.

We don't know of any comparable model in NSW and we are proud of the many favourable outcomes this enables us to achieve positive outcomes for clients who come to us in distress. Largely because of this system of collaboration, the work of the centre as a whole is greater than the sum of its parts, as good as those individual parts are.

Our front-line team of 10 financial counsellors and 14 solicitors (some of these part-time) receive calls from people across NSW (for credit and debt issues) and nationwide (in relation to insurance). Many are in crisis situations, often confused and carrying a combination of fear, anger and guilt. Where it is appropriate to commence a case – to extricate a client from a web of debt - financial counsellors and solicitors team up to handle different aspects of a case.

The process of our solicitors assessing and obtaining an outcome that will work for the client going forward is often improved by the expertise of our financial counsellors. For instance, financial counsellors work with clients to reduce

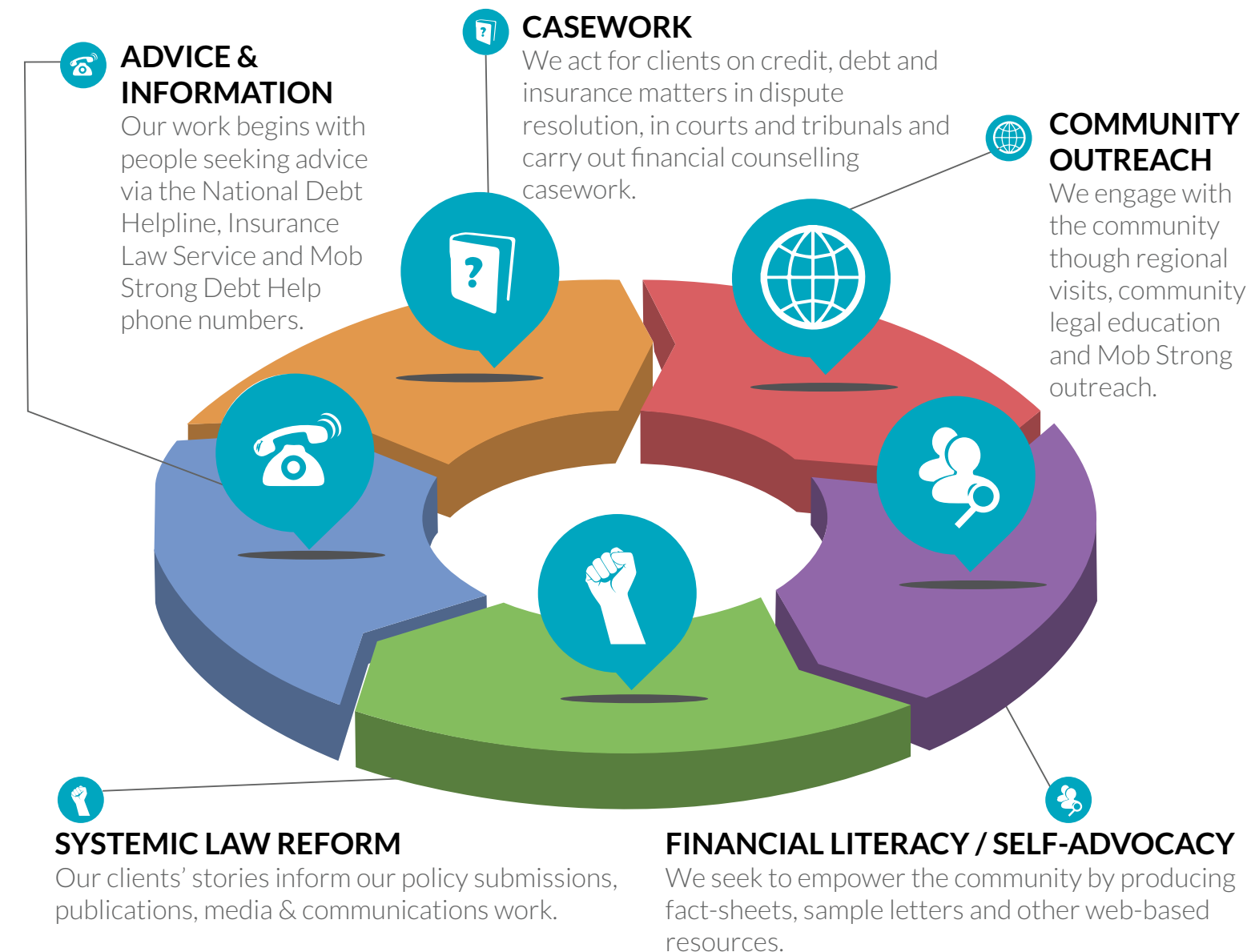


their living expenses by discussing spending habits a lawyer or lender wouldn't – everything from haircuts to shoes and whether a client intends to raise more children. This arms the solicitor with a realistic sense of their client's prospects as they seek a meaningful settlement. Part money mentor, part advocate and part forensic accountant, a financial counsellor can find all sorts of ways to improve a client's financial position, or garner evidence to improve their case.

Financial counsellors benefit by start-to-finish involvement with a lawyer through various legal proceedings taken to seek justice and improve the lives of vulnerable, often exploited clients. Through in-house training in evolving aspects of consumer law – and by osmosis – our financial counsellors learn more about relevant parts of the law than they otherwise would; hence Financial Rights also helps peers state-wide via regional training and via our Caseworkers' Hotline.

Throughout this report are dozens of case studies which demonstrate the effectiveness of our system – which in turn then feed into our influential policy work, which seeks to constantly ensure the consumers' needs and rights are reflected in regulatory frameworks.

## HOW WE WORK



## BARRISTERS PROVIDING PRO BONO ADVICE

John Kelly SC

Adrian Maroya

David O'Connor

Paul Batley

Kayt Hogan

Meg O'Brien

## VOLUNTEERS

Joshua Beale

Domenica Scuteri

## MANAGEMENT COMMITTEE

**Margaret Raffan**

President

**Dave McMillan**

Vice-President

**Daniel Maurer**

Treasurer

**Paul Baker**

Secretary

**Erin Turner**

Ordinary Member

**Nicola Sutton**

Staff Committee Member

**Karen Cox**

Coordinator

## ABORIGINAL ADVISORY COMMITTEE

Nathan Boyle

Robynne Quiggin

Aunty Joy Reid



## PRESIDENT'S REPORT

The 2017-2018 year has been remarkable in many ways. We started the year by celebrating the centre's 30 years of operation, originally a one person operation in 1987, and increasing over the years to about 30 people – a figure varying over time according to need and funding. The centre now deals with approximately 25,000 calls and emails per annum, and is constantly striving to improve its performance in order to reach those people who don't manage to make contact. To this end we are currently entering the last phase of our Improvement Plan under the National Accreditation Scheme for community legal centres.

A stand-out event during the year was the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, headed by Commissioner Kenneth Hayne. The Financial Rights Legal Centre was privileged to be the first witness after the Commissioner's opening remarks. Karen Cox, our Coordinator, gave a comprehensive account of the centre's concerns on behalf of consumers of financial services which allowed the exposure of industry practices to be seen in the context of their impact on the clients we represent. We are, of course, very hopeful that the Commission's recommendations will have a very positive effect on industry culture and practices, which could result in potentially substantial benefits to consumers of financial services.

While the industry will no doubt undergo considerable self-examination, the centre itself commissioned an independent internal review in order to better allow it to adapt to its increased size and additional responsibilities.

"The centre now deals with approximately 25,000 calls and emails per annum, and is constantly striving ... to reach those people who don't manage to make contact."

The structure of the organisation has not changed while the number of employees has increased year after year, and the range of issues dealt with has increased well beyond the original focus on consumer credit. This has placed undue stress on the centre's management. 2018/9 will therefore see a more appropriate structure that will enable the centre to be proactive as well as responsive, and to better plan how it can best serve those consumers who need our help.

Finally, instead of my usual reference to our management team of Kat Lane, Alex Kelly and Karen Cox, it's with sadness that I announce that Kat has moved on from the centre she has served so well for 16 years. Her commitment to obtaining justice for our clients has been instrumental to the success of the organisation and we wish her well.

**Margaret Raffan**

President

## PRINCIPAL SOLICITORS' REPORT

It has been another busy year of challenges as we continue to support callers and clients and reduce the harms they face in a continually-changing landscape of consumer issues in banking, insurance and financial services. Thankfully we continue to have an enthusiastic and supportive team.

This year we welcomed Amy Knox and Ma'ata Solofoni to the ranks of the senior solicitors, joining Jen Lewis, Alice Lin and Jane Foley. Together they provide invaluable support and guidance to our energetic and enthusiastic financial counselling and legal team. The staff, as always, have impressed me with their willingness to learn, their compassion to clients and drive for great outcomes.

Highlights of the year include:

- all the wonderful case studies, continually demonstrating our effectiveness,
- our involvement in the Royal Commission into Misconduct in the Banking and Financial Services Industry, for which the team dug deep into our archives to find relevant examples,
- the challenge of running a class action on a shoestring budget,
- the multiple insurance claims (from car to house) being paid and changing clients lives,
- the significant amount of debt our

financial counsellors and lawyers had forgiven or refunded, and

- the homes we saved from predatory loans by negotiation or Supreme Court wins.

2018 was the first year I have not had the support of Kat Lane as co-principal solicitor; I'd like to take this opportunity to thank her for her contribution and passion as Principal Solicitor for the last many, many years and wish her well.

This is also, dear reader, likely the last "Principal Solicitor's report" due to the restructure of the centre. The role of Principal Solicitor will be split between the Director of Casework and the Director of Advice, both reporting to a single CEO. As our advice service grows year on year, the need to have a distinct focus and support for our casework services and for advice becomes increasingly apparent – so we can continue to kick goals and be as effective as possible.

I am sure the new Directors will continue the tradition of ensuring the legal and financial counselling staff are well led and supported in assisting disadvantaged consumers navigate the complex legal frameworks and effectively assert their legal rights across the fora of ombudsman, courts and tribunals.

**Alexandra Kelly**

Principal Solicitor



KAREN COX



KATHERINE LANE



ALEXANDRA KELLY

## COORDINATOR'S REPORT

The announcement of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Service Industry changed our game plan for this year. A lot of time and energy was spent writing submissions, researching cases and contacting clients for permission to provide their details, preparing a witness statement and, let's be honest, being glued to the live webcast of hearings as the drama unfolded. The Royal Commission is a unique opportunity for fundamental change in an industry that has taken its customers for granted for too long. The feverish pursuit of higher and higher profits has led to people being locked into unmanageable debt and fostered a shocking level of contempt for the interests of customers. I look forward to working collaboratively with our consumer advocate colleagues to make sure this opportunity for real and lasting reform is not lost.

As usual we had fantastic casework results this year – which you can read about in these pages. We continue to deal with a high volume of calls on all lines and we are improving the effectiveness of our advice practice by increasing the frequency with which we take on discrete tasks to assist a customer to resolve or ease their issue. This may

reduce the total number of calls we can handle, but ensure that our assistance is more useful to those who really need it. At the same time our small policy and communications team has continued to punch above its weight, with not only an astounding number of submissions completed, but evidence of real influence in the development of law and industry codes.

The Management Committee continue to perform a valuable role on a voluntary basis and I thank them for their contribution.

Perhaps the most exciting development this year was the rebranding of our Aboriginal and Torres Strait Islander service as Mob Strong Debt Help, and the employment of our new Aboriginal staff, Suwana Combo and Mark Holden. I would like to extend thanks to our Aboriginal Advisory Committee who have provided great guidance and support. The success stories throughout this report for our Aboriginal clients are a testament to the commitment of our Aboriginal team and all our wonderful staff.

**Karen Cox**

Coordinator

## ROYAL COMMISSION

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established in December 2017 with Commissioner, the Honourable Kenneth Madison Hayne AC QC, appointed.

Up to the end of June 2018, the Commission had conducted four public hearings into the sector focusing on: consumer lending practices; financial advice; loans to small and medium enterprises; and issues affecting Australians who live in remote and regional communities, and which relate to farming finance and interactions between Aboriginal and Torres Strait Islander people and financial services entities.

Financial Rights' Coordinator Karen Cox had the honour and opportunity to be the first witness to the commission, setting the scene for the first round of hearings. Karen spoke with conviction on the impact debt has on Australian lives:

*"... when you lose your home and all the equity that you have accumulated in it through bankruptcy over a credit card that may have begun as a very small purchase, it's a very sad situation to observe. The financial impacts are huge, but the non-financial impacts are possibly even worse so that people who are in long term unsustainable debt experience stress. That stress then causes them to have physical ailments, to get sick. It causes strain on relationships. It causes family breakdown. It causes loss of productivity.*



**Broken Hill mum Sacha Murphy called our centre after a dispute with her insurer over storm damage**

*It actually causes people to have deteriorating ability to make complex decisions because their thinking capacity is literally absorbed by dealing with the day-to-day stress of the debt."*

Financial Rights contributed to the work of the commission through submissions outlining the litany of concerns we have with the sector including: irresponsible lending; problematic sales and marketing practices; conduct undermining financial hardship provisions; exploitative fee charging practices, poor customer service standards and practices and the development and design of poor value financial products.

Financial Rights solicitors also worked with the Commission to provide the stories of clients who wanted to tell their story of being subject to poor behaviour from banks and insurers.

***The commission is expected to report in February 2019.***

## ROYAL COMMISSION

Excerpt from: 'A pack of bankers' by renowned Australian author Don Watson, The Monthly, June 2018.

