

2012 ANNUAL REPORT

# CONSUMER CREDIT LEGAL SERVICE WA INC

## ABOUT US

Consumer Credit Legal Service (WA) Inc (CCLSWA) is a not for profit organisation whose Mission is:

*To help the WA community develop just and fair relationships with banks and financial institutions.*

The objectives are:

1. To assist consumers of financial services to resolve disputes with banks and financial institutions.
2. To create awareness and understanding of regulation, industry practices and consumer issues in financial services.
3. To improve the financial services marketplace for the benefit of consumers.
4. To develop and maintain effective networks to support the work of CCLSWA and the work of like minded organisations.
5. To manage the association effectively, efficiently and appropriately for the benefit of the community.

## Hours of Operation

9.00am – 5.00pm      Monday to Friday

## Names of the Management Committee

Chairperson -	Tim Massey
Secretary -	Ben Arnold
Treasurer -	Henry Thong
Members: -	Aviva Freilich, Judi Kellond, Matthew Knox, Marianne Mayer, Lorraine Stemp and Eileen Webb

## Staff Members and their Roles

David Kernohan Centre Manager	Started September 2011
Faith Cheok Principal Solicitor	From November 2011
Raija Ogden Solicitor	Started November 2011
Marina Knoote Solicitor	Started March 2012
Juin Ng Solicitor (RP)	Started February 2012
Kay Boey Paralegal	Up To April 2012
Kay Boey Solicitor (RP)	From April 2012

# CHAIRPERSON'S REPORT

## Chairperson's Report – CCLS 23 Oct 2012

I am pleased to present the Chairperson's report for the past year on behalf of the Management Committee.

CCLSWA provides a very much needed free service to our community in an area of growing demand and complexity. The provision of free legal advice, information and advocacy services to vulnerable clients experiencing difficulty with financial and credit issues, and the informed and active participation in positive law reform, are critical roles undertaken by CCLSWA. A high level summary of the wide ranging work of the service is outlined later in this Annual Report and illustrates the depth of services provided by CCLSWA to the community. You will also note from this report the expansion in the manner in which services are delivered and the ongoing modernisation of the infrastructure utilised by CCLSWA.

To put it simply, the work done by CCLSWA is vital.

As we all know, provision of such an excellent service is not without its costs. CCLSWA would not exist without the great generosity and commitment of its many supporters including staff, volunteers, other agencies & community groups and funders.

There are a wide range of people and organisations detailed in this report that provide very generous support to this vital service. So many people have been assisted and lives changed because of their support. We extend heartfelt thanks to each and every one of you for your generosity and choosing to make a difference.

We gratefully acknowledge earlier in this report the ongoing financial support from Federal and State funding bodies, without which the service could not operate. We thank them for their vision and look forward to their continued support of our very important work.

CCLSWA has continued over the past year to experience and grow through a range of staffing and resource changes. Out of the strategic planning process, including a very useful and broad external audit of our operations last year, our Manager, David Kernohan, has delivered on the wide ranging agenda for reform and modernisation – all while guiding the CCLSWA so that it may continue to deliver its vital service. The Management Committee is grateful to David for his leadership, vision, care and obvious commitment to CCLSWA and our community. Since November 2011 Faith Cheok has taken on the role of Principal Solicitor and her dedicated leadership of the legal team throughout a range of challenges this year, has been in the finest tradition of that role. I have worked particularly closely with David and Faith this year and have a deep appreciation for their constant care, attention, hard work and demonstrated personal commitment to CCLSWA and its people. They are very valuable leaders.

CCLSWA was been joined this year by skilled solicitors Raija Ogden, Marina Knoote, Juin Ng who, together with the ongoing contribution from Kay Boey (now as a Restricted Practitioner) make up a terrific legal team. Thank you all for your professionalism, skill, good humour and obvious caring commitment.

As David has noted Fiona Payne has taken up the critical role of keeping the office running smoothly. Also, Dawn Emmanuel has more recently commenced in the provision of book keeping services to CCLSWA. Thank you both for your vital support and contribution.

As David outlines in this report, this year has also seen the introduction of paralegal volunteers as part of our team. This is an ambitious and rewarding development. There have been many excellent changes to the operations and support of the service this year. The development of this program stands out for me in particular as a step that has required particular vision and energy and the Management Committee strongly endorses the thanks extended in David's report.

I remain excited about the energy and possibilities that all of our terrific people bring to this valuable service.

Our staff make the service delivery described in this Annual Report happen every day and are greatly responsible for the reputation of CCLSWA. CCLSWA extends its thanks and very best wishes to John Steers and Helen Jones who departed earlier this year. On behalf of the Management Committee I acknowledge and thank all our staff for their passion, skill, commitment, heart and dedication in the daily work of CCLSWA. None of what CCLSWA does is possible without you.

Finally, I would like to thank the Management Committee and volunteers who have given their time and advice so generously in the last 12 months.

It has been a privilege to be involved with CCLSWA and I look forward to the service delivering another year of outstanding and valuable service to the community.

Tim Massey  
Chairperson  
CCLSWA Management Committee

October 2012

# MANAGER'S REPORT

## Manager's Report

Over the past year CCLSWA has had two goals.

