

2015 / 2016

# ANNUAL REPORT

CONSUMER CREDIT LEGAL SERVICE (WA) INC.



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# General information

Date of Incorporation **19 May 1993**

ABN **43 262 474 001**

Office Location and Postal Address **Level 1  
231 Adelaide Terrace  
Perth WA 6000**

Telephone **08 6336 7020 (Admin) Mon - Fri 9:00am - 4:30pm  
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Email **info@cclswa.org.au**

Office Hours **Monday to Friday 9:00 am to 5:00 pm**

Auditor **Greg Ledger Accountants**

Web Address **www.cclswa.org.au**



# Committee & Staff

## MANAGEMENT COMMITTEE

Chairperson	<b>Matthew Knox</b>
Secretary	<b>Cecily Montgomery</b>
Treasurer	<b>Judi Kellond</b>
Members	<b>Charles Brown (Until 20 June 2016)</b> <b>Tony Evans</b> <b>Liam Nicholls</b> <b>Henry Thong</b>

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## STAFF

Principal Solicitor	<b>Faith Cheok (Until 11 July 2016)</b>
Solicitors	<b>Gemma Mitchell</b> <b>Prachi Aggarwal</b> <b>Roberta Grealish</b>
Administration	<b>Mitchell Coles</b>
Bookkeeper	<b>Dawn Emmanuel</b>

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## VOLUNTEERS

During 2015/2016 CCLSWA continued its Volunteer Programme with significant success. Volunteers are integral to the operation of CCLSWA particularly in the provision of the telephone advice line and community legal education services. CCLSWA would like to thank our paralegals for their time, dedication and hard work. CCLSWA has between 18-20 volunteers at any one time. On average CCLSWA utilises 180 hours of volunteer time per week.

This financial year also saw the introduction of the Piddington Justice Project. Five law graduates volunteered their time to fulfil their practical legal training requirements. They each contribute a minimum of 80 days.

# Mission & Objectives

## MISSION

*CCLSWA is a not-for-profit organisation whose mission is:*

- To assist the WA community develop just and fair relationships with banks and financial institutions.
- To assist in resolving consumer disputes with banks and financial institutions.
- To create awareness, knowledge and understanding of consumer issues involving banks and financial institutions.
- To develop a culture of consumer credit that is fair and just.

## OBJECTIVES

*CCLSWA's objectives are:*

1. To provide legal advice and assistance to, and advocacy on behalf of, people with issues arising out of their credit and debt related problems.
2. To involve members of the public, in the recognition, understanding and solution of their legal and related problems in the area of credit and debts.
3. To provide a resource for financial counsellors and others working with people on low incomes to resolve their credit related problems.
4. To promote the rights of consumers of credit.
5. To promote community education programmes in matters relating to credit and debt law and the legal system.
6. To undertake research with a view to ascertaining the needs of the community for legal assistance in the area of credit and debt and of the most effective means of meeting those needs.
7. To liaise and cooperate with governmental and non-governmental bodies and agencies concerned with the delivery of credit and debt advice and advocacy services.

# CCLSWA Services

**CCLSWA** is a not-for-profit community legal centre funded by the Commonwealth Attorney General's Department and Legal Aid of Western Australia to provide free legal services to Western Australian consumers in the areas of:

- Home loans;
- Car finance;
- Personal loans;
- Credit card contracts;
- Banking transactions;
- Debt collection; and
- Various consumer law matters.

## CCLSWA PROVIDES:

- Telephone advice;
- Assistance for low income and disadvantaged consumers;
- Legal representation for individuals in public interest matters;
- Information and education to community workers and consumers about credit and debt matters; and
- Policy work and law reform activities to improve the rights of consumers of financial services.

## SERVICES PROVIDED

Staff and volunteers worked together to provide the following services to West Australian Consumers in the 2015/16 year.

- CCLSWA referred 676 clients to other appropriate services.
- CCLSWA provided comprehensive legal advice to 1350 clients, on 1424 matters.
- CCLSWA provided case work assistance to 225 clients.

## POLICY AND LAW REFORM

CCLSWA is committed to advocating to improve the rights of consumers of financial services through policy and law reform. In 2015/16 staff made a number of submissions to various policy and law reform agencies.