*"The first witness to appear at the royal commission was Karen Cox. Questioned by Rowena Orr QC, the counsel assisting the commissioner, Ms Cox put before the inquiry a startling array of sharp practices. She spoke plainly. She was concrete, direct and to the point, intelligent, rational and articulate. She was everything one has a right to expect in a CEO or other high-ranking corporate executive on a salary of a million dollars or more.*

*If Ms Orr, as relentless as a woodpecker, and Kenneth Hayne QC, the bony and lugubrious commissioner, were grateful for her contribution they gave no sign of it. Yet they would have done well to bring her back from time to*

*time over the next few weeks: not to add to the abundant information she'd provided, but merely to stand as an example of a decent human being – an old-fashioned sort of human being who spoke from the head and the heart without apparent artifice. Her mind and character seemed to have been formed independently of corporate fashion or its faux values, and at a safe distance from the bullshit that in modern management does for language and truth.*

*Alas, Ms Cox is not a corporate executive and it's a fair bet that her salary is a great deal less than a million dollars. Poor soul, she is merely the coordinator of the Financial Rights Legal Centre. She told the commission of the various devastating effects of corporate misconduct. When at last she was allowed to leave the witness box, it was as if ordinary, intelligent life left with her, and a much murkier form arrived."*

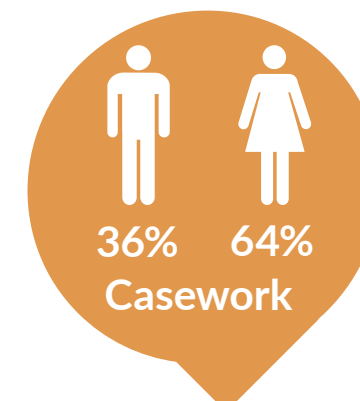
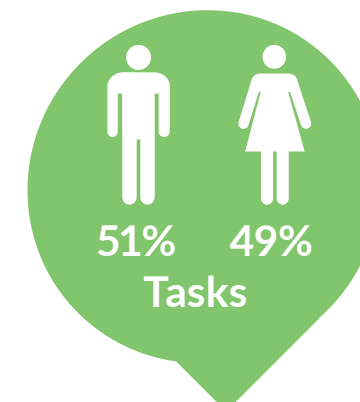


## SERVICE AT A GLANCE

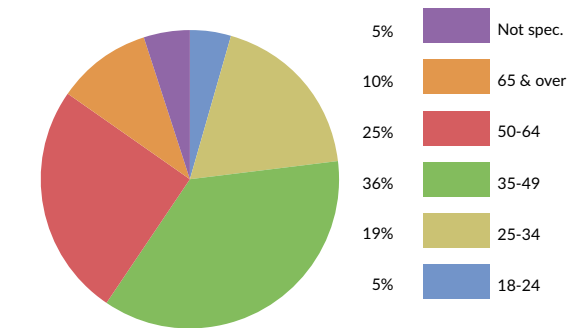
<b>24,906</b>	CONTACTS FOR FREE LEGAL ADVICE OR FINANCIAL COUNSELLING (INCLUDING INFORMATION & REFERRAL)
<b>17,619</b>	CONTACTS ANSWERED THROUGH NATIONAL DEBT HELPLINE (PHONE & EMAIL)
<b>5,999</b>	CONTACTS ANSWERED THROUGH INSURANCE LAW SERVICE (PHONE & EMAIL)
<b>1,129</b>	INSURANCE LAW EMAILS ANSWERED
<b>159</b>	CREDIT & DEBT EMAILS ANSWERED
<b>158</b>	CASES OPENED
<b>171</b>	CASES CLOSED
<b>189</b>	LEGAL TASKS
<b>15</b>	CLE SESSIONS LED BY SOLICITORS & FINANCIAL COUNSELLORS TO COMMUNITY SOLICITORS, FINANCIAL COUNSELLORS & THE GENERAL PUBLIC
<b>139</b>	MEDIA MENTIONS INCLUDING INTERVIEWS BY PRINCIPAL SOLICITORS & COORDINATOR
<b>49</b>	POLICY SUBMISSIONS GIVEN TO FEDERAL & STATE GOVERNMENT ENQUIRIES, INDUSTRY CONSULTATIONS, NATIONAL REGULATORS & OMBUDSMAN SERVICES
<b>35</b>	COMPLAINTS TO REGULATORS AND AUTHORITIES

## ACCESS & DEMOGRAPHICS

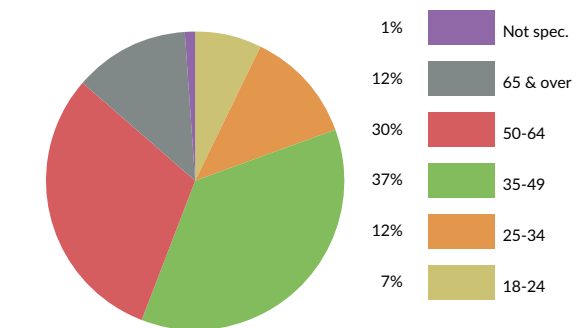
### GENDER



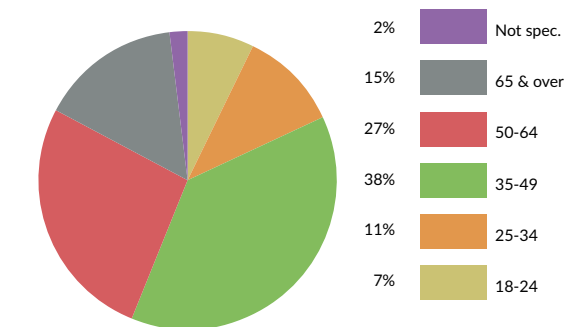
### AGE - ADVICE



### AGE - CASEWORK



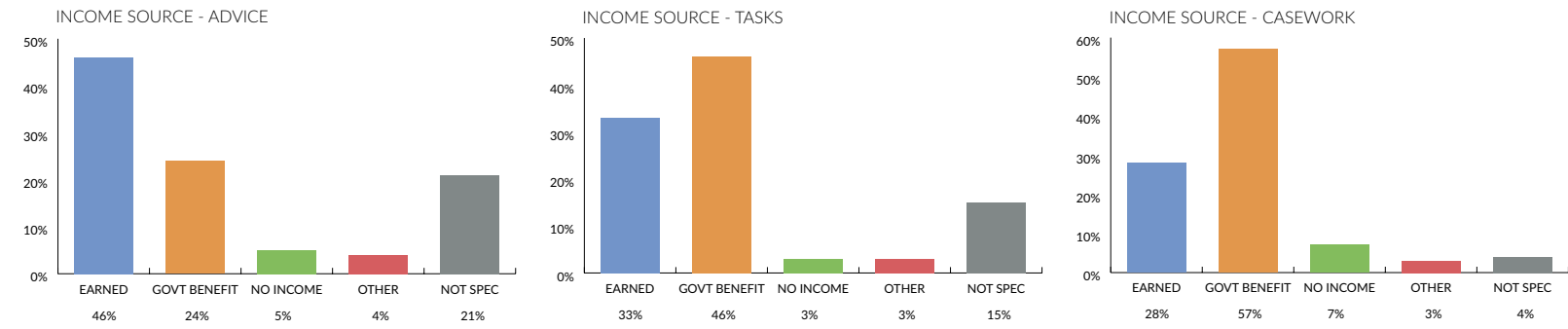
### AGE - TASKS



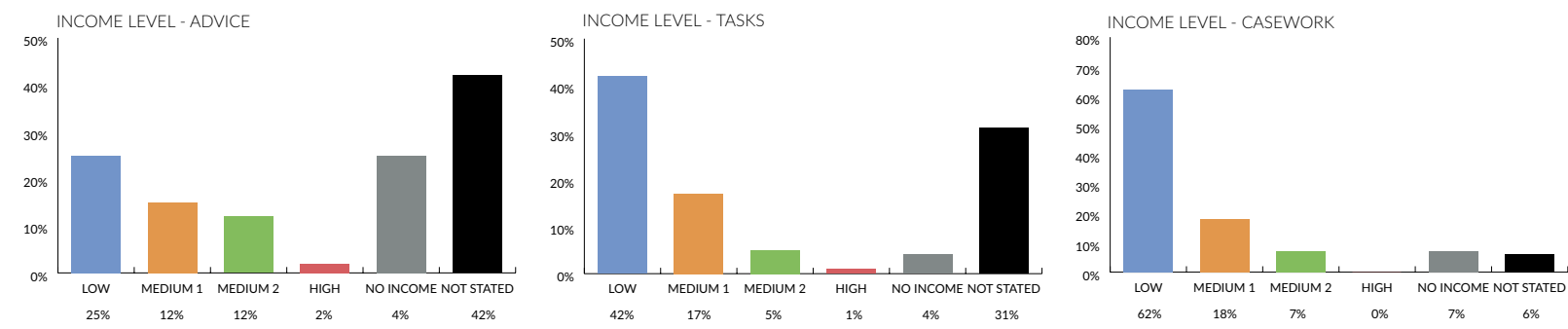


# ACCESS & DEMOGRAPHICS

## INCOME SOURCE

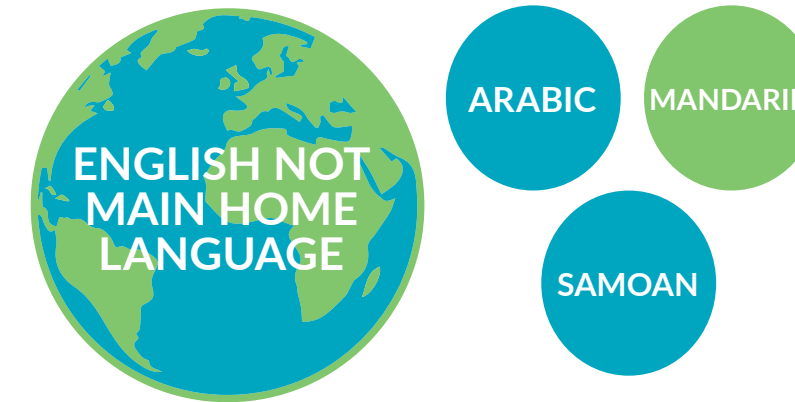


## INCOME LEVEL



# ACCESS & DEMOGRAPHICS

## MAIN HOME LANGUAGE



OVERALL 7%  
 TASK 14%  
 CASEWORK 12%

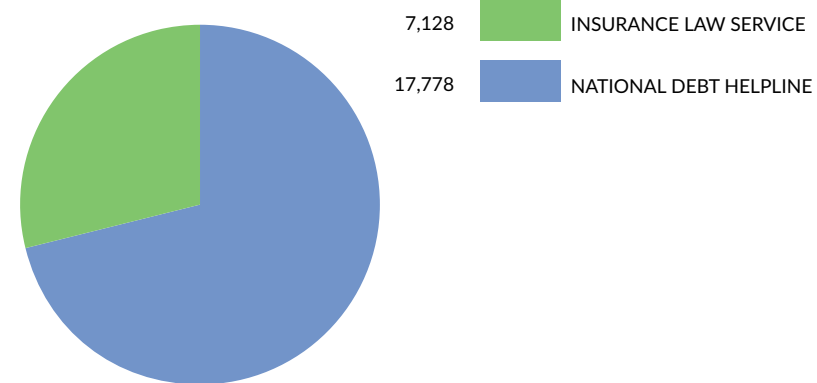
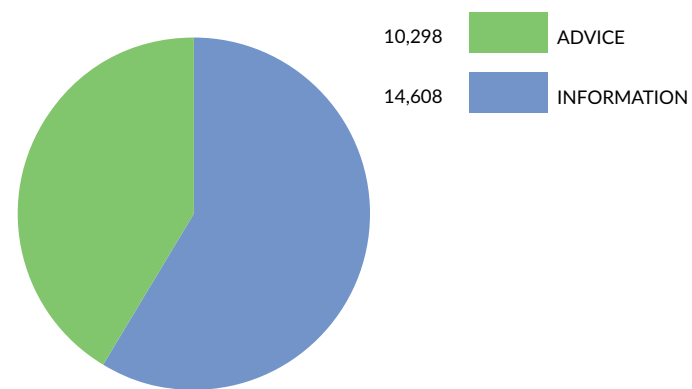
## INDIGENOUS STATUS



# ADVICE & INFORMATION

Financial Rights operates four telephone advice lines, three of which are for the public. The first is the National Debt Helpline (NDH) answered by solicitors and financial counsellors. Although the NDH is a national service, only NSW callers come to us. The second is the Insurance Law Service (ILS), a national advice line answered by our solicitors. NDH and ILS queries also come in by web enquiry. Web enquiries may result in a return email or a callback depending on the question. Mob Strong Debt

Help is for Aboriginal or Torres Strait Islanders seeking legal advice or counselling on credit, debt and insurance matters and is also national. Calls to Mob Strong are included in the NDH or ILS statistics. We also operate a caseworker-only hotline, which is for financial counselling professionals and community workers including community legal centre lawyers to call us when they need assistance to help their client.



## NATIONAL DEBT HELPLINE

1800 007 007

The National Debt Helpline (NDH) is the central contact point for people requesting assistance in relation to credit, debt and financial hardship across Australia. Financial Rights operates the service in NSW only.

It is a goal of the NDH to assist as many consumers as possible to self-advocate. This can include one-off discrete advice, or ongoing conversations as matters progress, including updating advice and strategies as consumers navigate their problem. Many consumers who are able to self-advocate are referred to our online resources, such as our fact sheets or our sample letter generator, and provided advice over the phone. Consumers unable to self-advocate may be referred to face-to-face financial counselling in their local area, or provided with assistance in-house, by solicitors, financial counsellors, or both.

The NDH strives to cultivate and maintain 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 financial counselling meetings and conferences. We also have a dedicated telephone number for financial counsellors (our caseworker hotline) to access our service as a priority on behalf of their clients.

Credit cards remain the most common product held by consumers seeking assistance, but home loans are close behind. Calls about personal loans, including payday loans and other small amount, high cost contracts were next most common, followed by car loans. Energy advice is still the most common debt type that is not credit related. Other common non-credit debts included tax, telco, strata management and toll debts.