The first goal has been to re-focus the organisation's vision and drive to provide quality legal advice and assistance to members of the WA community who are in dispute with banks, credit providers or with other financial disputes. The re-focusing of its vision and drive is depicted in the new logo the organisation has adopted. Previously CCLS had a red square, the symbol of many of the clients being "in the red". The new symbol of the organisation is the open shield. A shield provides protection and safety. CCLS provides some protection to clients but also empowers and enables them to step out from behind the shield and be more aware of their rights and responsibilities in relation to banks and credit providers.

Providing quality legal advice and assistance has involved up-grading technology to provide an efficient and faster advice service for clients. The organisation now provides 3 advice lines 'manned' by College of Law students and 4<sup>th</sup> & 5<sup>th</sup> year Law Students from UWA, Murdoch and Notre Dame Universities. In most situations clients now receive same day legal advice.

The second goal has been to lift the profile of the organisation within the wider community. This has been achieved through a concerted advertising program using community newspapers. The main target areas have been suburbs around the central locations of Joondalup, Wanneroo, Armadale, Cannington, Midland Fremantle, Rockingham and Kwinana.

The transition from an Advice Line System that was booked and based on a minimum 24 hour turn around to same day legal advice epitomises many of the other changes that have occurred within the past year.

The technological change of a new phone system was preceded by an up-grade to a new computer system with a document management system. A computer system that took anywhere between 20 – 40 minutes to boot up in the morning neither inspired confidence in staff, nor provided quick access to legal data bases when required throughout the day. While the up-grade to the computer system ensured there was compatibility with the phone system, higher down load speed to access legal data bases and greater security of data and case files it brought it's own challenges while staff adjusted to the new method of working.

Not only has there been a change in the technology used within the office there has also been a growth in the personnel within the office as we attempt to meet the increased need within the community.

The major growth has been in the number of volunteers. The Centre now has a minimum of 15 volunteers or 3/day who take instructions from clients on the phone line, seek legal advice from Solicitors and then advise the clients of that legal advice. The volunteers also assist the Solicitors by conducting legal research into areas which the legal service has sought clarification for. Examples include research on our databases for errant debt collection behaviour and shortfall mortgage debt.



Some of these research work has been directed towards directions with stakeholders (ASIC) or with debt collection businesses (Collection House/Lion Finance). Volunteer help has also been used to draft a law reform submission on privacy.

This has meant investing time and energy inducting and training Volunteers. I am grateful for the assistance of two Paralegal staff members Michael Dombrose and Catherine Rigali-Boivin who have assisted with the training and induction of new Volunteers. Kay Boey and Juin Ng have also assisted with taking the full supervisory load off the senior solicitors.

Faith Cheek was appointed as Principal Solicitor in November 2011 having previously worked at CCLSWA as a Solicitor since 2008. I have appreciated Faith's commitment, dedication and hard work over what has been a very difficult and challenging year of change for the organisation. Raija Ogden was appointed to fill the vacancy left by Faith's appointment to Principal Solicitor. Raija's experience in private practice means she takes on more complex difficult cases for the Centre. Her skill and ability to achieve positive outcomes out of seemingly hopeless situations for clients is a reflection of the true practice of law. In March 2012 with the work load continuing to increase a decision was taken to increase the existing part-time legal position to a full time role. Unfortunately, John Steers who was employed in the part-time role did not wish to accept the full time position. We farewelled John in March and are grateful to him for his experience and knowledge in the field of consumer law and the work he did while at CCLS. Marine Knoote commenced with CCLS towards the end of March. Marina has provided a great teaching resource on drafting skills for volunteers and Restricted Practitioners.

Kay Boey has been with CCLS for a couple of years now firstly as a paralegal and now as a Restricted Practitioner. Kay was admitted to the Supreme Court of WA 2012. Kay continues to contribute to the work of CCLS by carrying a heavy workload and it has been encouraging to see her legal skills develop as she has taken on more complex cases. Juin Ng came to CCLS in a voluntary capacity and is now employed as a Restricted Practitioner.

Changes with the Advice Line and IT systems led to other changes with technology and methods of working that had been effective previously needed to be modified and changed.

Helen Jones resigned in April after 4 years service with the organisation. We recognise and acknowledge the work that Helen did while she was with CCLS. The organisation was fortunate that Fiona Payne who had covered for Helen while she was on annual leave was available to work full time. Staff have appreciated the quickness with which Fiona has been able to pick up the role and bring in the change and modification that has been required.

Building a cohesive, healthy staff team is challenging at the best of times, it is made more challenging when it is predominantly new staff members combined with rapid procedural and technological changes. Given all that has occurred the Centre has done well to continue providing quality legal advice and support to members of the WA Community.

There is on going debate about appointing a Community Education Officer. A decision was taken to use technology and media as a more effective means of community education except where face to face contact was required. As well as advertising within the Community Newspapers the Centre also provides brief advertorials explaining legal issues.

A new web site is currently being constructed that will be a more educative, readily accessible tool for community members.

While the past year has been both challenging and constructive it provides a strong platform from which we can build in 2012-13.

The future of Not-for-Profit organisations is always both interesting and fraught, none more so than a legal service providing free legal advice to members of the community who are in dispute with banks, credit providers and other financial providers.

Consumer Credit Legal Service faces a number of particular challenges in this coming year. There is an increasing demand for legal advice and assistance. The demand arises from a number of areas, for example people not able to meet repayments or not understanding contractual obligations because of mental health issues. Another area are the challenges faced by people from different cultural and linguistic backgrounds in understanding their contractual and legal obligations and responsibilities.