These submissions included:

- Review of Australian Consumer Law
- Review of Motor Vehicle Dealers Act 1973 (WA) and liquidated damages; and
- Review of Small Amount Credit Contracts.

CCLSWA undertook a total of **20** law reform and legal policy projects in 2015/16.

# Acknowledgements

## FUNDING

CCLSWA would like to thank the following organisations and government departments for their ongoing support and funding:

- Attorney General's office; Commonwealth and State
- Legal Aid of Western Australia
- Public Purposes Trust (Law Society of WA)



Australian Government  
Attorney-General's Department

## PIDDINGTON JUSTICE PROJECT

The Piddington Justice Project aims to provide greater opportunity for law graduates completing their practical legal training, in conjunction with improving access to justice for all.

We wish to acknowledge the Piddington Society for inaugurating the programme and the significant contribution of the PJP fellows who assisted CCLSWA in paralegal roles.



## MANAGEMENT COMMITTEE, MEMBERS, STAFF & VOLUNTEERS

Thank you to the Management Committee, staff and the many volunteers who have contributed their time and expertise to CCLSWA over the last year.

As Charles Brown entered his role as Centre Manager he stepped down from the management committee. We welcome Elizabeth McCoy as a new member.

## NETWORKING

CCLSWA acknowledges the involvement and contribution of the following organisations:

- Australian Securities & Investments Commission
- Community Legal Centres Association (WA) Inc.
- Department of Commerce – Consumer Protection
- Financial Counsellors Association of WA
- Murdoch University – Business & Law Faculty
- Notre Dame University – Law Faculty
- University of Western Australia – Law Faculty
- National Association of Community Legal Centres

## PRO BONO ASSISTANCE

CCLSWA expresses our deepest appreciation for the outstanding *pro bono* work our non-profit legal centre has received over the past financial year. In particular we would like to acknowledge:

- King and Wood Mallesons
- Ashurst
- Minter Ellison
- Norton Rose Fulbright
- Attorney General's Office
- Francis Burt Chambers

A break down of the dollar value of pro bono assistance provided can be seen on the next page.



# Dollar value of assistance

The generous contribution by our pro bono partners and volunteers amounts to a minimum of:

**\$113,500**

## LEGAL OPINIONS

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**Joel Yeldon**  
*Francis Burt Chambers*  
**\$10,000**

**Nicholas Creed**  
*King and Wood Mallesons*  
**\$10,200**

## FACILITIES & TRAINING

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**King and Wood Mallesons**  
**Minter Ellison**  
**Ashurst**  
**Norton Rose Fulbright**

**Peter Quinlan SC, Solicitor General**  
Thank you to the Solicitor General for donating his loose-leaf subscription to Practice and Procedure in the High Court and Federal Court, upon his appointment.

## SECONDMENTS

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**Carla Kovacevic**  
*Australian Government Solicitor*  
Weekly secondment since September 2013.

**Kelli Karchur**  
*Norton Rose Fulbright*  
Weekly secondment from 3 May 2016 – 12 July 2016.

## VOLUNTEERS

At any time CCLSWA has up to 20 volunteers who contribute 180 hours per week. CCLSWA volunteers provide significant contributions and savings.

As an estimate it costs CCLSWA \$66,075 to supervise volunteers. However paying paralegals would cost \$159,375.

Using volunteers equates to **\$93,300** in savings.

# Volunteer Testimonial

My name is Aarushi Garg and I was a volunteer paralegal at CCLSWA for two and a half years, from 2012 to 2015.

With CCLSWA I interacted with clients face-to-face and on the telephone advice line, gave clients legal advice which I had drafted myself (subject to solicitors' checks), researched issues pertaining to law reform, presented to high school students as part of the community legal education program, and conducted file work. Through this work I learnt how to effectively analyse real-world issues, improved my public speaking skills, and gained confidence in the work I produced.

Through the ongoing support of hard-working, friendly and highly intelligent solicitors, CCLSWA offered me an unmistakable opportunity to learn and grow in a legal environment. The skills I developed through my work at CCLSWA have also held me in good stead with my current role as a graduate at ANZ.

If you like the sound of a fast-paced, challenging and rewarding legal experience, CCLSWA is definitely the place to go. I remember my time there fondly and cannot recommend it enough.

## **Aarushi Garg**

*Property Finance WA – Graduate*

*ANZ Corporate & Commercial Banking*



# REPORTS

# Chairperson's Report

I am pleased to provide my report for the financial year 2015/16 as the Chair on behalf of the Management Committee.