## CASE STUDY

*Murray, who is single, 55 has no assets and was on a Centrelink Disability Support Pension, accrued nearly \$10,000 dollars of debt, including \$7000 from a credit card and loan from the same bank.*

*He contacted the National Debt Helpline, saying he was extremely stressed about facing debt collectors, which was exacerbating a life-threatening illness which he was about to commence treatment for. He also lived at home with his elderly father.*

*A Financial Rights counsellor arranged a conference call with his bank the same afternoon and persuaded bank staff to hear Murray's situation in full. The bank agreed to release Murray from the debts on compassionate grounds, and confirmed the waiver in writing.*

*On another occasion Murray contacted the NDH about a debt that had already been passed to a debt collector and a Financial Rights counsellor also managed to obtain an additional waiver.*

## NATIONAL DEBT HELPLINE

### CREDIT PRODUCTS (TOP 5 FROM ADVICE CALLERS)



1,289

CREDIT CARDS



1,172

HOME LOANS



661

PERSONAL LOANS



522

MOTOR VEHICLE LOANS



71

DEPOSIT ACCOUNTS

### OTHER TYPES OF DEBT (TOP 5 FROM ADVICE CALLERS)



190

ENERGY



111

TAX



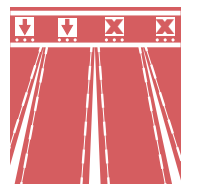
94

TELECOMMUNICATIONS



83

STRATA MANAGEMENT FEES



82

TOLLS

Note: Only one debt is usually recorded for each caller, the one which is disputed or causing the most pressing problem, meaning that most callers will have other debts not recorded above.

## INSURANCE LAW SERVICE

1300 663 464

The Insurance Law Service (ILS) is a national specialist service offered by the Financial Rights Legal Centre. Legal advice is available via the ILS phone line (1300 663 464). This year calls were received from every State and Territory in Australia.

Calls relating to motor vehicle insurance, home building insurance and debts arising from motor vehicle accidents (in which the driver was uninsured) still dominate the advice line. Other calls relate to travel, life, total and permanent disability, consumer credit, accident, funeral and pet insurance.

The ILS is funded by the Commonwealth Attorney General's Department on an ongoing basis. In 2016/17 we were fortunate enough to be the beneficiary of Community Benefit payments directed by ASIC as part of their enforcement role. We continue to rely on these funds to meet the demand by consumers nationally on insurance issues.

Whenever possible our solicitors try to give people sufficient guidance and assistance to run their own dispute with the relevant insurance company. This can be ringing the insurer with the client on the line to better understand

the reasons for declining a claim or drafting letters on their behalf. Common issues we continue to see include fraud investigations, disputes over the scope of repairs and the interpretation of tricky insurance clauses.

Often our guidance works with great success as the following feedback attests:

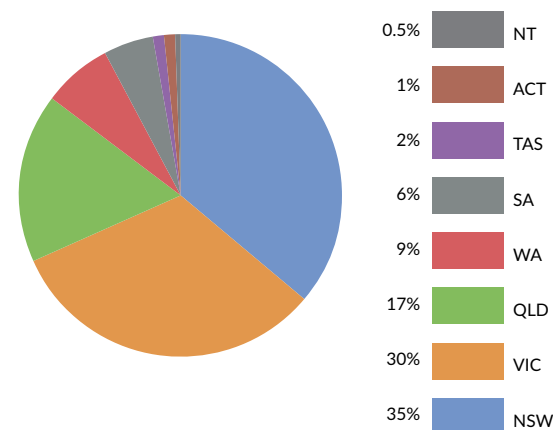
*"Thank you kindly for your help and advice. I whole heartedly thank you so very, very much on behalf of I and my three darling girls. You have no idea how grateful we are."*

Letter to Internal Dispute Resolution regarding repair quality drafted for single mum with 3 children, one of whom is severely disabled and requires a wheelchair.

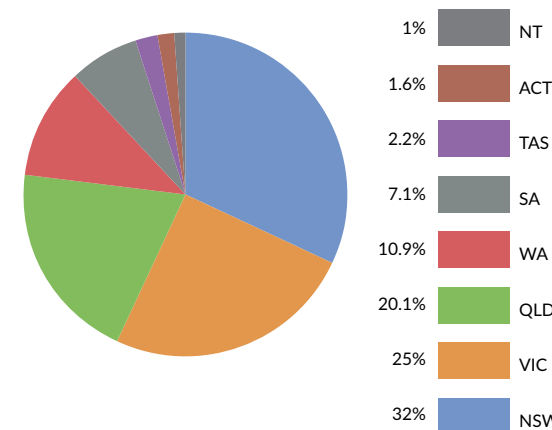
*"I am gobsmacked by the quality of your advice. Thank you so much! I hate having stuff like this hanging over me, but you've given me an action plan! Cannot thank you enough."*

Strategy provided pursuant to a web-enquiry from a person who found their policy had been cancelled just before they had an accident.

## INSURANCE CALLS BY STATE COMPARED TO POPULATION



ADVICE CALLS



DISTRIBUTION OF AUSTRALIAN POPULATION

## INSURANCE LAW SERVICE

www.insurancelaw.org.au

### TYPES OF INSURANCE (TOP 5 MENTIONED BY CALLERS)



1,424

MOTOR VEHICLE INSURANCE



735

HOME BUILDING INSURANCE



262

HOME CONTENTS INSURANCE



237

TRAVEL INSURANCE



156

LIFE INSURANCE

## CASE STUDY

Our client's car was stolen from their carport and found burnt out in late 2016. The insurer rejected their claim arguing they could not establish an insured event occurred, and that they were not truthful or frank in statements made to them. The insurer also cancelled all 6 of their car and home insurance policies for these breaches.

This looked like a case of racial profiling. The clients were born in an Arabic speaking country; they were married with a child; they owned their home, had steady employment and had no financial difficulties that would suggest they would need to fabricate an insurance claim. They had held 6 insurance policies with the same insurer for over 5 years. They had never had a car stolen before, nor any insurance claims rejected.

The male member of the couple was interviewed twice,

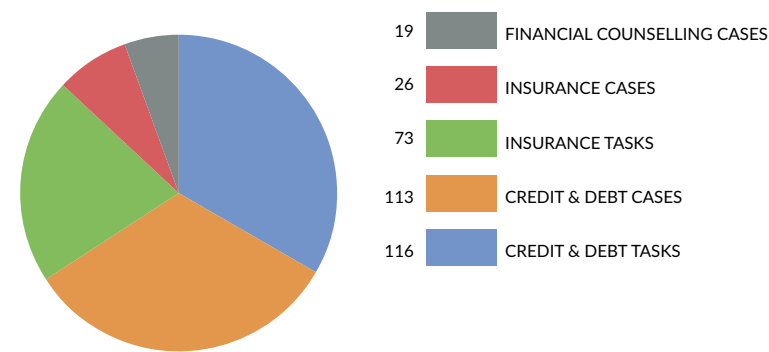
once for three hours, and the second for three and a half hours. The female was interviewed twice, both times for around an hour.

The insurer refused to provide us with a copy of the investigator's report, and wanted our client to pay \$180 to get copies of the voice recordings. This changed after we took the matter to the Financial Ombudsman Service ("FOS").

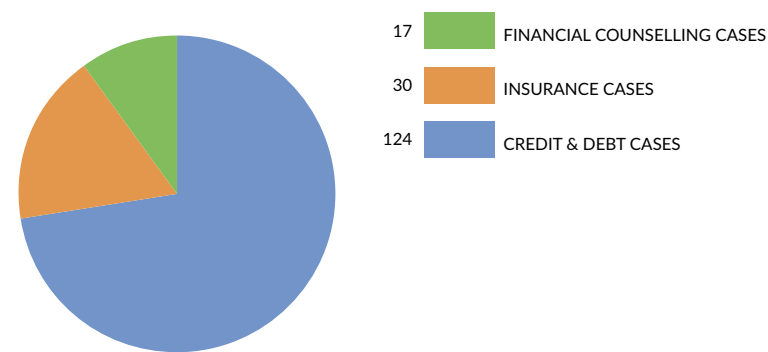
Just before FOS was due to issue a determination, the insurer made a settlement in early 2018. There were some negotiations over terms, but the final settlement was very favourable to our clients (payment of more than the agreed value, compensation for non-financial loss, reinstatement of the clients various insurance policies and the removal of any adverse references from their insurance report.)

## CASEWORK

### CASES BY SUBJECT

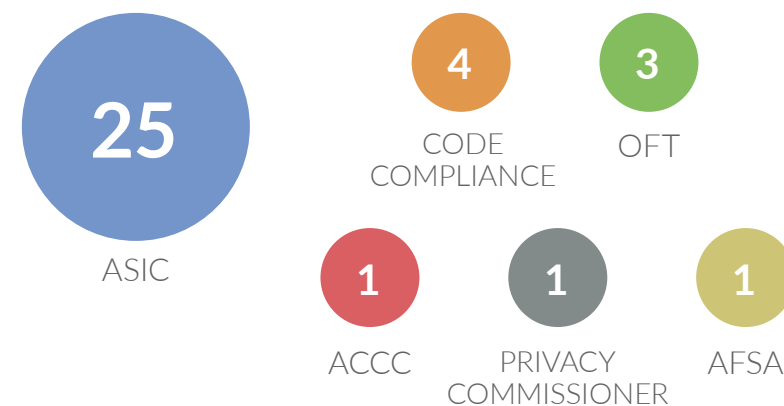


TOTAL CASES OPENED: 158  
TASKS: 189



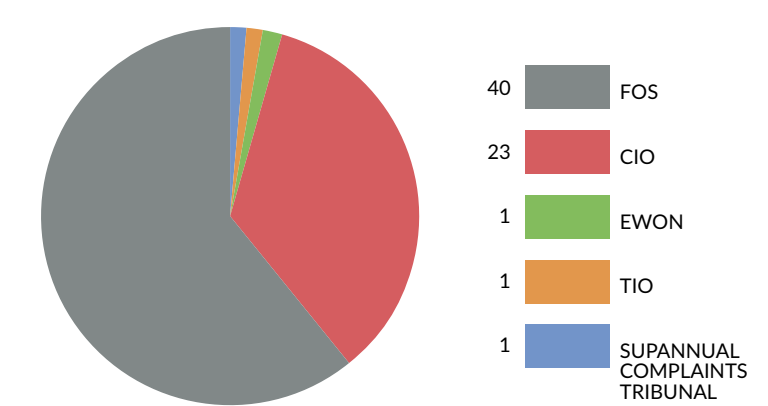
TOTAL CASES CLOSED: 171

### COMPLAINTS



TOTAL - 35

### CLOSED CASES IN EDR



TOTAL - 66

Financial Rights may not have represented clients all the way through the EDR process. Some clients were assisted with lodging their disputes or with submissions, but were otherwise able to self-advocate.

## CREDIT & DEBT LEGAL CASEWORK

Casework conducted by solicitors included most commonly cases about credit cards, pay day loans (small amount credit contracts), motor vehicle loans, home loans and consumer leases. Increasingly, we also saw disputes relating to 'buy now, pay later' providers in relation to solar panels and other consumer products.

A significant number of these disputes were conducted through the Financial Ombudsman Service and the Credit and Investments Ombudsman, with some matters proceeding all the way to determination. Many also resulted in complaints, mainly to the Australian Securities and

Investments Commission (ASIC), but also other regulators or self regulatory code bodies.



### CASE STUDY

*Pensioners Pat and Noel contacted us over a dispute with their bank after \$15,000 was stolen from their joint bank account via fraudulent internet banking transactions.*

*Neither knew how to use internet banking and neither attempted to set it up, but regardless, Noel recieved an SMS transfer code on his mobile phone. A scammer - who claimed to be from their bank's fraud department - called Noel and requested the code. Having no idea of normal security protections, Noel complied and gave him the code.*

*Pat and Noel later noticed \$15,000 had been withdrawn from their account and immediately notified their bank. The bank recovered \$4000 and offered the couple a further \$5000 as a settlement - on the condition*

*they agreed not to raise a dispute with the banking ombudsman. The bank initially refused to refund the full amount, claiming that Noel had breached the security of his own account by disclosing a transfer code, which is not meant to be disclosed to anyone.*

*Our solicitor raised a dispute based on the couple having no involvement with internet banking - nor any knowledge or understanding of security codes and passwords. She found that under the ePayments code the couple wasn't liable because they never received a pass code to set up internet banking.*

*The bank refused to supply any documents or explanation as to how Pat and Noel's account was activated for internet banking, but they did refund the full \$15,000.*

## CREDIT & DEBT LEGAL CASEWORK

### CASE STUDY

*In August 2012 Henrietta purchased a used car from a dealership in a regional NSW town. She dealt with a man who also organised the finance of the vehicle.*

*In August 2014 after paying off most of the loan she went back to the dealership and purchased another used car. The price of the replacement vehicle was \$17,990. After a trade-in allowance and the small balance outstanding on the previous loan, the loan amount was about \$16,000 with total repayments to be over \$32,000.*

*Henrietta is a single parent who had 8 dependent children at home when she took out the first loan (7 by the time she took out the second loan). She was receiving the Parenting Payment at the time of being granted both loans.*

*When Financial Rights made enquiries about the circumstances of that loan, it became clear that there were several responsible lending issues:*

- *she was sold a different vehicle than the one she wanted*
- *at no time was she asked what she could afford or wanted to spend*
- *no enquiries were made about her financial situation in 2014*
- *the lender did not verify her financial situation in 2014*

*It seems that the lender relied on the information and documents provided for the 2012 loan. Henrietta was also aware that the car was a repairable write off but they had misrepresented the extent of the damage. She had paid over \$4,000 in repair costs to date.*