As well as the increasing demand for services, there is the increasing cost of service delivery. Running an efficient IT and phone system that enables staff to provide legal advice that is responsive, timely and accurate requires additional on-going costs rather than a system that is based on a single land line. The cost of rent has also increased in the 2012-13 financial year. In previous years the organisation benefitted from a very low rent. With a new lease this financial year rent has begun to reflect market levels.

While the service juggles the demands of the need for increasing legal advice and assistance and the increasing costs of service delivery and salaries, the needs of clients remain paramount. Clients for whom the Solicitors must somehow weave a structure and order out of the chaos of their contracts and financial obligations so that they do not add further to the economic cost of society either by slipping into the medical or justice systems and ending up either homeless or in prison. There are those for whom we are able to secure settlements and a positive outcome.

There have been many who have helped and assisted CCLS this year.

## **Funding**

### Legal Aid

Commonwealth and State Funding in particular:

Allison Harris – State Program Manager Legal Aid and

Leanne Pauletto – Coordinator – Reporting – CLC Funding Program Legal Aid;

for their on-going support and assistance through the year.

The Public Purposes Trust, administered by The Law Society of WA also provided funding to CCLS to assist with the position of Principal Solicitor. This funding is grateful appreciated.

## **ASIC**

Thanks to ASIC, particularly Robert Allen – Senior Manager – Credit and Gary Bertram, Senior Manager for organising a secondment for Juin Ng – one of CCLS staff with ASIC – in the Financial Services Enforcement division. This provides CCLS staff with a great opportunity to expand their skills and have opportunities that we could not otherwise provide. It is also a secondment position that is highly relevant to the work that CCLS does.

## **Pro-Bono Legal Assistance**

### Norton Rose

Provided Senior Associate at short notice to step in as Principal Solicitor to allow CCLS Principal Solicitor to take leave.

### Ashurst

Who has kindly provided CCLS with the use of function rooms for training facilities; as well as training on legal drafting.

### Tony Power

Who provided an enlightening and entertaining training session on trial advocacy for our staff.

### Mark Lindsay Temple

A barrister who practices out of Albert Wolff Chambers provided valued support to our service as pro-bono barrister on a very difficult matter. Mr Temple initiated negotiations with senior counsel that eventually led to a positive outcome for our client.

## **Technology**

### CT Group – IT

Paul Craven – Managing Director; Mathew Williamson, CEO & Peter Santineer – General Manager.

For all the assistance with establishing the new IT system and particularly to Tristan for his patience and long suffering endurance with the less IT savvy staff members

### Web Page

Steve Wigley from Innovisionit for his help and assistance with developing the new web page

### Data Merge – Phone System

Mark Dutton – Managing Director & Adam Risby – Consulting Engineer for their help and assistance in implementing the new phone system

### Logo

Michael Adams - Relish Design – for all his help and assistance with developing the new branding for CCLS

There have been many others who have contributed to the work of CCLS over this past year. If I have not mentioned you, it is not a lack of appreciation or gratitude simply a lack of space.

Finally I would like to thank the Management Committee for their support and assistance throughout the year. Change always brings many challenges and on many levels it has been a challenging and eventful year, I would like to particularly acknowledge the support of the Chairman and his willingness to listen to some of my more outlandish ideas and also for the support and backing of Faith as Principal Solicitor.

Thank you.

David Kernohan

Centre Manager

CCLSWA

# LEGAL REPORT

## Changes Since Late 2011

CCLSWA has undergone several changes since late last year:

1. Our staff composition has changed; both the Centre Manager's and Principal Solicitor's positions were filled by new persons. The legal staff composition too has changed. I am very pleased with and proud of the commitment and quality of the staff solicitors' work and attitudes.
2. We now have upgraded working systems which improve and fine-tune our service delivery. In particular, our new telephone system and our document management system have resulted in significant improvements in our work pace and quality.
3. The number of volunteer paralegals has increased manifold; as an indication, we now have sixteen volunteers. This has brought many simultaneous blessings and challenges to all staff.
4. Our focus on community legal education is directed towards local suburban communities through local newspapers, local councils. I am keen to establish more structured links with migrant groups and their advocates, and possibly with schools to fit in with the national curriculum.

### Staff Capacity Increase

As the workload became higher due to the increased client numbers and increased complexity of clients' matters, there was a need to address the situation constructively and creatively to address clients' legal issues and the workload of staff. Consequently CCLSWA employed more solicitors as well as paralegals on short-term and casual contracts. This increase in staff capacity has resulted in a positive outcome: we were able to assist clients more thoroughly until we were able to develop processes and systems to deal with the increased workload.

Despite their relative youth and inexperience, our casual part-time solicitor and two part-time paralegals contributed very well to our legal practice. All three of them had started with CCLSWA as student volunteers. As a result of their positive attributes, they were trusted with file work, training and supervision of student volunteers, our new website project, community legal education as well as law reform work. The hard work put into their training and supervision has been more than recouped.

### Staff Development

As much for their commitment as for the increased complex nature of the work they undertook, staff were provided with more, and varied, training opportunities in the form of conferences, teaching sessions by experts (some on a *pro bono* basis) and workshops to enhance skills and legal knowledge. The teaching sessions and workshops covered topics on drafting court documents and letters of advice. Staff and paralegals quickly put into practice what was learnt.