More than ever vulnerable members of our community need the type of assistance offered by CCLSWA. 50% of Australians aged 15 years and over experience legal need every year. In Western Australia, legal need is more prevalent with 52% of the population facing a legal issue. The experiences of most of these Australians have moderate or severe impact on their everyday life. Impact includes loss of income, attendant financial strain, stress-related illness, and physical ill health. The considerable negative impact that legal problems impose on people's lives can lead to an enormous cost to society at large.

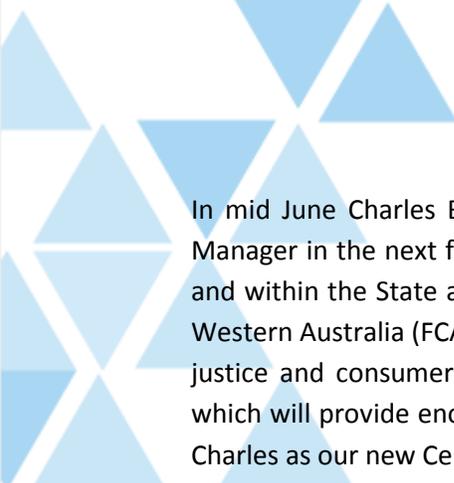
There is no absolute right to legal representation in Australia, yet the cost of getting help and securing legal representation can prevent many Australians from gaining effective access. For a well-functioning system, access should not be dependent on the capacity to pay, and vulnerable litigants should not be disadvantaged. A system which effectively excludes a sizable portion of society from adequate redress can result in considerable economic and social costs.

It is estimated that only the most seriously financially struggling 8% of households qualify for Legal Aid assistance. Given that 14% of Australians live below the OECD's poverty line, it is clear there is a significant gap for Australians to access legal assistance. The majority of low and middle income earners have limited capacity for managing large and unexpected legal costs. The missing middle relies on the help of the community legal sector such as the help provided by CCLSWA.

CCLSWA continues to provide a crucial service to marginalised and disadvantaged members of the West Australian community. In addition to providing free legal advice and advocacy services CCLSWA works tirelessly to make a difference for consumers by producing policy and law reform submissions, and educating the community.

Community legal education and financial literacy initiatives remain a significant part of CCLSWA services. Education is essential in the prevention of financial stress. CCLSWA utilises volunteers to present its financial literacy programme to high schools. Additionally CCLSWA presents at universities and to community groups to inform individuals about our services and to inform them of their legal rights and responsibilities when entering into credit contracts or purchasing goods and services.

Faith Cheek tendered her resignation at the end of the financial year. Faith worked tirelessly through several staff changes this financial year to ensure CCLSWA continued to run smoothly and give outstanding services to clients. The Management Committee is grateful to Faith who undertook the role of Acting Centre Manager in 2015/16 and for her wonderful past service to CCLSWA. It has been my pleasure to work with Faith and I am thankful for her dedication to the organisation. The Management Committee and I wish her luck with her future endeavours.



In mid June Charles Brown resigned from the management committee to fill the position of Centre Manager in the next financial year. He is well known in the financial counselling sector both nationally and within the State as he was previously Executive Officer of the Financial Counsellors' Association of Western Australia (FCAWA), a position he held for seven years. Charles is committed to addressing social justice and consumer protection issues and brings to the role a wealth of experience and expertise which will provide enormous benefit to CCLSWA and its activities. We are extremely fortunate to have Charles as our new Centre Manager.

This year CCLSWA continued its use of law student volunteers. Combined with dedicated staff and considered use of resources, CCLSWA has increased its output of legal advice, legal education and contribution to policy and law reform. The staff and volunteers continued to show commitment and enthusiasm and for that I thank them. Their hard work and professionalism ensured a significant impact on our community. On behalf of the Management Committee, I thank you for always going over and beyond your job descriptions.

To assist in the provision of its services CCLSWA once again relied on generous pro-bono support from the legal community. I would like to acknowledge and thank King & Wood Mallesons and Joel Yeldon for their assistance on legal opinions this financial year. I would also like to thank Ashurst, Minter Ellison, and Norton Rose Fulbright for providing facilities and refreshments for CCLSWA's workshops.