*After getting no response from the lender we lodged a complaint in the Credit and Investments Ombudsman. We sought that the lender write off the balance of the loan (approximately \$11,000), remove the encumbrance from the PPSR, allow the client to keep the vehicle and to be provided with compensation of about \$5,000 which included repair costs as well as a further \$1,000 for further repair costs anticipated in the next 6 months.*

*With our submission we provided a Statement of Financial Position that showed a deficit in Henrietta's net financial position in August 2014.*

*In March 2018 the lender agreed to the outcome sought and the complaint at the CIO was closed.*

## CREDIT & DEBT LEGAL CASEWORK

### CASE STUDY

*Dejan is an immigrant and a single father of 2 who earns a living as a driver. He speaks conversational English but is not adept at either reading or writing in his adopted language.*

*Dejan knew that he had a default listing on his credit file and worried that affected his ability to obtain a loan or credit card in future. He decided to sign up with a credit repair company, which made impressive promises about boosting his credit rating enough that he would have no problem being approved for credit if he paid their fees.*

*He made an initial payment of \$428 and found that his credit rating had improved though not to the level he had been promised; it remained 'below average'.*

*Dejan raised a dispute with the company, which*

*rejected any suggestion its representative's initial sales pitch was misleading. He was not offered any option for external dispute resolution and the company immediately commenced proceedings in the local court.*

*Financial Rights lodged a dispute with the Credit and Investment Ombudsman. The credit repair company refused to provide their sales call recordings then offered a statutory declaration from an employee disputing Dejan's claims he had been misled. The company then offered him a 10% discount on his fees.*

*We rejected the offer and raised another complaint with the CIO. Shortly after we received an offer to settle the matter with Dejan's outstanding fees waived and a refund of his \$428 payment.*

### CASE STUDY

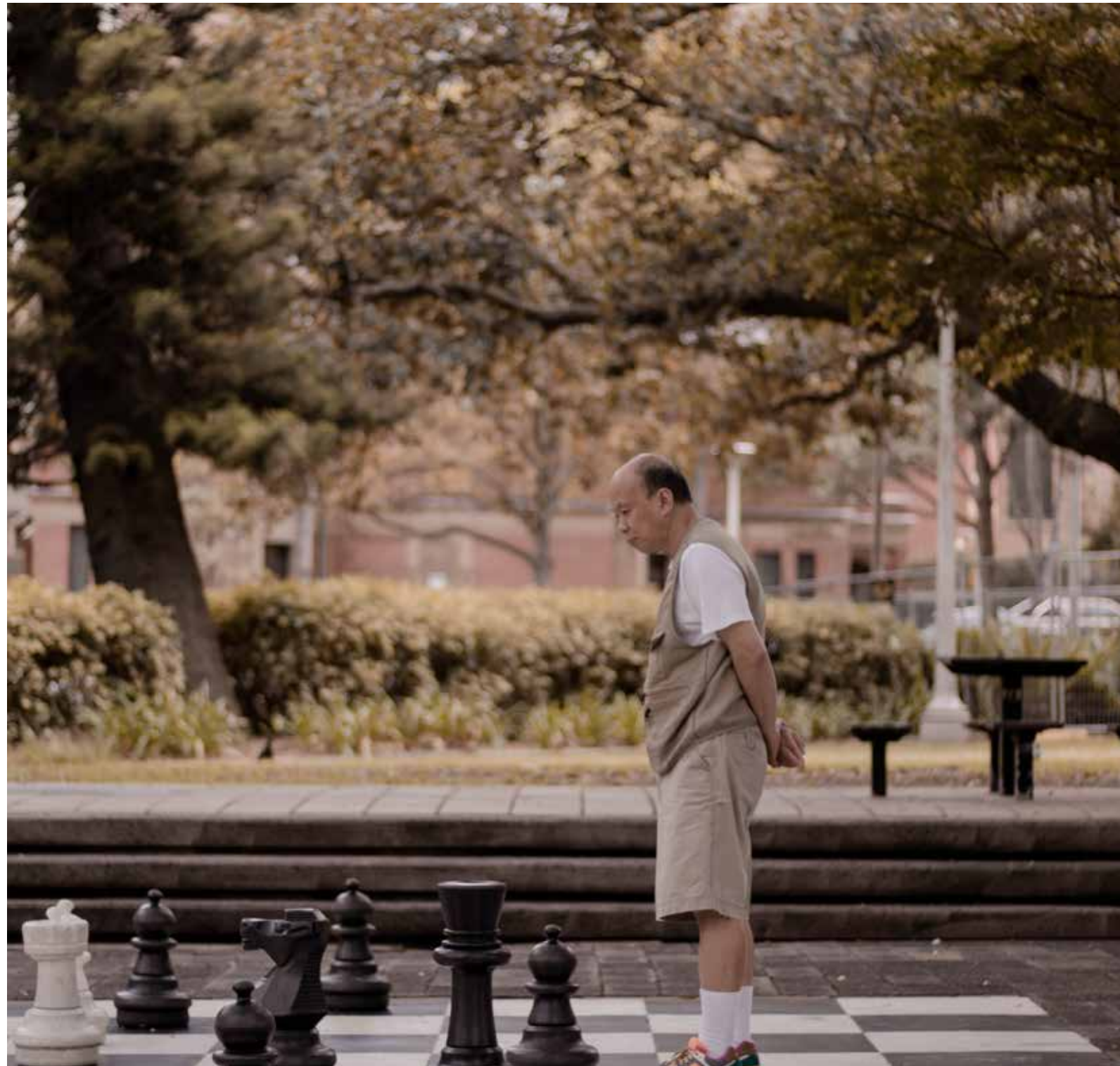
*Judy and her husband Roy signed up for a holiday timeshare in Western Australia in the 1990s, which they used regularly until he passed away in 2016.*

*Understandably Judy decided she no longer wanted to use the timeshare home and besides, she could not afford the fees on her own.*

*Unfortunately, the company that managed the scheme told Judy there would extremely high fees to exit - more*

*than \$15,000, which they reduced to \$12,000.*

*We contacted the timeshare operator to request documents relating to Judy's case. At that point they agreed to transfer the timeshare to another party and release Judy from the contract without paying any further fees or charges.*



## CREDIT & DEBT LEGAL CASEWORK

### CASE STUDY

*Gillian, whose only source of income is the Disability Support Pension, was convinced to buy solar panels by a door-to-door salesman. The payments were arranged through a popular 'buy now pay later' (BNPL) scheme.*

*Unfortunately, the solar system failed to work correctly and caused power surges which ruined Gillian's fridge and heater. She tried to resolve the problems with the installer and the BNPL scheme, to no avail.*

*Gillian, who lives in a small regional NSW town, also tried to enlist the help of a NSW Government*

*consumer protection agency, but the issue was not dealt with.*

*On Gillian's behalf we raised disputes with the installer and the BNPL operator, based mainly on breaches of the Australian Consumer Law - especially provisions relating to consumer guarantees, protections related to unsolicited consumer agreements and linked credit.*

*The BNPL scheme refunded Gillian the \$1400 she had paid and released her from further liability. She was allowed to keep the solar system.*

### CASE STUDY

*A trainee social worker, Zane was trying to meet repayments with income from his casual job, but when he needed to attend unpaid work placements for his degree he began to default on nine payday loan repayments with eight lenders.*

*Our solicitor requested the relevant documents pertaining to Zane's loan contracts and raised responsible lending disputes with the lenders. In one*

*of the cases we took a dispute to the ombudsman and also complained to ASIC.*

*As a result of our disputes, Zane was either refunded fees and charges he previously paid or had outstanding penalties waived. The lenders in all cases agreed to allow Zane to repay the outstanding principle he owed by instalments - without any extra costs.*

## CREDIT & DEBT LEGAL CASEWORK

### COURT & TRIBUNAL CASES

We commenced our first ever representative action in the Federal Court of Australia in 2016/17, so through 2017/18 we were navigating the Federal Court process in a class action against My Budget Pty Ltd. This saw our lawyers send opt out notices to the class, undertake a mediation and appear a number of times in the case management list.

We also assisted a number of clients in the Supreme Court of NSW seeking stays on a Notice to Vacate as well as assisting in circumstances where our client had a defence.

#### CASE STUDY

*Our client, a disability pensioner, had a default judgment and order for possession of his home entered against him in the Supreme Court of NSW.*

*While our client knew he had signed a mortgage over the property, he was duped to do so at the request of his (now estranged) grandson, who told him it was to secure a joint loan so he and his grandson could purchase an investment property together. Our client was told the loan would be secured by the investment property, and that the mortgage over his house was just a “back-up”. In fact, there was no joint purchase of an investment property and no other security for the loan, and our client had transferred a 10% interest in his property to his grandson for no consideration.*

*Our client had no capacity to pay the loan, and thought his grandson was taking care of it. He wasn't. The grandson had drawn down on the loan and spent the money himself (while pretending to our client they had purchased an investment property) and then disappeared.*

We appeared in a number of NSW Local Court and NSW Civil and Administrative Tribunal matters throughout the year, either seeking money back or defending claims in both credit and insurance law matters. Given the broad scope of compulsory external dispute resolution our involvement in court matters usually only occurs when judgement has already been obtained and enforcement proceedings (including bankruptcy) may have commenced, where a service provider is not licensed or other unique circumstances.

- 1. The broker who arranged the loan had never met our client (the grandson had falsified the loan application documents, including forging our client's signature).*
- 2. Neither the bank nor the broker had properly assessed our client's capacity to pay the loan (he had no capacity to pay at all).*
- 3. Neither the bank nor the broker had picked up that our client had received no independent advice (legal or financial) about the transaction – the same solicitor purported to act for both parties, despite the transaction clearly being improvident from our client's perspective.*

*We went on the record in the Supreme Court, and prepared a draft defence and application to set aside the bank's default judgment. We then entered into negotiations with the bank and certain other parties involved (including a NSW solicitor) in setting up the loan transaction. The Bank and the other parties agreed to set aside the judgement and discharge the mortgage.*

## CREDIT & DEBT LEGAL CASEWORK

### COURT & TRIBUNAL CASES

#### CASE STUDY

*Mary, an aged pensioner with multiple conditions contacted the National Debt Helpline about her strata levies. It turned out she had already been made bankrupt and was in danger of losing her home and tens of thousands of dollars in trustee's fees over a debt just over \$5,000. One of our solicitors contacted the trustee in bankruptcy and let them know that the client would be either seeking to have the sequestration order set aside or the bankruptcy annulled.*

*The solicitor then sought to determine whether there were any grounds for setting aside the sequestration order but found none. She assisted the client to enquire whether her bank (which had already provided her with a reverse mortgage) would extend further funds to annul the bankruptcy. The bank said they could not extend Mary any more credit, but they were willing to donate the funds to save Mary's home. The solicitor then went about negotiating a pay out figure with the trustee, which came in at over \$46,000.*

*It had then become apparent that Mary was having a number of issues managing her money and it was not clear she still had the capacity to do so. There was a real danger that despite the annulment (and considerable funds put up by the bank), Mary would not pay the ongoing strata levies and would ultimately lose her home anyway. With her consent our solicitor applied for a financial management order from the Guardianship Tribunal. Mary changed her mind at the hearing and tried to resist the order. The Tribunal made the order, but granted Mary the opportunity to show she could keep up with her essential bills before any intervention would occur.*

#### COURT/TRIBUNAL CASES

Attendance includes admin listings for adjournments by consent or other consent applications heard in chambers.

	ATTENDANCE	IN COURT
FEDERAL COURT	22	11
NCAT	7	5
LOCAL COURT (NSW)	7	0
SUPREME COURT (NSW)	3	1
LOCAL COURT (NT)	1	0



## CREDIT & DEBT LEGAL CASEWORK

### COURT & TRIBUNAL CASES

#### CASE STUDY

In May 2016, Arash was involved in a motor vehicle accident. He was driving his cousin's car, which had comprehensive car insurance and he was a listed driver under the policy. He did not admit liability. The other driver issued a Statement of Claim in September 2016 as the owner of the vehicle against Arash & his cousin for the cost of repairs for other vehicle, being over \$25,000.

Arash's cousin lodged a claim with his insurer, but they refused the claim. Arash cannot read, write or speak English, and he had no idea what was going on. The other driver obtained default judgment against Arash and his cousin and enforced the debt via garnishee of their bank accounts, to the tune of \$30,000. Arash only paid just over \$1,000, with the rest being taken from his cousin.

A year later an entity also claiming to be the owner of the other vehicle issued a statement of claim for \$13,000 against Arash only for hire car costs. It turned out that the plaintiff in the first proceedings (above) was an employee of the actual owner of the vehicle and not the owner at all.

Arash was referred to Financial Rights just

before the end of the 28 days to respond to the statement of claim had expired.

We requested further and better particulars, searched the RMS register to find the true owner of the vehicle, instructed pro bono counsel to prepare a defence and lodged a dispute with the cousin's insurer in relation to the accident. We filed our defence (abuse of process, splitting claims with no basis, first plaintiff misled the court as to ownership of the vehicle) and after several months of adjournments the plaintiff agreed to discontinue the proceedings with no order as to costs.

Meanwhile the insurance dispute had been escalated to the Financial Ombudsman Service ("FOS") and the insurer disputed jurisdiction. We argued successfully that the dispute was within the FOS terms of reference. The insurer then made a good will payment without admission of liability for the amount initially garnisheed from Arash's account. As this was now the full extent of his loss (the other proceedings having been discontinued), Arash was very pleased. He said he finally felt safe to put his money in his bank account again without fear that it would be taken.