The August national conference for community legal centres widened staff members' understanding of the sector. It increased awareness of the importance of CCLSWA's role and of networking with our colleagues to achieve more with leverage. The September Lexis Nexis Credit conference was invaluable, particularly in the current climate where the national consumer credit regime is being enhanced with reform proposals.

## **Case Studies**

I wish to highlight a few file matters which represent the positive impact that CCLSWA has on West Australian consumers. In doing so, I wish to praise the excellent work put into the many file matters by our committed, capable staff solicitors.

### Case number 1

This was a file handled by one of our senior solicitors, Raija Ogden. Raija's perseverance and sharp legal skills helped salvage a 'lost cause' client's family home and hence, their life as they knew it. There was little hope held out for this client, even by private solicitors and our *pro bono* barrister. However, Raija buckled down to work out the impossible and aligned two large banks into the solution for our desperate client. I am unable to elaborate further, due to the unique set of facts of this case and the imperative duty of confidentiality which binds our client in the settlement.

### Case number 2

This other file was previously handled by John Steers and our new(ish) senior solicitor Marina Knoote worked on the settlement for our very deserving client. The client is one of the most vulnerable ones we have ever helped: they were unsophisticated, uneducated and also suffered physical impediments. They were financially abused by colleagues who preyed on the lack of unsophistication and kindness and misled them into signing over an unencumbered home for a loan to benefit themselves (the colleagues).

### Case number 3

This is a case with an element of public interest as the client suffered from mental illnesses: schizophrenia & adjust mental depression, but was left with no real family or friend to help with their mountain of consumer credit debts, including a home loan. The mental illnesses led them to live on the streets although they had a home to live in. Indeed, we took on the case specifically because they was extremely vulnerable to exploitation by a former partner, who suddenly re-appeared on the scene. We took the unusual step of representing them at the application to the State Administrative Tribunal for an administrator to be appointed to manage their financial affairs.

## **Outreach**

CCLSWA engaged in specific joint outreach activities with the following organisations:

- ASIC in their credit outreach work at the Mortgage Health stall in November 2011;

- ☞ The Salvation Army Morley for their open day outreach on 14 June 2012 to their local community; and
- The Law Society for Law Week in mid-May 2012.

### **Community Legal Education (CLE)**

CCLSWA believes in CLE to educate and empower consumers for self-advocacy and for an understanding of their rights and obligations. We participated in the following CLE activities:

1. Financial Counsellors Association's Rural & Remote conference on 30 March 2012;
2. Lectures at UWA and Notre Dame to law students (on consumer credit law and CCLSWA's specialised legal service) in January and March 2012 respectively ;
3. UWA Masters Social Science students in their coursework on 21 and 28 September 2012. This was as much a CLE opportunity session as an outreach one as many of the students are in current field work and learnt about CCLSWA's services to benefit their clientele; and
4. Attendance and advice at ASIC 's Mortgage Health stall in November 2011; at Law Week in May 2012 and at Salvation Army Morley in June 2012.

### **Policy and Law Reform**

CCLSWA participated in various ways for our continuing work in policy and law reform purposes:

1. In February 2012, CCLSWA made submissions to ASIC on ASIC's Consultation Paper 172, for a review of external dispute resolution (EDR) schemes and their jurisdiction over complaints when EDR members have commenced debt recovery legal proceedings against debtors;
2. In May 2012 Raija Ogden and I participated in an EDR forum attended by EDR representatives (including FOS Chief Ombudsman Shane Tregillis and FOS Banking Ombudsman Philip Field and COSL's CEO Raj Venga) as well as other consumer advocates. There was much robust discussion. Raija and I also took the opportunity to visit FOS' General Counsel in person at the FOS' office. His invaluable help over the last year has been a key factor in CCLSWA's excellent work in articulating disputes we lodge at FOS.
3. Again in May 2012, we participated in an ASIC discussion on EDR, via a telephone conference;



4. In July 2012, CCLSWA made submissions towards the 'Inquiry into the Privacy Amendment (Enhancing Privacy Protection) Bill 2012'; and
5. Again in July 2012, CCLSWA participated at the 'Indigenous Consumers Assistance Forum' The forum brings together stakeholders from different agencies e.g. ASIC, ACCC, DOC, Legal Aid, Curtin University, financial counsellors, etc.

### **Pro Bono Contacts**

On 12 July 2012, David and I met with DLA Piper's Asia-Pacific pro bono counsel Daniel Creasy to explore how DLA Piper could assist with pro bono assistance to CCLSWA in the future. We are hopeful that the law firm would provide resources to assist CCLSWA with CLE.

### **Thanks Due To:**

I would like to thank the following persons, who have contributed to making my challenging new role more manageable and enjoyable:

#### David Kernohan

David's support has been pivotal to my performance in my role as Principal Solicitor. I do not wish to attempt to fully describe his input and impact on me personally and on the practice, as I could never do him justice. In a nutshell, I would not have accepted the role of Principal Solicitor if it had not been David who was the Centre Manager then, as I was not confident of my contribution in the existing circumstances surrounding the organisation.

#### The Management Committee

I am grateful for the Committee's listening ear and implementation of decisions through the past 11 months of my new role. These decisions which pertain to our facilities and staff capacity have greatly enhanced our staff's response and delivery to clients and the West Australian community, through our telephone advice work, file work, community education initiatives and law reform input.

#### Tim Massey

Tim has been generous and gracious with his time to help me in my role. He promptly arranged for the two-week relief work by Katie McDougall (Norton Rose) for my leave and also invested time into arranging for a mentor for me to help me improve my leadership skills.