I thank the Attorney General's Office and Legal Aid Western Australia for their continuing support for CCLSWA. I thank the Law Society – Public Purposes Trust for its funding of the position of Principal Solicitor; and I lastly thank the Australian Government Solicitor and the Department of Commerce.

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

Once again, this year has proved a rewarding one for me as Chair of CCLSWA. It has been a privilege to be involved with CCLSWA, It is an outstanding organisation and I look forward to another year of valuable service to the community by CCLSWA and its people.

**Matthew Knox**  
**Chairperson**  
**CCLSWA Management Committee**  
**October 2016**

# Legal Report

Disclaimer: although I am writing the legal report in my capacity as Principal Solicitor of CCLSWA, I was not the Principal Solicitor during the 2015/2016 financial year. I assumed the position from August 2016.

CCLSWA is such a vibrant legal practice, it has been very difficult for me to decide where to start with the report, but I will start with our advice and case work as it is our main area of work.

## 1. Advice and Case Work

- 1.1. It was a plentiful year for advice and case work, with CCLSWA going on the record in the Supreme Court for a case. This case provided valuable practical hands on litigation training to CCLSWA solicitor Curtis Ward, whilst halting proceedings in which an elderly couple were at risk of losing their home. We are grateful for the assistance of barrister, Joel Yeldon, who is acting pro bono on the matter. The case is still ongoing in the Supreme Court.
- 1.2. Many cases were opened and which resulted in several great outcomes for our clients. These results would not have happened without the assistance of CCLSWA. Some of the cases are documented in the annual report. In one case, CCLSWA successfully argued that a lender had incorrectly calculated a debt to be \$200,000, when in actual fact, there was no amount owing to the lender. The winning argument was researched by paralegal Nadia Agnello. Due to the work undertaken by CCLSWA, the client was able to keep his home, of which he was at risk of losing.
- 1.3. Our cases have also resulted in several complaints to the regulators. Over the course of the year, CCLSWA met with representatives from ASIC and the Department of Commerce. A case in which the Department of Commerce was interested involved a client who had entered into a contract to rent-to-buy a house. The Department of Commerce and CCLSWA continue to work collaboratively on this case in order to achieve an effective outcome for the client. Paralegal Amy Lee runs this file.
- 1.4. I do not intend to talk in great detail about the wide variety, and the volume of work that we do, as this is all set out in the statistics which are self-explanatory. It goes without saying that we would not have been able to undertake so much work without the hard work of our staff and paralegals. These cases together with our advice work, formed the basis of many of our law reform submissions that we made this year.

## 2. Law Reform

- 2.1. CCLSWA made several law reform submissions on various topics.

2.2. In the consumer credit space, we made a submission to the Senate Inquiry into Matters Relating to Credit Card Interest Rates. Paralegal Blake Robinson drafted the submission, under the supervision of then Principal Solicitor, Faith Cheok. In the submission CCLSWA refers to the issues faced by some of our clients to highlight the impact that costs of credit cards can have on those with low incomes and mental illness.

2.3. In the consumer law space, we made 2 submissions. In November 2013, CCLSWA made submissions to the Department of Commerce on the laws surrounding motor vehicle dealers. The Department of Commerce subsequently sought further submissions in late 2015. In particular, this submission looked at the fact that in WA, there is no cooling-off period for car sales, and that dealers may claim damages of up to 15% of the purchase price if the consumer decides not to proceed with the sale. These provisions are state wide. CCLSWA believes that these are some of the most onerous penalties in the nation.

2.4. A further submission was made to the Australian Consumer Law Review (**ACL**). This was a substantive submission as the review looked at the whole of the ACL. As part of the review, CCLSWA was invited to attend a round table discussion at the Department of Commerce's offices. New solicitor Prachi Aggarwal supervised paralegal Daniel Eng on this submission. We were very fortunate to have Prachi at that time as she had just joined CCLSWA from the Department of Commerce.

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

3.1. This year our CLE financial literacy programme to high schools was given a makeover by paralegal, Megan Faller, who assumed the role of CLE co-ordinator. Megan completely overhauled our CLE and produced a CLE booklet, for use in-house. Together with paralegal Isabelle Zekulich, Megan also revamped our in-house presentation skills training.

3.2. The new booklet and training provides our volunteers with all of the tools that they need before they deliver any CLE. The feedback that we have received from the schools in relation to the new format delivery has been excellent.