## FINANCIAL COUNSELLING CASEWORK

Financial Rights' counselling casework clients include:

- clients who are also being assisted by Financial Rights' solicitors,
- clients who have difficulty in obtaining an appointment with their local financial counsellor because, for example, the client is unable to travel; the local financial counselling agency can't take additional appointments; the local financial counselling agency has a conflict; or there is no local financial counselling agency available in the client's 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 scheme (EDR) or writing a letter to a creditor.

Many of the clients being assisted by our legal practice have benefitted enormously from also having the services of a financial counsellor. In other cases our financial counsellors have produced great results without any legal assistance being required.



#### CASE STUDY

Jill instructed Financial Rights that that she obtained a credit card with a bank in the mid 1990s with a \$1500 limit. She spent the money on Christmas presents and began to struggle with payments within a few months and the card was cancelled. She made a repayment arrangement for \$30 per month in 1997.

Fast forward to 2018. Jill contacted the National Debt Helpline (NDH) at Financial Rights because despite paying \$30 per month for 21 years, her debt remained over \$1,000. She is on the Disability Support Pension and is a carer for her adult disabled son.

Statements obtained going back to 2011 (all the bank would provide) confirmed her repayments. She had

incurred interest every month plus late fees and was effectively going backwards. We estimate Jill must have paid in excess of \$7,000 towards her \$1500 debt over the years.

Several times Jill called her bank to ask if there was anything which could be done to alleviate her situation and was told "no you have to pay it off". She was not referred to the bank's hardship program or the NDH.

Our financial counsellor wrote to the bank complaining about its unresponsiveness to our client's hardship and setting out her personal circumstances. The bank waived the remaining debt and refunded several years of interest and fees.

## RECONCILIATION ACTION PLAN

Operating an Aboriginal Advice Service from within Financial Rights, beginning in 2014 raised vital questions: how could we start such a service without reflecting on how we might fit into communities? How could we ensure our staff had the right cultural training and understanding? At the same time, we were inspired by other Community Legal Centres (CLCs) and their Reconciliation Action Plans (RAPs). Financial Rights began developing our own RAP as a clear way forward: to help guide our services for Aboriginal and Torres Strait Islander clients.

What is a RAP? Put simply, it is a plan showing how to achieve goals for reconciliation. Mere commitment is not enough when there is no plan.

After speaking with other CLCs which developed RAPs, we contacted Reconciliation Australia and they provided us with a solid foundation. Because we were just starting out, our first RAP (which was due to be officially launched in October 2018) is a 'reflect' RAP: which is a 'first stage' RAP. A 'reflect' RAP focuses on developing relationships with Aboriginal and Torres Strait Islander stakeholders and preparing for reconciliation initiatives in future. We are proud to say we are now on that path.



Developing our RAP was by necessity a challenging and meticulous process - we worked hard to seek guidance from Aboriginal leaders, Reconciliation Australia and buy-in from staff; we are committed to creating a culturally safe environment for our Aboriginal and Torres Strait Islander clients. We developed an internal RAP Working Group, including staff and a Management Committee member. We also formed an Aboriginal Advisory Committee including three amazing Aboriginal advocates and experts in Aboriginal and Torres Strait Islander consumer financial matters.

In March 2018, Financial Rights hired an Aboriginal Services Coordinator, Suwana Combo, and Aboriginal solicitor, Mark Holden. Mark's and Suwana's work deepens our commitment under the RAP and Mark is now the new chair of the RAP Working Group.



## MOB STRONG DEBT HELP

### HOW WE STARTED

In 2014, Financial Rights used funding provided to us via ASIC enforcement actions to create a dedicated phone line to help Aboriginal and Torres Strait Islander clients.

Our previous experiences had shown that Aboriginals and Torres Strait Islanders are likely to experience poverty through low income or accrued debt. They are also likely to be targeted by rogue traders for unconscionable conduct, including being sold junk insurance and unaffordable loans.

Initially, our line was called the 'Aboriginal Advice Service' (AAS). We began to attract calls for problems outside our core expertise, such as housing assistance or food provision.

In 2018 we brainstormed to find a more focused brand name, which also had a sense of strength and hope for the caller. We discussed the options with our Aboriginal Advisory Committee, who agreed with our preference of 'Mob Strong Debt Help'.

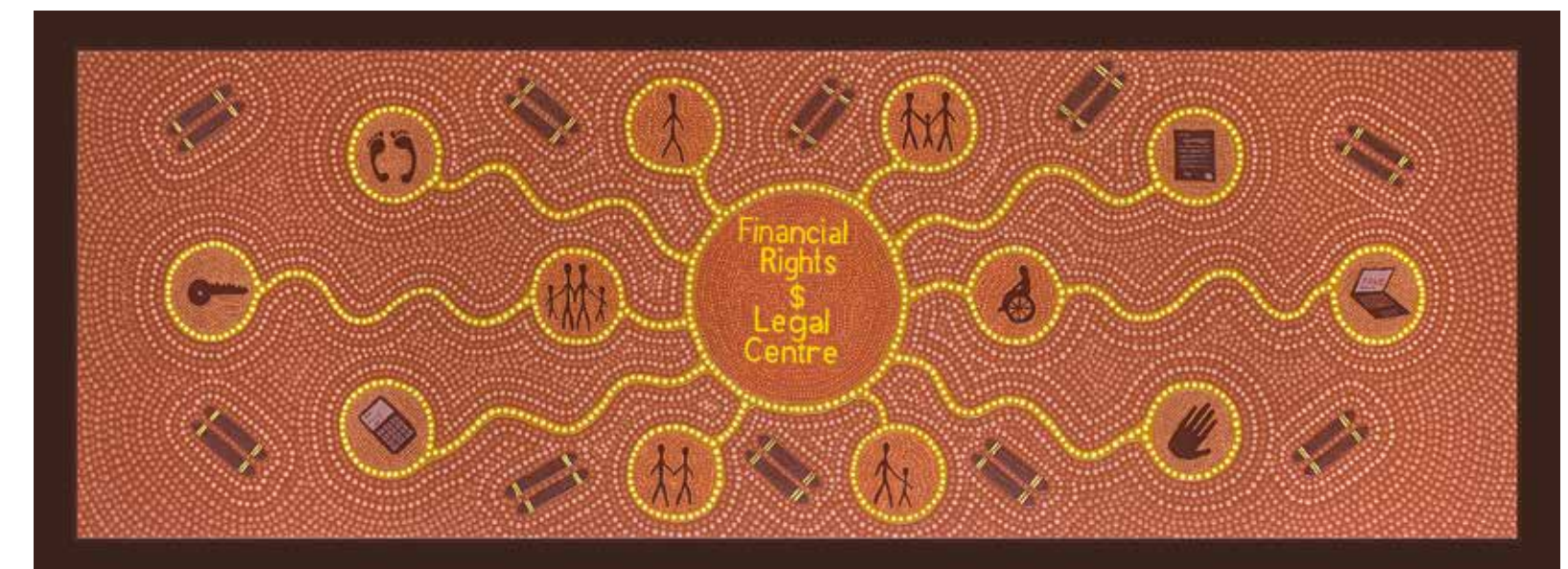
We settled with 'Mob Strong Debt Help' for two reasons.

Firstly, 'Debt Help' describes our service and allows our name to appear in web searches. Secondly, 'Mob Strong' is a term identifiable with community across Australia. It means our service is useless without our Mob coming together, to encourage others to get help and keep us informed about what they need.

Working on the Mob Strong Debt Help number is tough but rewarding work. Most callers require further assistance, like writing letters for them, calling their service providers or opening a file and acting on their behalf.

Part of the work Mob Strong Debt Help does is to go out to country and listen to community, then try and work out solutions. We meet people face-to-face to get to know each other better and learn about their stories.

Financial Rights aims to help our Mob to get out of debt and avoid dodgy financial products and become empowered through the world of Mob Strong Debt Help.



## MOB STRONG DEBT HELP

### WHAT IS MOB STRONG?

A lot of Aboriginal and Torres Strait Islander people grow up without much value placed on money, without much planning or saving, no having a back-up. That's how it was in my family.

Too many Aboriginal people fall into debt when emergencies come along: a death in the family, loss of a job, even when family expenses get out of hand – like buying uniforms. We start depending on payday loans. But we don't want to talk about it – there's too much shame and fear. We feel too ashamed to contact financial counsellors. We pretend it's not happening, ignore the debt and try to make ourselves untraceable.

But that leads to a lot of sleepless nights – and it has for me too. Debt weighs heavily on our mental health. It becomes a dead-end eventually and affects our physical health too.

In only a few months since we rebranded, Mob Strong Debt Help has done community outreach all over NSW. Probably eight out of 10 mob I have met would have a family member owing money on payday loans.



Unfortunately Aboriginal and Torres Strait Islander people are targets for a lot of scams and irresponsible lending too. A lot of our people get pushed into signing for loans and credit contracts we don't want and don't understand. The debts that result can haunt us for years.

Mob Strong Debt Help is filling a gap by providing a culturally safe point of contact for Aboriginal and Torres Strait islanders to connect and have a safe yarn about money – and break down money problems so you can get on top of them. We can help people work out what to do if there's been a car accident, or you owe a lot of money – we advocate on your behalf. We want to help introduce some financial literacy to community too, for instance to help the young ones understand how to have a mobile phone without getting into a lot of debt.

It's early days for us, but we are focusing on reaching out to people, letting them know we are here and that we are a national service. So far the feedback has been fantastic, but we have a lot of work to do.

**Suwana Combo** - Coordinator

## MOB STRONG DEBT HELP

### CASE STUDY

*Albert, an elderly Aboriginal man from a remote community, was referred to us about an outstanding car loan and several funeral insurance policies.*

*Ten years after taking out a loan for a secondhand car – which had so many mechanical problems it became too expensive for him to fix – he still owed nearly \$20,000. Financial Rights requested documents and established the initial loan amount was excessive due to "junk" insurance add-ons so we raised responsible lending issues. After protracted negotiations, the lender agreed to waive the outstanding debt.*

### CASE STUDY

*One of the cases we are proudest of involved shocking manipulations of Aboriginal people by a retail salesman, and breaches of the National Consumer Credit Protection Act.*

*Thirteen Aboriginal men and women were referred to us by financial counsellors from Alice Springs after unwittingly incurring debts totalling more than \$180,000 between them following visits to a major chain store. Many lived in remote communities.*

*In several circumstances the victims went to the store to look around and not buy anything – but were convinced to purchase thousands of dollars worth of goods on finance contracts and given credit cards with big spending limits. None of them had good English or could afford the goods and the contracts they were pressured to sign.*

*Financial Rights also obtained recordings of phone conversations with Albert's insurers which showed he was the victim of predatory sales tactics. At times Albert's responses were unintelligible but salesmen interpreted any response as a green light to sign him onto another policy.*

*Albert estimated he had paid \$12,000 on premiums for six policies with four companies. We raised disputes with two companies; one settled quickly and for the other we lodged disputes with the Financial Ombudsman Service. The outcome was that Albert received substantial refunds.*

*Many of the contracts signed were also incorrect: the number of dependents applicants had was underestimated and fortnightly income was listed as weekly. In all cases the same salesman was responsible.*

*One of the women, Faith, went "window shopping" but left with a \$2000 credit card and \$16,000 worth of goods on a consumer lease contract. One item was a blu-ray player, which Faith threw away as she didn't know what it was. But by the time Financial Rights intervened, Faith had repaid \$9000.*

*Our solicitor sent letters to the two finance companies involved alleging multiple breaches of the NCCPA. Both agreed to our terms – waiving the debts, refunding amounts paid, removing default listings and gifting the goods.*

*The salesman concerned no longer works for the store.*

## MOB STRONG DEBT HELP PRIORITIES

Issues facing Aboriginal and Torres Strait Islanders who contacted Mob Strong Debt Help mirror clients who call the Financial Rights Legal Centre's other services, but many issues are even more prevalent among Mob Strong clients.

Funeral insurance – which faced heavy criticism as a “junk” insurance product from many sources in 2018 – is a big ongoing problem for community. There is a lot of guilt amongst Aboriginal and Torres Strait Islander people about leaving their family with the burden of paying for their funeral when their time eventually comes. That has made people of all ages susceptible to aggressive marketing by specialist funeral insurers which has played on those deep fears.

Mob Strong Debt Help's coordinator and solicitor are both Dunghutti. We understand the fears our people have about money and being a burden to family. We will continue this crucial work of helping people who have been manipulated into signing up for funeral insurance they didn't understand and couldn't afford and we will not shy away from exposing companies that exploit our people so they can be held to account for any wrongdoing.

### CASE STUDY

*Debbie is a married Aboriginal woman who contacted Financial Rights after receiving a statement of claim from a finance company for \$6,000.*

*She was advised to go bankrupt, but contacted us to check that advice. Our solicitor felt there was a responsible lending case to answer; Debbie had three children at home (two with developmental disorders) and her expenditure exceeded her income by \$50 a week, when she was offered a credit card with a limit of \$5,000 after wanting to buy a television for less than half that amount.*

*Debbie missed repayments regularly but made a lump sum payment to the finance company of \$5050 when*

*Aboriginal and Torres Strait Islander people, like all vulnerable community members, are targeted by so-called “debt vultures”, such as debt management firms and credit repair companies. Our people also continue to be signed up to consumer leases they can't afford and don't understand. They can sometimes be easy targets for scams too.*

*Mob Strong Debt Help will continue to get the word out to community so they know that we can help people who feel trapped and ashamed by financial problems like these.*

*Because Mob Strong Debt Help is located within the Financial Rights Legal Centre – on Gadigal Land – we have access to the resources and knowledge of a full-time team of financial counsellors and solicitors.*

*We will also expand our services, by partnering other Non-Government Organisations and with Government to improve community access to financial literacy and legal help in the area of financial services.*

*Mob Strong Debt Help can be reached on **1800 808 488**.*

*her husband got an early release of his superannuation. But with her work hours only part-time, she again fell into heavy debt after using the card to pay for living expenses.*

*Debbie contacted the lender after defaulting and was given difficult repayment terms.*

*Financial Rights' solicitor and financial counsellor helped Debbie file an online complaint with FOS, but the lender sought and obtained a judgement in court – a breach of the ombudsman's terms of reference.*

*The matter was ultimately settled in FOS with Debbie released from her outstanding debt and the earlier judgement set aside*



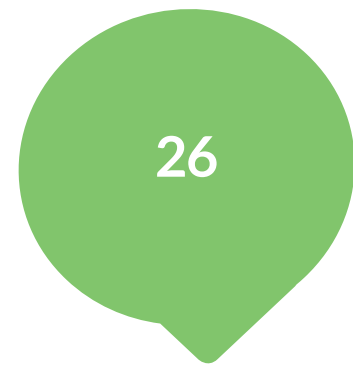
## INSURANCE LEGAL CASEWORK

Files opened ranged from solicitors representing the client against the insurer in the initial stages of a claim, through to internal dispute resolution and beyond to cases which went all the way to determination at the Financial Ombudsman Service.