#### ASIC

ASIC has been very helpful in providing a secondment for our junior solicitor Juin Ng in the Financial Services Enforcement division. This provides her with a great opportunity to expand her skills and have opportunities that we could not otherwise provide. It is a secondment position that is highly relevant to the work that CCLS does.

### Pro-Bono Legal Assistance

#### 1. Norton Rose

The firm kindly provided the services of their Senior Associate Katie McDougall at short notice to me as Principal Solicitor when I took time off.

#### 2. Ashurst Lawyers

Ashurst, formerly Blake Dawson, kindly provided their rooms to CCLSWA for the many training sessions and meetings. Also for their staff solicitors and clerks' time in arranging for and providing drafting workshops.

#### 3. Tony Power

By arrangement of Ashurst Lawyers, Tony provided pro bono training on advocacy skills to our staff and volunteers. The consensus was that Tony was brilliant and we could sit in his class forever to learn.

### Others

#### 1. Sarab Sandhu

Sarab very expertly and kindly provided training on drafting of legal advice and documents for our staff and paralegals, at reduced fees, to much benefit and gratitude of all who attended.

#### 2. Last but definitely not least: staff and volunteers

At risk of sounding cliché, I could not have a more committed and capable legal staff than whom I have been lucky enough to work with. We achieved excellent outcomes across all areas primarily because of their work. Their level of commitment to quality legal work and to clients is second to none I have witnessed either in private legal practice, in-house or not-for-profit organisations.

Fiona Payne, our legal administrative assistant, has provided help in a consistent, accountable manner with a wonderful attitude. Nothing is ever too small, too big or too mundane for Fiona. She has learnt very quickly to work on our legal file administrative tasks; this is commendable as she had no prior experience in such work.

I also thank the committed volunteers who stepped into our service to learn quickly and be plunged into the deep end early in their tenure to deal directly with clients. In particular, I mention Michael Dombrose, Alicia Snyders and David Atchley. They have provided support to our solicitors in the form of file work, supervision of other volunteer paralegals, law reform work and CLE. They are the volunteers which I wish we could have moulds for!

Faith Cheek  
Principal Solicitor  
CCLSWA

# ACTIVITIES & SERVICES

## **Activities of Consumer Credit Legal Service (WA) Inc. for 2011-12**

### ***Legal Advice***

In 2011 -12 a total number of 1477 clients were assisted by the organisation as against 1374 in the previous year.

1307 of the 1477 were new clients seeking legal advice.

The clients required advice on a total number of 1861 distinct legal matters against 1556 for the previous year. The main areas where legal advice and assistance were provided included:

- home loans & mortgage nearly a 45% increase on the previous year (794 incidents);
- non-financial product or services with a 40% increase on the previous year (105 incidents). (Non-financial product or service generally refers to cases where clients sought advice on areas we do not normally advise on e.g. solar panel sales and building contracts );
- credit card facilities (250 incidents);
- matters relating to small business (32 incidents which is double of previous years). This is often because clients are using their homes as security for finance for their business.

Attached is a table and pie chart showing the legal advice and assistance that has been provided by the Centre by financial product type for the past 4 years and the demand for services.

### ***Case Work***

Throughout the year 82 cases were opened, 53 required primary dispute resolution. One of the cases also had a public interest indicator. This case took considerable time and energy and involved the assistance of a pro-bono barrister to assist the Solicitors. This case had a successful outcome for the client.

### ***Community Legal Education & Law Reform***

During the year staff have been involved in a number of community legal education activities including presentations to law students at the different universities. In particular CCLS collaborated with the Law School at UWA to provide practical examples of consumer credit issues for the Consumer Credit Law unit which was taught in semester one.

A summary of the data for the activities of CCLS for 2011 -12 is on the following pages.

## ACTIVITIES

### Client Activity Summary

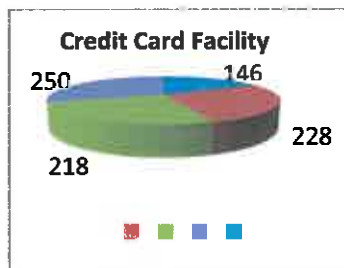
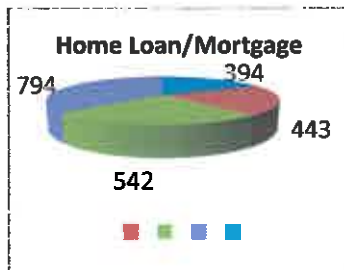
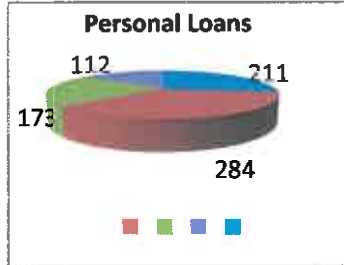
	<u>2010/2011</u>	<u>2011/2012</u>
<u>Clients</u>		
Total Number of Clients	<b>1375</b>	<b>1477</b>
New clients	1190	1307
Repeat Clients	111	129
Existing Clients	74	41
<u>Activities</u>		
Information Activities	<b>252</b>	<b>152</b>
Total Advice Activities	1558	1861
Public interest dimension	0	3
<u>Cases</u>		
Total Cases open during the period	<b>154</b>	<b>131</b>
Open at period start	83	49
New (opened in period)	71	82
Still open at period end	49	67
Total cases closed during period	<b>105</b>	<b>64</b>
Minor	26	29
Medium	38	27
Major	16	8
Closed involving court representation	3	3
Closed involving primary dispute resolution	48	53
Closed test cases	0	0
Closed with public interest indicator	0	1
<b>Non-Casework Projects</b>		
Total Projects open during period	<b>57</b>	<b>55</b>
Open at period start	26	26
New	31	29
Still open at period end	26	33
Open community Legal Education projects	5	8
Open Law Reform & Legal Policy projects	11	15
Total Projects completed during period	<b>31</b>	<b>22</b>
Minor	13	12
Medium	12	7
Major	6	3
CLE	21	12
LRLP	4	4
Projects Deferred during period	1	1