3.3. In addition to the CLE to high schools, CCLSWA also presented to various groups, including:

(a) the Community Legal Centres Association at quarterly meetings in December 2015 and June 2016. Here, CCLSWA spoke about its services and also showcased its website and its financial literacy programme to high schools. Special thanks goes to then-paralegals Mitchell Coles and Edward Souti who prepared and delivered engaging presentations;

(b) the Financial Counsellors Association at their annual conference in October 2015, and via a series of webinars in May and June 2016. Solicitors Faith Cheok, Georgina Molloy and Prachi

Aggarwal delivered the sessions. Thanks goes again to paralegals Mitchell Coles and Edward Souti for preparing the materials;

(c) the Association for Services to Torture and Trauma Survivors in September 2015. At this CLE, CCLSWA was able to utilise the linguistic skills of paralegal Anita Kousari, who also acted as an interpreter.

3.4. In addition to our CLE to high schools, other advocates, and community groups, CCLSWA also delivers guest lectures to students at Curtin Business School, Murdoch University, the University of Notre Dame, and UWA, in our areas of expertise: consumer credit and consumer law. For CCLSWA to be considered as a leading expert in these areas, is a reflection of the brilliant work and minds of its staff and volunteers.

#### **4. Stakeholder Engagement**

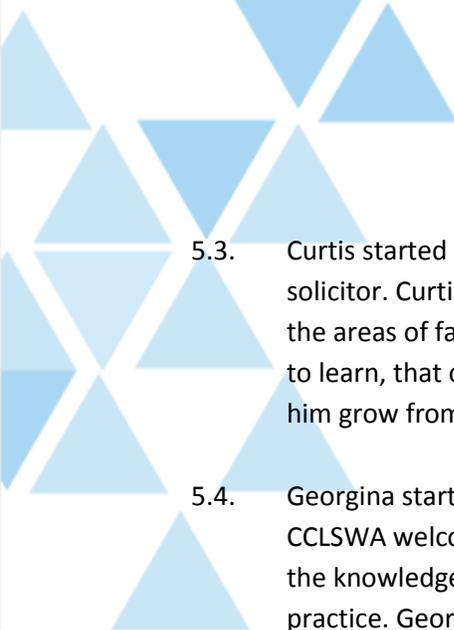
4.1. In February 2016, we launched our website at Parliament House. The Attorney General of Western Australia, the Honourable Michael Mischin MLC, was CCLSWA's guest of honour. Despite a major technical hitch on the day, in the form of Parliament House losing wi-fi capability due to a cyber attack, the event was a roaring success. It was attended by members of Parliament, members of the Bar, lawyers, staff, management committee, volunteers and other members of the community. Thank you to our then legal admin assistant, Gemma Corles, for all of her hard work and skill in putting this event together.

4.2. In addition to the website launch at Parliament House, CCLSWA also hosted visits from 3 politicians: the Honourable Kate Doust MLC, Janine Freeman MLA, and Chris Hatton MLA. The politicians were keen to talk about issues affecting their electorates, and how CCLSWA could assist with those issues.

#### **5. Staff**

5.1. The first person I must write about is CCLSWA's former Principal Solicitor, Faith Cheok. Not only was Faith the Principal Solicitor for the entirety of the 2015/2016 financial year, she also undertook the role of Acting Centre Manager for most of this year. Faith commenced as a solicitor in 2008 and as Principal Solicitor in 2011, a role which she held for 5 years. Faith brought with her a sharp legal mind, an inspiring work ethic, and an unparalleled interest in poor grammar. CCLSWA would not be where it is today without Faith's work, and I feel privileged to run a practice which operates so smoothly. This is a reflection of the many hours of hard work that Faith put into CCLSWA to get it to this high standard. My grammar has also improved tenfold.