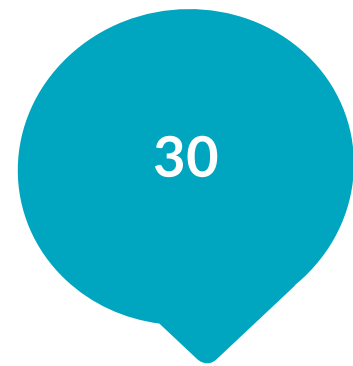
Comprehensive motor vehicle insurance matters were the most common among casework files closed in this period, followed by uninsured clients in hardship who were being

pursued for debts by insurance companies, then home building, funeral, travel and life insurance.

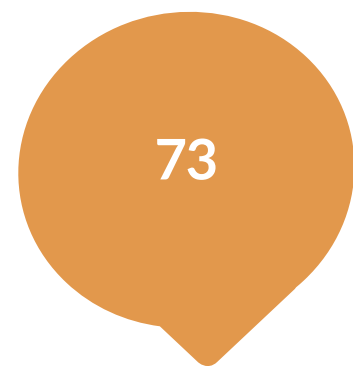
The operation of an exclusion or condition formed the basis of most disputes, but there was a wide variety of issues including disputes over quantum or scope of works/repairs, delays in processing claims, misleading representations, non-disclosure, allegations of fraud, and unfair change of policy terms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



CASES OPENED



CASES CLOSED



TASKS

## INSURANCE LEGAL CASEWORK

### INSURANCE CASEWORK TOP 10



22

MOTOR VEHICLE INSURANCE (COMPREHENSIVE)



16

DEBTS TO INSURANCE COMPANIES



16

HOME BUILDING INSURANCE



16

FUNERAL INSURANCE



9

TRAVEL INSURANCE



9

LIFE INSURANCE



6

SUPER/LIFE/TPD



2

INCOME PROTECTION INSURANCE



2

PREMIUM DISPUTE



2

OTHER GENERAL INSURANCE

## INSURANCE LEGAL CASEWORK

### CASE STUDY

Miranda was a teacher who stopped working after a shoulder injury. She was receiving disability support benefits when she first rang us. She also has a number of psychological conditions. She held mortgage protection insurance on both her home and an investment property.

She lodged a claim on her insurance in mid 2011 and her mortgage payments were paid as a result until the end of 2012. The claim stopped when the insurer refused to pay for a psychologist report, and Miranda could not afford it. Miranda lodged further claims in early 2014 but these were closed after a long delay due to 'no movement' as the report was required.

The client lodged in the Financial Ombudsman Service ("FOS") in 2016 and a final decision was issued in October 2016 saying an independent medical assessment should be performed – however the insurer never organised this. The insurer tried to claim they needed a list of our client's treating doctors – but they already had that information on file.

Miranda also tried to terminate the policies in April 2017 but the insurer refused and she cancelled her direct debits in order to try to stop the policies.

By the time she came to us Miranda was very distressed. She was significantly behind on both her mortgages and the bank was threatening repossession of both properties, including her home. Financial Rights lodged a further dispute in FOS about the insurer's unreasonable delay in processing the claims;

seeking unreasonable amounts of medical information; asking our client to pay for the release of more medical documents; and their failure to cancel the policies when requested to do so.

In the meantime we had to lodge another dispute in FOS to stop her home being sold for failure to pay the mortgage. A negotiated outcome was reached to give her time to sell the investment property while she pursued her insurance claim. This agreement included a 6 month repayment arrangement over the home mortgage, to be followed with a review as to long-term affordability and a valuation of the property, and a \$1000 goodwill payment to set off against the enforcement costs so far applied to the account.

FOS issued a determination on the insurance matter mostly in Miranda's favour (all 2011 claims were paid, but not 2014 due to a pre-existing condition) and she was happy with the result. In reviewing the matter our solicitor also drew FOS's attention to the manner in which the insurer had calculated the insurance benefit payments, as she was concerned there was a systemic problem affecting many other people.

By the time the 6 month review period for the mortgage had expired the client had paid enough from her insurance payouts to significantly reduce the arrears. We negotiated with the bank to allow her to continue to remain in the home and make her payments without any further valuation or affordability review. The mortgage is now up to date.

## INSURANCE LEGAL CASEWORK

### CASE STUDY

Victoria, who had suffered from a brain tumour, contacted our Insurance Law Service after her trauma policy claim was rejected. The reason given was the type of surgery she underwent was not covered in the policy; her tumour was removed through her nose but the policy covered surgery by craniotomy. Today 98 per cent of brain tumours are removed through the nose, reducing risk of infection for the patient.

Victoria had severe side effects from the tumour, developing a rare and potentially fatal hormonal

condition which means she cannot work and is financially supported by her father.

Financial Rights wrote to Victoria's insurer, asking them to reconsider their decision on the basis that the policy PDS was outdated. We supplied a specialist report confirming the insurer's medical definitions were out of date.

The insurer reviewed the matter and decided to pay Victoria's claim outside of the policy terms.

### CASE STUDY

Gregory contacted Financial Rights in 2017 to ask for help as he was trying to decide which of his nine active funeral insurance policies (with six different companies) to keep.

Gregory, who has been living with chronic mental illness for much of his adult life, had also cancelled another four policies before he called us. But he was finding it difficult to keep up with paying the premiums on the policies he had kept.

A solicitor from our Insurance Law Service assisted Gregory over an extended period, and once we had obtained certificates from his GP and psychiatrist stating that he had impaired decision-making abilities,

we were able to help cancel all of his policies and obtain full refunds on the premiums he had paid.

During our work it also came to light that Gregory had on several occasions been pressured into entering new contracts through inappropriate sales tactics and had even been sold duplicate policies that would not have been paid in the event of his death. It was clear Gregory's mental incapacity allowed him to be preyed on by telemarketers who convinced him to take out new contracts that he was not actually eligible for.

In total, Gregory was repaid nearly \$12,000 for premiums paid over time on 13 funeral insurance policies.

## POLICY & LAW REFORM

Policy and law reform advocacy remains a vital part of Financial Rights' work. Our large volume of advice and casework assists us to identify systemic issues, and many examples are used in our submissions to government and industry inquiries.

### TOP FIVE POLICY PRIORITIES 2017-2018

- 1 Debt management Firms**  
 Our aim is to combat the detriment to consumers caused by largely unregulated businesses like credit repairers, personal budgeting services, debt negotiators and debt agreement brokers through increasing consumer awareness of the free alternatives, advocacy and law reform.
- 2 Insurance claims handling**  
 Insurance claims handling practices and investigations continue to be a major source of consumer complaints. We believe that both the life and general insurance industries must act to improve their standards of conduct in claims handling and must inform their customers of their rights and responsibilities during the claims process. We also support stronger regulation to ensure effective consumer protections are in place.
- 3 Insurance product suitability**  
 We remain concerned with the large number of insurance products being sold to consumers that are unsuitable for their needs. This is arising because of poor disclosure, exploitative sales practices, and a lack of genuine dialogue with a consumer regarding their actual needs. We will work to improve industry practice whether through legislated suitability requirements, enhanced codes of practice or other regulatory instruments to ensure consumers are purchasing appropriate products to meet their needs and insurers are appropriately marketing, selling and issuing products.
- 4 Payday lending and consumer leases**  
 Reducing the widespread use of expensive short term lending has long been a priority for Financial Rights. We intend to encourage greater enforcement of responsible lending for pay day loans and consumer leases. We also want to work towards greater public awareness of the financial hardship that relying on payday lenders and consumer leasing arrangements can cause.
- 5 Motor vehicle dealership finance and sales practices**  
 The sales driven culture of motor vehicle dealerships has led to systemic unfair and exploitative practices including high interest loans, high broker fees and high pressure sales tactics particularly with respect to add-on insurance products. Financial Rights will work to identify and promote effective law reform, promote greater compliance with responsible lending laws and support improved consumer awareness of the pitfalls of motor vehicle purchases.

## POLICY & LAW REFORM

### HIGHLIGHTS

In addition to the work Financial Rights has done contributing to the Royal Commission, we have made significant contributions to a raft of law reform projects. Your rights to financial data privacy protections was a big focus in 2017-18.

Financial Rights took a lead role to ensure the consumer's perspective is included in Government plans to introduce 'open banking' into the Australian economy and develop a Consumer Data Right. The Consumer Data Right is a broader right the government is introducing to enable people to port their data to other businesses in the digital economy. Open banking is the ability for consumers to take control of their financial data and provide it to other banks or financial services who will provide a range of services using the data – from account and credit card switching to budgeting and tax advice. Our central concern is to ensure that this data – extremely sensitive information – is protected and safe. With the rise of frequent data breaches and the severe impact such breaches can have on someone – if their savings or identity are stolen – Financial Rights continues to argue for stricter rules and protections.

There were also major developments in the way Australian's credit history is reported this year, including the introduction of mandatory credit reporting, where the big four banks will be required by law to report a consumer's comprehensive credit history. This will mean reporting their customer's current credit contracts, including the loan type and credit limit, and the person's repayment history record. This last change is highly likely to impact on consumers' willingness to request hardship assistance, depending on how hardship arrangements will be reflected in their credit report. This would be a very poor outcome for consumers. In April, Financial Rights held a Repayment History & Hardship Forum with stakeholders from industry and government to explore this issue further. Financial Rights also led

joint consumer submissions to the Review of the Privacy (Credit Reporting) Code, the mandatory credit reporting legislation and the Attorney-General's Department Review of financial hardship arrangements with a view to improving or protecting consumer rights in the context of a rapidly changing data landscape.

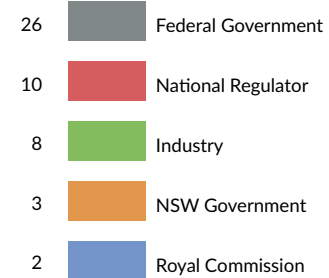
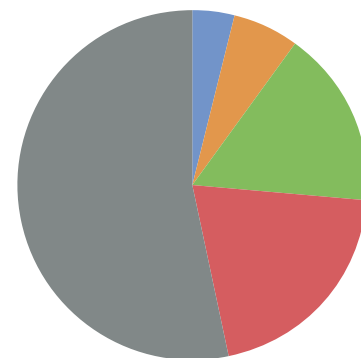
Financial Rights has continued to work hard to ensure that the financial services industry's Codes of Practice are strengthened and receive great oversight from the regulator. The Australian Banking Association became the first sector association to have its Code approved by ASIC – something Financial Rights has called for over a long period. The general insurers too have announced that they will be seeking ASIC approval too following Financial Right's heading a joint consumer submission to the General Insurance Code review. Many new improvements to the Code have been announced including new commitments regarding insurance investigations and surveillance – which Financial Rights has been advocating for since the publishing of our 2016 Report Guilty Until Proven Innocent – Insurance Investigations in Australia.

## SUBMISSIONS

The Financial Rights Legal Centre made significant contributions to legal and regulatory reform during 2017-18 including 49 written policy submissions, and over 152 other activities including letters, meetings, consultations and appearing at parliamentary committee hearings.

There were a number of important developments in this period that reflect years of hard work by Financial Rights and our consumer allies around the country including:

- the establishment of the new “one stop shop” dispute and complaints service – the Australian Financial Complaints Authority
- the government announcing reviews into unfair contract terms in insurance and a review into disclosure practices – two issues Financial Rights has long sought change
- the passing of legislation reforming credit card reforms regarding unsolicited sales and making it easier to cancel your credit card,
- the expansion of Australian consumer law protections to financial services and
- improvement to NSW state Debt Recovery laws
- the introduction of legislation to improve bankruptcy process and Part IX debt agreements,
- the development of legislation for design and distribution obligations and product intervention powers and
- the establishment of an ASIC working group on insurance investigations.