## Financial Product Type

Type	2008/2009	2009/2010	2010/2011	2011/2012
Personal Loan	211	284	173	112
Home Loan/Mortgage	394	443	542	794
Credit Card Facility	146	228	218	250
Other Continuing Credit Facility	116	128	50	59
Other	450	557	643	728
Non Financial Product or Service	49	89	63	105
Financial Product Other	11	38	108	52
Not Specified	297	269	336	368
Lease	13	7	11	22
Deposit Account	15	27	29	40
Small Business Finance	15	19	18	32
Finance Broker	9	3	2	4
Credit Related Sale	3	12	5	18
Guarantees/Loan Security	11	26	22	37
Other General Insurance	1	15	4	9
Pawnbroker Product/Service	3	1	0	3
Payment System/Service	4	17	25	8
Cheque Account	1	12	3	4
Consumer Credit Insurance	2	4	1	6
Home Equity	7	6	3	5
Investment Advice/ Financial Planning	2	1	1	0
Investment Product	7	11	12	13
Superannuation	0	0	0	2
<b>TOTALS</b>	<b>1317</b>	<b>1640</b>	<b>1626</b>	<b>1943</b>

## Financial Product Services

### Pie Charts



# FINANCIAL REPORT



**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**ABN: 43 262 474 001**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**ABN: 43 262 474 001**

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**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**COMMITTEE'S REPORT**

Your committee members submit the financial report of Consumer Credit Legal Service (WA) Inc for the year ended 30<sup>th</sup> June 2012.

**COMMITTEE MEMBERS**

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

Tim Massey	Marianne Mayer	Matthew Knox
Ben Arnold	Eileen Webb	
Henry Thong	Lorraine Stemp	
Aviva Freilich	Judi Kellond	

**PRINCIPAL ACTIVITIES**

The principal activity of the association during the period was to provide advice and assistance to and advocacy on behalf of people with credit and debt related problems with a view to alleviating their financial problems.

**SIGNIFICANT CHANGES**

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

**OPERATING RESULT**

The deficit amounted to \$29,101

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

✓   
Signed

✓   
Signed

Dated this 11<sup>th</sup> day of October 2012

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**STATEMENT OF DIVISIONAL FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

		65% Generalist Services \$	35% State \$	PPT \$	Consolidated \$
<b>INCOME</b>					
Grants:	Commonwealth	169,907			169,907
	State	182,393	191,940		374,333
	PPT			75,966	75,966
CCLS membership		195	105		300
Reimbursements		996	536		1,532
Interest received		16,142	8,693		24,835
<b>TOTAL INCOME</b>		<u>369,633</u>	<u>201,274</u>	<u>75,966</u>	<u>646,873</u>
<b>EXPENDITURE</b>					
Advertising and promotion		10,597	5,706		16,303
Agency temporary staff		15,453	8,321		23,774
Archiving		1,171	630		1,801
Accounting fees		1,186	638		1,824
Audit fees		1,950	1,050		3,000
Bank charges		193	104		297
Board and governance expenses		177	95		272
Cleaning		1,834	987		2,821
Client support expenses		1,405	757		2,162
Computer expenses		20,755	10,907		31,662
Consultancy fees		22,537	12,136		34,673
Depreciation and amortisation		5,120	2,757		7,877
Employment support		207	112		319
Insurance		3,627	1,953		5,580
Leases		7,870	4,236		12,106
Publication & information resources		14,216	7,655		21,871
Meeting expenses		550	296		846
Memberships		3,126	1,683		4,809
Postage		517	279		796
Practising certificate fees		4,773	2,570		7,343
Printing and stationery		6,386	3,438		9,824
Rent and outgoings		25,797	13,977		39,774
Repairs and maintenance		2,981	1,508		4,489
Salaries		245,985	132,454	67,569	446,008
Staff amenities		4,549	2,431		6,980
Staff entitlement provisions over provided		(9,664)	(5,203)		(14,867)
Staff recruitment expenses		15,679	8,443		24,122
Staff training and development		5,404	2,824		8,228
Superannuation		20,740	11,167	6,210	38,117
Telephone and fax charges		9,998	5,384		15,382
Sundry expenses		83	45		128
Travel and accommodation		3,552	1,912		5,464
Utilities		1,338	720		2,058
Over provisions for:					
Publications and training project		(52,455)	(28,245)		(80,700)
Future contingency reserve		(5,960)	(3,209)		(9,169)
<b>TOTAL EXPENDITURE</b>		<u>391,677</u>	<u>210,518</u>	<u>73,779</u>	<u>675,974</u>
<b>SURPLUS/(DEFICIT)</b>		<u>(22,044)</u>	<u>(9,244)</u>	<u>2,187</u>	<u>(29,101)</u>