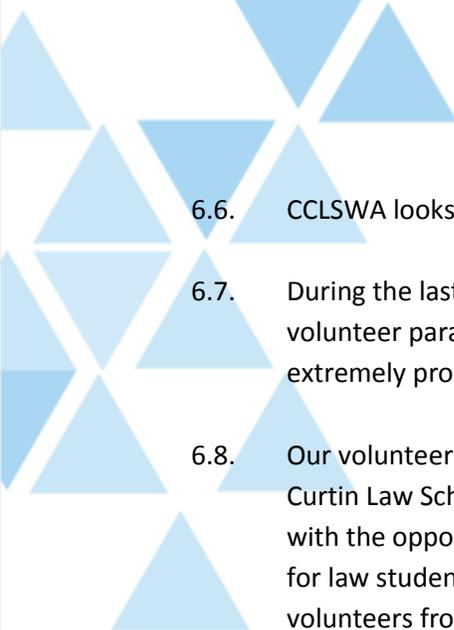
5.2. In terms of our other staff during this financial year: Curtis Ward, Georgina Molloy and Gemma Corles all left our practice to start new chapters in their lives.

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- 5.3. Curtis started at CCLSWA as a student volunteer in 2013, moving up to a paralegal and then to a solicitor. Curtis finished up with CCLSWA in March 2016 and is now working in private practice in the areas of family and criminal law. Curtis brought to the office the enthusiasm and eagerness to learn, that only a young graduate can bring and we thank him for that. It was a joy to watch him grow from newly admitted practitioner, to fully fledged unrestricted lawyer.
  - 5.4. Georgina started at CCLSWA as a solicitor in July 2015 and left in March 2016 to have a baby. CCLSWA welcomes Harriet Hickman as a little sister for Jack. We also thank Georgina for all of the knowledge, skills and expertise that she brought to CCLSWA from her time in private practice. Georgina worked on one particular very complicated matter which involved a mum, dad, and son; several loans, guarantees, and properties; and one major bank. The clients were extremely stressed, but Georgina dealt with them with professionalism and compassion.
  - 5.5. Gemma Corles was CCLSWA's legal admin assistant from July 2015 to March 2016. Gemma Corles was affectionately known as GC in the office, to avoid being confused with me. Quite appropriate to her nickname, GC left CCLSWA as she was head-hunted and offered a graduate position with a law firm on the Gold Coast. During her time at CCLSWA, GC organised and ran our website launch at Parliament House in February 2016. #GContheGC.
  - 5.6. In Curtis and Georgina's place, CCLSWA employed two new solicitors on a part-time basis. Roberta Grealish and Prachi Aggarwal joined CCLSWA in April 2016.
  - 5.7. Roberta studied and practised in Ireland before moving to Perth. On arriving in Perth, Roberta undertook the necessary training to practise as a solicitor, after which she started work at Bennet & Co. Roberta has taken over a particularly tricky former file of Curtis' regarding multiple payday loans and has picked it up with ease, despite not having any prior experience in this field.
  - 5.8. Prachi started her career as a graduate at Herbert Smith Freehills before moving to the UK to work as in-house Counsel at Capital One (Europe). When Prachi returned to Perth, she worked as a policy officer at the Department of Commerce. CCLSWA immediately utilised Prachi's policy and law reform skills to draft our submission on the review of the Australian Consumer Law, which was a substantive 29 page publication, and was submitted on 27 May 2016.
  - 5.9. Gemma Corles was replaced by Natalie Walter who, like GC, came from a politician's office. Natalie worked as a staffer in Dennis Jenson's office, and, also like GC, was then head-hunted after only 3 months at CCLSWA. Natalie left in June 2016. Natalie now works as a staffer at Sean L'Estrange's office. Although Natalie's stint at CCLSWA was comparably short, her impact was large. Natalie organised CCLSWA's Law Week event in May 2016, which was one of the highlights of the year.

- 5.10. In Natalie's place, our former paralegal, Mitchell Coles, has stepped up to the role of LAA. Mitch started as a volunteer law graduate in February 2016, through the Piddington Justice Project, and moved on to paralegal work after he had completed his Practical Legal Training at ANU. Mitch commenced as the LAA in June 2016 and has been of invaluable assistance to me in my new role, and to CCLSWA's new Centre Manager, Charles Brown. Mitch will be admitted as a lawyer on 3 October 2016 and all of us here at CCLSWA will be proud to see him achieve this milestone.
- 5.11. Finally, Charles Brown was employed as our Centre Manager this financial year, with a start date commencing in the next financial year. I look forward to working with Charlie and continuing the great work started by David and Faith.