TOTAL POLICY  
SUBMISSIONS  
49





## MEDIA

Financial Rights continues to be very active in various forms of media including news websites, print, radio and television. Engaging with the media is a key opportunity for us to:

Increase awareness of our services with the general public

Educate consumers about their rights & warn about potential pitfalls

Encourage & facilitate debate on law-reform issues

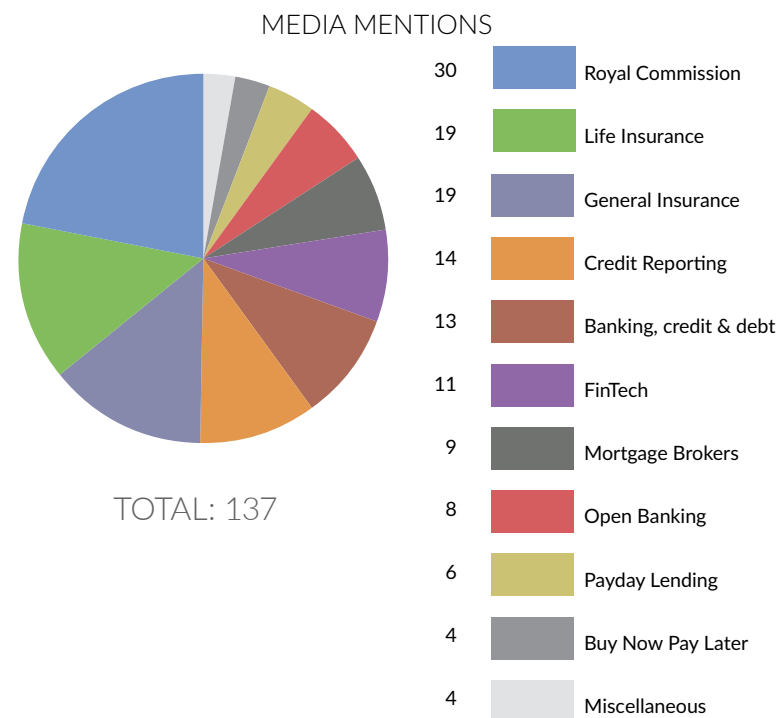
Principal Solicitor, Alexandra Kelly and Coordinator Karen Cox, and other staff members have made significant contributions appearing on ABC Radio National, ABC TV's 7:30, *The Sydney Morning Herald*, *The Age*, *The Australian*, SBS TV, *The Guardian*, and many more.

This year our main contributions to the news in the financial rights space were to do with the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, the government review into the financial services complaints framework, the continuing scourge of pay day loans, consumer leases and debt management firm exploitation, and the need to lift claims handling standards

in general insurance.

Our media presence included:

- Alexandra Kelly appearing on ABC News discussing interest-only loans
- Karen Cox speaking on credit reporting issues to Seven Nightly News
- Amy Knox discussing ATM pay day loans on channel Nine News and channel Seven News
- Policy and Communications Officer Julia Davis speaking on credit reporting on ABC 702 Breakfast
- Policy and Advocacy Officer Drew MacRae speaking on 'Buy now, pay later' services on the ABC's podcast The Signal.



## WEBSITES

Financial Rights continues to operate the three important websites:

- Financial Rights home page: [financialrights.org.au](http://financialrights.org.au)
- Insurance Law Service [insurancelaw.org.au](http://insurancelaw.org.au)
- The Motor Vehicle Accident Portal [mva.financialrights.org.au](http://mva.financialrights.org.au)

These websites contain a wealth of resources designed to help consumers self-advocate and feel more confident about their rights when dealing with debt collectors, negotiating with financial service providers, or even lodging disputes with an ombudsman service. The websites contain over 80 legal information factsheets, sample letters, 'Know your financial rights' checklists, a financial counsellor search tool for consumers in NSW and much more. This financial year our websites were visited by over 175,000 unique users.

The MVA portal attracted over 8000 unique users in its first year of service helping people through the complications,

pitfalls and hurdles of car insurance. Click on the motor vehicle accident 'problem solver' button, answer a few simple questions and the 'problem solver' will lead you to the actions you should take and provide you with all advice, sample letters, detailed fact sheets you require.

Financial Rights' free interactive letter generator has also been a great success, helping consumers, or community workers create professional and legal letters to send to financial service providers like banks, creditors and insurance companies. The tool is designed for consumers to use without assistance, and also for community workers to use with their clients.

Financial Rights also launched its first Facebook page: the home for Mob Strong Debt Help, which provides legal advice and assistance to Aboriginal and Torres Strait Islander people across Australia on credit, debt and insurance matters.



## EDUCATION CAMPAIGNS

### WATCH YOUR NUTS!

### AN EXPERIMENTAL FINANCIAL LITERACY CAMPAIGN

Consumer advocates have long been concerned about the impact payday loans are having on Australian consumers. But up against an industry spending millions of dollars every year to convince Australians to take out high cost loans, how can consumer advocates break through?

Financial Rights Legal Centre together with the Consumer Action Law Centre and Financial Literacy Australia partnered to explore this question and test new ways to engage hard-to-reach audiences.

The project culminated in the creation of the 'Watch Your Nuts' campaign – which was flavoured with a humorous approach to financial literacy: a quirky video and social media campaign encouraging young men to think twice about payday loans.

The website featured some ways to avoid getting 'squirrel-gripped' by debt problems:

- Chase up your tight-arse mate/s for all that beer money they owe you
- Become a competitive eater with a crazy popular YouTube account and
- There's nothing cute about fast loans. So do 'Anything else', seriously, anything else, apart from getting a fast loan (aka payday loan, aka 'small' loan) before you find yourself calling the National Debt Helpline on 1800 007 007

Watch the final product at [WatchYourNuts.com.au](http://WatchYourNuts.com.au)

In a short experimental run the campaign was seen by over 460,000 people with high full view rates on YouTube, indicating a substantial level of engagement by viewers and outperformance as compared to industry averages. Similarly, click-through rates (i.e. a direct and immediate response to the call to action) were higher than average, coming second only to video games, a category that the industry recognises is very hard to beat.



## COMMUNITY LEGAL EDUCATION

Community Legal Education (CLE) presentations and workshops are a vital part of the Centre's work. Our solicitors and financial counsellors regularly present CLE to community workers, other financial counsellors, lawyers and the general public. Our CLE strategy is geared toward spreading our specialist skills and knowledge using the most effective means. The Financial Rights, Insurance Law Service, Motor Vehicle Accident websites and new Mob Strong Debt Help Facebook page are particularly effective in helping our clients turn our advice into meaningful self-representation.

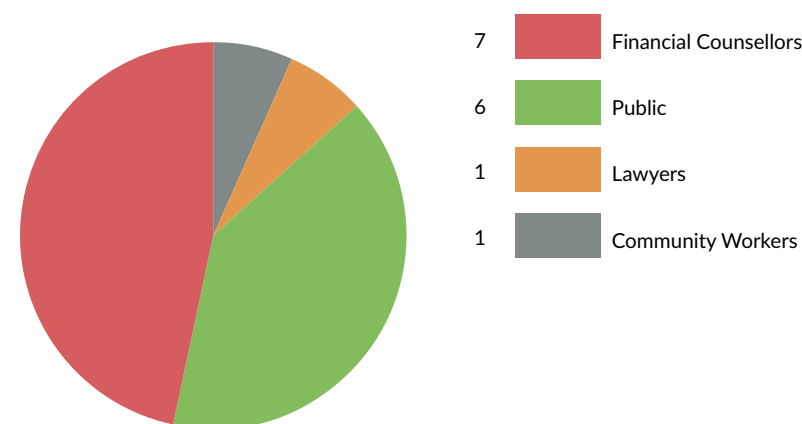
Financial Rights provided CLE sessions on credit and debt, mortgages and insurance for financial counsellors, community workers and the general public in NSW.

Some highlights from this year's community legal workshops included:

- A two-part phone training session on the Bankruptcy Checklist to the Salvation Army's Financial Counsellors held for three groups (six sessions in all)
- A presentation to residents at the We Help Ourselves drug and alcohol rehabilitation centre (WHOS) Rozelle. We provided advice on Debts and How to Deal with Them
- A session on Bushfires and Insurance to residents in the bushfire prone Ku-ring-gai area north of Sydney
- Attending the Katoomba CLC NSW Regional and Rural Roadshow to spruik the work Financial Rights does and how we can help solicitors
- A Webinar for National Debt Helpline staff around the country on for-profit Debt Management Firms and how to assist clients who have questions or concerns about them.



COMMUNITY EDUCATION SESSIONS - AUDIENCE



## REGIONAL VISITS

Financial Rights conducts regular visits to regional areas of NSW in order to reach a broader demographic of people than we are likely to reach with our phone services and online resources. Sometimes those people most in need are often those who cannot make use of such services and need face-to-face assistance. Our efforts of late have concentrated on forming closer ties with financial counsellors and other community workers in regional areas to better assist them in their roles and increase referrals.

This year we have visited Nelson Bay, Port Macquarie, and Bega. In Bega our Solicitor Lara Song attended the Bega Valley Disaster Recovery Centre after the Tathra bushfire, which started to the south-east of Bega and impacted

properties in the Tathra area in March 2018. We worked with Legal Aid representatives to give advice on insurance matters effecting people impacted by the fire.

Where possible we open casework files for clients identified through our 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.

Each of our solicitors and financial counsellors are assigned a specific regional area in NSW so that we can reach out to all corners of the state in a systematic and consistent manner.



**FINANCIAL RIGHTS LEGAL CENTRE INC.****40 506 635 273****FINANCIAL REPORT FOR THE YEAR ENDED****30 JUNE 2018****FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273****Financial Report for the Year Ended 30 June 2018  
COMMITTEE'S REPORT**

Your committee members submit the financial report of the Financial Rights Legal Centre Inc (the Association) for the financial year ended 30 June 2018.

**Committee Members**

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

Margaret Raffan, President  
David McMillan, Vice President  
Daniel Maurer, Treasurer  
Paul Baker, Secretary  
Erin Turner  
Karen Cox  
Nicola Sutton

**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 association recorded an operating surplus of \$225,765 for the financial year ended 30 June 2018.

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

  
.....  
Margaret Raffan

  
.....  
Daniel Maurer

Dated this 23<sup>rd</sup> day of October 2018

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For The Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Grants	2	2,065,644	1,868,776
Project income	3	704,000	3,495,130
Interest received		112,269	56,534
Other income	4	25,492	10,394
		<u>2,907,405</u>	<u>5,430,834</u>
<b>EXPENDITURE</b>			
Salaries		1,957,341	1,592,085
Superannuation		179,141	148,423
On costs		(39,131)	13,778
Rent		154,897	133,232
Repairs and maintenance		3,232	2,310
Other Premises Costs		51,946	44,885
Staff Training		8,110	6,362
Staff Recruitment		1,426	602
Communications		75,923	64,581
Office Overheads		91,518	31,897
Insurance		5,290	5,826
Finance, Audit & Accounting Fees	5	13,570	8,764
Library, Resources & Subscriptions		22,626	23,890
Travel		16,807	16,078
Programming and Planning		85,711	35,334
Client Disbursements		7,074	2,246
Minor Equipment		8,091	2,097
Depreciation		38,068	18,310
TOTAL EXPENSES		<u>2,681,640</u>	<u>2,150,700</u>
Current year surplus / (deficit)		225,765	3,280,134
Other comprehensive income		-	-
Total comprehensive surplus / (deficit)		<u>225,765</u>	<u>3,280,134</u>

The accompanying notes form part of this financial report.

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

STATEMENT OF FINANCIAL POSITION  
As at 30 June 2018

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		900,357	1,286,663
Financial Assets	6	3,950,369	3,699,050
Trade and other receivables	7	29,036	31,353
Prepayments		21,471	14,307
GST receivable		12,895	-
Other current assets		10,000	-
TOTAL CURRENT ASSETS		<u>4,924,128</u>	<u>5,031,373</u>
<b>NON-CURRENT ASSETS</b>			
Rental Bond		36,066	36,066
Financial assets	6	28,807	10,052
Property, plant and equipment	8	80,712	36,294
TOTAL NON-CURRENT ASSETS		<u>145,585</u>	<u>82,412</u>
TOTAL ASSETS		<u>5,069,713</u>	<u>5,113,785</u>
<b>CURRENT LIABILITIES</b>			
Employee Benefits	9	443,570	493,866
Grants received in advance	10	19,884	289,668
Other provisions	11	47,857	47,857
GST liabilities		-	19,122
Employee liabilities		104,742	82,650
Creditors & Accruals		74,267	29,666
TOTAL CURRENT LIABILITIES		<u>690,320</u>	<u>962,829</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits	9	17,918	15,246
TOTAL NON-CURRENT LIABILITIES		<u>17,918</u>	<u>15,246</u>
TOTAL LIABILITIES		<u>708,238</u>	<u>978,075</u>
NET ASSETS		<u>4,361,475</u>	<u>4,135,710</u>
<b>MEMBERS' FUNDS</b>			
Reserves	12	21,916	21,916
Retained surplus	13	4,339,559	4,113,794
TOTAL MEMBERS' FUNDS		<u>4,361,475</u>	<u>4,135,710</u>

The accompanying notes form part of this financial report.

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

STATEMENT OF CHANGES IN MEMBERS' FUNDS  
For the Year Ended 30 June 2018

	Reserves \$	Retained surplus \$	Total Equity \$
Balances as at 1 July 2016	21,916	833,660	855,576
Surplus for the year	-	3,280,134	3,280,134
Other comprehensive income for the year	-	-	-
Total comprehensive surplus for the year	-	3,280,134	3,280,134
Transfer between reserves	-	-	-
Balance as at 30 June 2017	21,916	4,113,794	4,135,710
Surplus for the year	-	225,765	225,765
Other comprehensive income for the year	-	-	-
Total comprehensive surplus for the year	-	225,765	225,765
Transfers between reserves	-	-	-
Balance as at 30 June 2018	21,916	4,339,559	4,361,475

The accompanying notes form part of this financial report.

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

STATEMENT OF CASH FLOWS  
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and project income		2,527,669	5,634,189
Interest received		117,986	38,821
Payments to suppliers and employees		(2,679,401)	(2,106,981)
	17(b)	(33,746)	3,566,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for rental bonds		-	-
Payments for financial assets		(270,074)	(2,725,970)
Payments for property plant & equipment		(82,486)	(14,096)
		(352,560)	(2,740,066)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE (DECREASE) IN CASH		(386,306)	825,963
CASH AT THE BEGINNING OF THE YEAR		1,286,663	460,700
CASH AT THE END OF THE YEAR	17(a)	900,357	1,286,663

The accompanying notes form part of this financial report.