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

	2012	2011
	\$	\$
<b>INCOME:</b>		
<b>Grants</b>		
Government	544240	434,402
Non Government	75966	75,966
<b>Other Income</b>		
Donations	-	20
CCLS membership	300	282
Reimbursements	1532	1,200
Interest received	24835	23,872
<b>TOTAL INCOME</b>	<u>646873</u>	<u>535,742</u>
<b>EXPENDITURE</b>		
Advertising and promotion	16,303	-
Agency temporary staff	23,774	-
Archiving	1,801	1,350
Accounting fees	1,824	-
Audit fees	3,000	2,600
Bank charges	297	183
Board & governance expenses	272	34
Cleaning	2,821	1,848
Client support services	2,162	199
Computer expenses	31,662	1,789
Consultancy fees	34,673	250
Depreciation and amortisation	7,877	20,034
Employment support	319	231
Insurance	5,580	4,486
Leases	12,106	4,130
Publication and information resources	21,871	10,067
Meeting expenses	846	155
Memberships	4,809	4,193
Postage	796	720
Practising certificate fees	7,343	3,810
Printing & stationery	9,824	4,384
Rent and outgoings	39,774	3,6062
Repairs & maintenance	4,489	194
Salaries	446,008	345,745
Staff amenities	6,980	2,316
Staff entitlement provisions overprovided	(14,867)	25,343
Staff recruitment expenses	24,122	390
Staff training and development	8,228	5,270
Superannuation	38,117	31,114
Sundry expenses	128	-
Telephone and fax charges	15,382	6,400
Travel and accommodation	5,464	4,829
Utilities	2,058	2,279

Over provisions for:		
Publications and training project provision	(80,700)	10,100
Future contingency reserve	(9,169)	-
<b>TOTAL EXPENDITURE</b>	<b><u>675,974</u></b>	<b><u>530,505</u></b>
<b>NETSURPLUS/(DEFICIT)</b>	<b><u>(29,101)</u></b>	<b><u>5,237</u></b>

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>TH</sup> JUNE 2012**

	2012	2011
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Bankwest Telenet Business Saver Account	159,243	441,404
Bankwest Cheque Account	2,119	1,376
Westpac Savings Account	154,448	-
Westpac Cheque Account	2,003	-
Cash on hand	360	250
Sundry debtors	342	5
GST receivable	3092	-
	<u>321,607</u>	<u>443,035</u>
<b>NON CURRENT ASSETS</b>		
Leasehold improvements	17,409	
Less accumulated amortisation	(1,121)	
Plant & equipment	117,491	61,679
Less accumulated depreciation	<u>(61,055)</u>	<u>(54,299)</u>
	<u>72,724</u>	<u>7,380</u>
<b>TOTAL ASSETS</b>	<u><b>394,331</b></u>	<u><b>450,415</b></u>
<b>CURRENT LIABILITIES</b>		
Sundry creditors	74,726	5,043
PAYG liability	17,626	4,948
GST payable	-	6,344
Superannuation liability	4,079	2,343
Provision for annual leave	53,223	44,780
Provision for annual leave loading	9,314	7,836
Provision for long service leave	32,148	36,405
Provision for maternity leave	-	20,531
Provision for publications and training project	49,000	129,700
Provision for future contingency reserve	-	9,169
<b>TOTAL LIABILITIES</b>	<u>240,116</u>	<u>267,099</u>
<b>NET ASSETS</b>	<u><b>154,215</b></u>	<u><b>183,316</b></u>
<b>ACCUMULATED FUNDS</b>		
Balance at beginning of year	183,316	178,079
Add Surplus / (Deficit) for the Year	<u>(29,101)</u>	<u>5,237</u>
<b>ACCUMULATED FUNDS AT END OF YEAR</b>	<u><b>154,215</b></u>	<u><b>183,316</b></u>

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

	2012	2011
	\$	\$
<b>Cash flows from Operating Activities</b>		
Receipts from Government Grants	544,240	434,402
Receipts from Non-Government Grants	75,966	75,966
Receipts from other sources	1,832	1,507
Interest received	24,835	23,872
Payments to suppliers and employees	<u>(595,237)</u>	<u>(471,227)</u>
Net cash provided by/(used in) operating activities	<u>(51,636)</u>	<u>64,520</u>
<b>Cash flows from Investment Activities</b>		
Payments for purchase of plant and equipment and leasehold improvements	<u>(73,221)</u>	-
Net cash used in investment activities	<u>(73,221)</u>	-
Net Increase/(Decrease) in cash held	(124,857)	64,520
Cash at the beginning of the year	<u>443,030</u>	<u>378,510</u>
<b>CASH AT THE END OF THE YEAR</b>	<u><b>318,173</b></u>	<u><b>443,030</b></u>
<b>Notes to the Statement of Cash Flows</b>		
<b>1. Reconciliation of Cash</b>		
Cash on hand	360	250
Cash at banks	<u>317,813</u>	<u>442,780</u>
	<u>318,173</u>	<u>443,030</u>
<b>2. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Operating Surplus / (Deficit)	(29,101)	5,237
Depreciation	7,877	20,035
Increase/(Decrease) in provisions	(104,736)	35,443
Increase/(Decrease) in receivables	(3,429)	5
Increase/(Decrease) in payables	<u>77,753</u>	<u>3,800</u>
<b>NET CASH PROVIDED BY/USED IN OPERATING ACTIVITIES</b>	<u><b>(51,636)</b></u>	<u><b>64,520</b></u>



**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

**1. Statement of Significant Accounting Policies**

These financial statements are not general purpose financial reports. They are "special" purpose financial reports prepared for the members as per their Constitution.