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**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 and the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the Association is not a reporting entity and is a not-for-profit entity. The Association is incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the measurement and recognition requirements of all applicable Accounting Standards and the presentation and disclosure requirements of the following applicable Accounting Standards:

AASB 101: Presentation of Financial Statements  
AASB 107: Statement of Cash Flows  
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors  
AASB 1048: Interpretation of Standards  
AASB 1054: Australian Additional Disclosures

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, or as at 30th June 2018.
- 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.

FINANCIAL RIGHTS LEGAL CENTRE INC  
ABN: 40 506 635 273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

- 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, the 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 financial statements. 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 financial statements until repayment.
- Community benefit payments are non-reciprocal contributions and recognised as revenue when the Association obtains control or the legal right to receive the contribution.
- 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 property plant and equipment, 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.
- Lease payments for operating leases are recognised as an expense over the lease term.
- 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.
- j. Financial Instruments**
- Classification**  
The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.
- Held to maturity investments**  
Held to maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and the company intends to hold the investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**FINANCIAL RIGHTS LEGAL CENTRE INC**  
**ABN: 40 506 635 273**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**Financial liabilities**

Financial liabilities include trade payables, other creditors and loans from third parties including inter company balances and loans from or other amounts due to director related entities. Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**Critical Accounting Estimates and Judgements**

Management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

**Key estimates**

(i) Provision for Make Good

Included in provisions at the end of the reporting period is a amount for making good the office premises. This is on the Committee's assessment of possible liabilities that the Association may incur in future periods.

**New Accounting Standards for Application in Future Periods**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Association, together with an assessment of the potential impact of such pronouncements on the Association when adopted in future periods, are discussed below:

AASB 9: Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2018).

The standard include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments.

AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2019).

This Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1st January 2019).

- Recognition of a "right to use" asset and liability for all leases, excluding leases less than 12 months of tenure and leases relating to low value assets.
- Depreciation of right to use assets in line with AASB 116: Property, Plant and Equipment and unwinding of the liability in principal and interest components over the life of the lease
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or the rate at the commencement of the lease
- A lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease
- Additional disclosure requirements.

The transitional provisions of the standard allow a lessee to either retrospectively apply the standard or recognise the cumulative effect of retrospective application as an adjustment to opening equity on initial application.

Although the directors anticipate that the adoption of the above standards will impact the financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**FINANCIAL RIGHTS LEGAL CENTRE INC**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

AASB 1058: Income of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 1058 replaces the income recognition requirements in AASB 1004: Contributions applicable to not-for-profit entities with a model based on the principles of AASB 15: Revenue from Contracts with Customers. Consequently, AASB 1058 requires not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer if the agreement:

- creates enforceable rights and obligations between the parties; and
- includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer, the inflows are accounted for in accordance with AASB 1058, which requires:

- the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard; and
- any difference between the consideration given for the asset and its fair value to be recognised in accordance with its substance (such as a contract liability, a financial instrument and/or a contribution by owners), and any residual amount recognised as income.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

Although the directors anticipate that the adoption of AASB 1058 and related Standards may have an impact on the Group's reported revenue, it is impracticable at this stage to provide a reasonable estimate of such impact.



FINANCIAL RIGHTS LEGAL CENTRE INC  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: GRANTS INCOME	2018	2017
	\$	\$
Commonwealth Attorney General – CLSP Generalist services	390,827	230,826
State Attorney General – CLSP Generalist services	159,063	153,851
NSW Fair Trading – FCSP NSW	793,431	766,992
Department of Social Services – FWCP	353,007	349,410
Commonwealth Attorney General – CLSP Insurance	369,316	367,697
	<u>2,065,644</u>	<u>1,868,776</u>
CLSP – Community Legal Service Program		
FCSP NSW – Financial Counselling Services Program NSW		
FWCP – Financial Wellbeing and Capability Program		
<b>NOTE 3: PROJECT INCOME</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Community Benefit Payments	704,000	3,475,279
Project Income	-	19,851
	<u>704,000</u>	<u>3,495,130</u>
<b>NOTE 4: OTHER INCOME</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Consultancy fees	24,415	9,317
Sitting fees	1,077	1,077
	<u>25,492</u>	<u>10,394</u>
<b>NOTE 5: EXPENSES</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Audit fees	8,700	7,450
	<u>8,700</u>	<u>7,450</u>
<b>NOTE 6: FINANCIAL ASSETS</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Term deposits – current	3,950,369	3,699,050
Term deposits – non-current	28,807	10,052
	<u>3,979,176</u>	<u>3,709,102</u>
<b>NOTE 7: TRADE AND OTHER RECEIVABLES</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Sundry debtors	10,000	6,600
Interest receivable	19,036	24,753
	<u>29,036</u>	<u>31,353</u>

FINANCIAL RIGHTS LEGAL CENTRE INC  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8: PROPERTY, PLANT AND EQUIPMENT	2018	2017
	\$	\$
Computer Equipment – at cost	70,845	50,553
Accumulated depreciation	(51,868)	(44,706)
	<u>18,977</u>	<u>5,847</u>
Office furniture and equipment – at cost	70,357	56,904
Accumulated depreciation	(41,117)	(28,478)
	<u>29,240</u>	<u>28,426</u>
Office Equipment – at cost	52,159	52,159
Accumulated depreciation	(52,159)	(50,138)
	<u>-</u>	<u>2,021</u>
Leasehold improvements – at cost	100,335	51,595
Accumulated depreciation	(67,840)	(51,595)
	<u>32,495</u>	<u>-</u>
Total Plant and equipment	<u>80,712</u>	<u>36,294</u>
<b>NOTE 9: EMPLOYEE BENEFITS</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Current Liabilities		
Provision for Annual Leave	206,525	222,509
Provision for Long service Leave	237,045	271,357
	<u>443,570</u>	<u>493,866</u>
Non-Current Liabilities		
Provision for Long service Leave	17,918	15,246
Total Employee Benefits	<u>461,488</u>	<u>509,112</u>
<b>NOTE 10: GRANTS RECEIVED IN ADVANCE</b>	<b>2018</b>	<b>2017</b>
	\$	\$
NSW Fair Trading – FCSP NSW	-	269,784
Bankruptcy Tool Kit Project	19,884	19,884
	<u>19,884</u>	<u>289,668</u>
<b>NOTE 11: OTHER PROVISIONS</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Provision for Make good	37,857	37,857
Provision for PI Insurance excess	10,000	10,000
	<u>47,857</u>	<u>47,857</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 12: RESERVES	2018	2017
	\$	\$
Reserve for future projects	11,959	11,959
Reserve for office equipment	9,957	9,957
	<u>21,916</u>	<u>21,916</u>

NOTE 13: RETAINED SURPLUS	2018	2017
	\$	\$
Balance brought forward – tied	-	5,784
Balance brought forward – untied	4,113,794	827,876
Current year surplus/(deficit) – tied	-	(5,784)
Current year surplus/(deficit) – untied	225,765	3,285,918
Transfer (to)/from reserves	-	-
	<u>4,339,559</u>	<u>4,113,794</u>
Balance carried forward – tied	-	-
Balance carried forward – untied	4,339,559	4,113,794
	<u>4,339,559</u>	<u>4,113,794</u>

NOTE 14: LEASING COMMITMENTS	2018	2017
	\$	\$
<b>Operating Lease Commitments</b>		
Being for office rental		
Minimum lease payments:		
not later than 12 months	187,742	55,743
between 12 months and 5 years	285,490	-
greater than 5 years	-	-
	<u>473,232</u>	<u>55,743</u>

The first property lease is a non-cancellable lease with a 3 year term commencing 1 December 2017 terminating 30 November 2020. Rent is payable monthly in advance with a one (1%) percentum rent increase annually at each anniversary. An option exists to renew the lease at the end of the lease term for an additional 3 year term. The second property lease is a non-cancellable lease with a 3 year term commencing 26 February 2018 terminating 25 February 2021. Rent is payable monthly in advance with a four (4%) percentum rent increase annually at each anniversary. There is no option to renew this lease.

FINANCIAL RIGHTS LEGAL CENTRE INC  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15: 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.

NOTE 16: INCOME & EXPENDITURE

	Commonwealth and State Attorney General	Office of Fair Trading	Department of Social Services
	\$	\$	\$
<b>INCOME</b>			
Grants	919,206	793,431	353,007
Interest received	10,751	10,948	4,991
	<u>929,957</u>	<u>804,379</u>	<u>357,998</u>
<b>EXPENDITURE</b>			
Salaries	667,059	567,099	254,062
Superannuation	62,233	53,215	23,713
On costs	35,364	30,065	13,469
Rent	54,590	57,608	25,421
Repairs and maintenance	1,188	1,010	452
Other Premises Costs	19,093	16,232	7,272
Staff Training	2,981	2,534	1,135
Staff Recruitment	524	446	200
Communications	27,906	23,724	10,629
Office Overheads	25,567	23,527	10,478
Insurance	4,296	1,653	740
Finance, Audit & Accounting Fees	5,078	4,575	2,041
Library, Resources & Subscriptions	6,196	6,960	2,922
Travel	5,114	4,347	1,948
Client Disbursements	3,537	3,537	-
Minor Equipment	2,974	2,528	1,133
Depreciation	6,257	5,319	2,383
<b>TOTAL EXPENSES</b>	<u>929,957</u>	<u>804,379</u>	<u>357,998</u>
Current year surplus/(deficit)	-	-	-

**FINANCIAL RIGHTS LEGAL CENTRE INC**  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17: STATEMENT OF CASH FLOWS	2018	2017
	\$	\$
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	350	350
Cash at bank	900,007	1,286,313
	<u>900,357</u>	<u>1,286,663</u>
<b>(b) Reconciliation of cash flow from operations with surplus</b>		
Surplus (deficit) for ordinary activities after income tax	225,765	3,280,134
Adjustments and non cash items:		
Depreciation	38,068	18,310
	<u>263,833</u>	<u>3,298,444</u>
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	2,317	(9,895)
(Increase)/decrease in other assets	(30,059)	6,000
Increase/(decrease) in other liabilities	2,970	17,189
Increase/(decrease) in payables	44,601	(22,219)
Increase/(decrease) in in grants received in advance	(269,784)	269,784
Increase/(decrease) in in provisions	(47,624)	6,726
Cash flows from (used in) operation activities	<u>(33,746)</u>	<u>3,566,029</u>

**NOTE 18: CAPITAL MANAGEMENT**

Management prepare budgets and cash flows forecasts for the next 12 months and monitor cash flows on a regular basis.

**NOTE 19: CONTINGENT LIABILITIES**

On 26 June 2017, the Management Committee decided to conduct a review of the centre. On the basis of this review the Management Committee consulted staff on 28 March 2018 about potential changes to the organisational structure and on 20 September 2018 advised staff that those proposed changes would be implemented. As part of this process redundancy payments may be offered. To date no payments have been offered or made and its impracticable to estimate the amount, or if payment any will be required.

**FINANCIAL RIGHTS LEGAL CENTRE 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 15:

1. Presents a true and fair view of the financial position of Financial Rights Legal Centre Inc as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Financial Rights Legal Centre Inc will be able to pay its debts as and when they fall due.
3. The financial statements and notes satisfy the requirements of the Associations Incorporation Act 2009 and the Australian Charities and Not-for-profits Commission Act 2012.
4. Pursuant to Schedule 1, Section 7(3) of the NSW Charitable Fundraising Regulations 2008;
  - (a) the Statement of Profit or Loss and Other Comprehensive Income is drawn up so as to give a true and fair view of income and expenditure of the Association for the year ended 30 June 2018 with respect to fundraising appeals;
  - (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Association as at 30 June 2018 with respect to the fundraising appeals;
  - (c) the provisions of the Charitable Fundraising Act (NSW) 1991 and the regulations under the Act and the conditions attached to the Association have been complied with for the year ended 30 June 2018; and
  - (d) the internal controls exercised by the Association are appropriate and effective in accounting for all income received and applied by the Association from any of the fundraising appeals.

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

  
Daniel Maurer

Dated this 23<sup>rd</sup> day of October 2018



**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE MEMBERS OF FINANCIAL RIGHTS LEGAL CENTRE INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

MARK GODLEWSKI

Partner

PITCHER PARTNERS  
Sydney

24 October 2018

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**FINANCIAL RIGHTS LEGAL CENTRE  
ABN 40 506 635 273  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FINANCIAL RIGHTS LEGAL CENTRE**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report, being a special purpose financial report of Financial Rights Legal Centre, "the Association", which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in members' funds, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of Financial Rights Legal Centre, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Financial Rights Legal Centre to meet the requirements of the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Committee Members for the Financial Report

The committee members are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as the committee members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those committee members are responsible for overseeing the Association's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.



- Conclude on the appropriateness of the committee' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MARK GODLEWSKI

Partner

24 October 2018

PITCHER PARTNERS

SYDNEY



## FINANCIAL RIGHTS LEGAL CENTRE

Level 1, 80 Cooper St. Surry Hills NSW  
PO Box 538 Surry Hills NSW 2010

National Debt Helpline: 1800 007 007  
Insurance Law Service: 1300 663 464  
Mob Strong Debt Help: 1800 808 488  
Advice Hours: (EST) 9:30am – 4:30pm weekdays

Email: [info@financialrights.org.au](mailto:info@financialrights.org.au)

Websites: [financialrights.org.au](http://financialrights.org.au) & [insurancelaw.org.au](http://insurancelaw.org.au)

Office Hours: 9:30am – 5:00pm weekdays  
Administration: (02) 9212 4216  
Fax: (02) 9212 4711

ABN: 40 506 635 273