Going Concern – The accounts of the organisation have been prepared on the going concern basis. This is dependent upon it being able to attract continuing funding support from the Government and supporting bodies.

Employee Entitlements – Amounts provided for Long Service and Annual Leave are accrued annually at current salary rates.

Depreciation has been applied to write off assets over their useful life using the diminishing value method.

**CONSUMER CREDIT LEGAL  
SERVICE (WA) INC**

**STATEMENTS BY MEMBERS OF THE COMMITTEE**

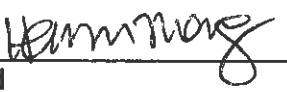
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee, the financial report:

1. Presents a true and fair view of the financial position of Consumer Credit Legal Service (WA) Inc and its performance for the year ended 30<sup>th</sup> June 2012.
2. At the date of this statement, there are reasonable grounds to believe that Consumer Credit Legal Service (WA) Inc will be able to pay its debts as and when they fall due.

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

✓   
Signed \_\_\_\_\_

✓   
Signed \_\_\_\_\_

Dated this 11<sup>th</sup> day of October 2012

**INDEPENDENT AUDITOR REPORT**  
**TO THE MEMBERS OF**  
**CONSUMER CREDIT LEGAL SERVICE (WA) INC**

**SCOPE**

I have audited the attached financial report, being a special purpose report comprising the Statement by Members of the Committee, Statement of Financial Performance, Statement of Financial Position, and Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2012 of CONSUMER CREDIT LEGAL SERVICE (WA) INC. The Committee is responsible for the Financial Report and has determined that the accounting policies used and described in Note 1 to the Financial Statements which form part of the Financial Report are appropriate to meet the requirements of the Associations Incorporation Act of Western Australia and are appropriate to meet the needs of the members. We have conducted an independent audit of the Financial Report in order to express an opinion on it to the members of CONSUMER CREDIT LEGAL SERVICE (WA) INC. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The Financial Statements have been prepared for the purpose of fulfilling the requirements of the Associations Incorporations Act of Western Australia. We disclaim any assumption of responsibility for any reliance on this report or on the Financial Report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

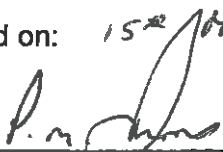
Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the Financial Report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the association's Financial Position, and performance as represented by the results of the operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the Financial Report presents fairly, in accordance with the accounting policies described in Note 1 to the Financial Statements, the Financial Position of CONSUMER CREDIT LEGAL SERVICE (WA) INC as at 30<sup>th</sup> June 2012 and the result of its operations for the year then ended.

Signed on: 15<sup>th</sup> July 2012



**PETER MICHAEL BURNS – REGISTRATION NO: 13877**

**Partner**

**Burns & Baker**

**Auditor's Certification**

**Name of Organisation:** Consumer Credit Legal Service (WA) Inc  
**Financial Year Period:** 01 July 2011 to 30 June 2012

I hereby certify that:

- (a) I am not a principal, member, shareholder, officer, employee or accountant of the Organisation or of a related body corporate as defined in section 9 of the Corporations Act 2012;
- (b) In my opinion, the attached Financial Statements which comprise a Statement of Financial Position, a Statement of Financial Performance, a Statement of Cash Flows, and Notes to the Financial Statements of the above-mentioned Organisation ('the Organisation') for the stated Financial Year Period are:
- Based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
  - In accordance with the terms and conditions of the Deed of Variation between the Commonwealth of Australian and Legal Aid Western Australia and Consumer Credit Legal Service (WA) Inc, a copy of which has been made available to me, in relation to the provision of community legal services.
- (c) **The statement of Financial Performance is provided in respect of Funds for all Funding Categories.**

This is an unqualified audit report.

Unless written under separate cover, I hereby further certify that, in my opinion, there is not conflict of interest between myself and the Organisation or its Management Committee.

Full Name: Peter Michael Burns  
Name of Company: Burns & Baker  
ACN: 093 261 800  
Registered Auditor: Registration Number 13877

Signature:  \_\_\_\_\_

Date: 15 / 10 / 2012

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**CERTIFICATE OF COMPLIANCE  
IN RESPECT OF THE 30<sup>TH</sup> JUNE 2012 FINANCIAL YEAR**

**CONSUMER CREDIT LEGAL SERVICE (WA) INC  
ABN: 43 262 474 001**

Contact Officer: David Kernohan Telephone: 6336 7022


**The above-named Organisation certifies that:**

- (i) The Funds have been used for the purpose for which they were provided;
- (ii) The Terms and Conditions of this Agreement have been met; and
- (iii) The Audited Financial Statements in respect of the Funds have been certified by a person who is registered as an auditor in accordance with the Corporations Act 2001 and are attached; and
- (iv) Salaries and allowances paid to people employed using the Funds are in accordance with award salary rates or the general rates in force at the Organisation.

SIGNED for and behalf of

Consumer Credit Legal Service (WA) Inc

By Tim Massey

)  
)  
) 

*In the presence of:* 