## 6. Volunteers

- 6.1. CCLSWA could not operate without the many hours of work undertaken by our volunteers. This formed the basis of the Law Week event that CCLSWA ran in May 2016.
- 6.2. Unfortunately we lost many of our outstanding volunteers towards the end of 2015 as they had completed their studies and were moving onto paid work. These volunteers were: Aarushi Garg, Anita Kousari, Aoife Nugent, Blake Robinson, Emily Lynch, Jasper Johnson and Nadia Agnello. Other long term volunteers who left during this financial year were Eamonn Bochat and Megan Faller, who had both started through Notre Dame's law in context internship programme in February 2015.
- 6.3. Although we said goodbye to these outstanding paralegals, we have also had many fantastic new volunteers join our team. Special mention goes to law students Amelia Westerside, Andrew Shinnick, Hana Lee, Liem Vo, Louis Patrick, Michelle Quilty, and Tania Joppich.
- 6.4. 2016 was the inaugural year of the Piddington Justice Project. In addition to existing paralegals Megan Faller and Amy Lee, CCLSWA also took on 3 graduates through the Piddington Justice Project, being Mitchell Coles, Daniel Eng and Stephen Waddington. Megan, Amy, Mitch and Daniel all completed their required 80 days and are due to be admitted in October and November 2016. Stephen will complete his required days during the 2016/17 financial year. All 5 graduates have made an enormous contribution to the work of CCLSWA. We have been able to allocate to them supervision duties, projects and file work.
- 6.5. Prior to the inception of the Piddington Justice Project, CCLSWA was the recipient of funds raised from a CPD event organised by the Piddington Society. Back in September 2015, CCLSWA solicitors Curtis Ward and Georgina Molloy presented at a CPD seminar on unconscionability, together with the Director of Pragma Legal, Aaron McDonald, and former ACCC commissioner, Sitesh Bojani.

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- 6.6. CCLSWA looks forward to continuing to work with the Piddington Society in the future.
  - 6.7. During the last financial year, CCLSWA also attended the admission ceremonies of former volunteer paralegals Elisha Butt, Laura Pilsworth, Mark McCaughey and Ryan Torabi. We are extremely proud of their achievements.
  - 6.8. Our volunteer paralegal programme has gone from strength to strength with the opening of Curtin Law School on Murray Street in the City. Having the law school in the City has provided us with the opportunity to work closely with the Law School and provides an excellent opportunity for law students who are based in the city, to volunteer with us. As at July 2016, we had 2 volunteers from Curtin University: Liem Vo and Tania Joppich. We anticipate taking on more in the next financial year.
  - 6.9. Our volunteer paralegal programme was also showcased at our Law Week event, which will be repeated at the 2016 National Association of CLC's conference in Fremantle. This event was the highlight of our Law Week calendar and was a great way to show off the wonderful work that our volunteers do. The guest of honour was the Chief Justice, Wayne Martin, who gave an impassioned speech on the benefits of volunteering not only for the volunteers, but for the organisations who take on the volunteers. The event ran in collaboration with the Mental Health Law Centre, and the Humanitarian Group. The event was kindly hosted by Norton Rose Fulbright.
  - 6.10. Thanks goes to long term volunteers, Edward Souti and Isabelle Zekulich who were instrumental in putting the event together and whose speeches did justice to the volunteer programme and the work that CCLS does.
  - 6.11. Finally, thanks goes to our pro bono secondee lawyers, Carla Kovacevic from the AGS and Kelli Karchur from Norton Rose Fulbright. Both have made large contributions to CCLSWA: Carla drafted many complaints to regulators on behalf of our clients; and Kelli redesigned the sample letters and fact sheets on our website.

**Gemma Mitchell**  
**Principal Solicitor**  
**CCLSWA**  
**October 2016**

# Case study

**Facts:**

Mr and Mrs T entered into a loan with Big Bank for \$130,000 to purchase a house. Prior to buying it, they had been renting the house. Mr T was 78 years old and Mrs T was 77 years old at the time of the loan. Mr T was retired, but received a government pension. Mrs T was working part time and also received a pension from overseas.

The loan was for a period of 27 years and 6 months. Therefore, Mr T would have been 106 years old when the loan was to be paid out and Mrs T would have been 104 years old.

Mr and Mrs T managed to make the repayments on the loan for a number of years, until Mr T was diagnosed with a terminal illness. Mr and Mrs T then decided that they wanted to move closer to the hospital in order to be able to better manage Mr T's illness. They had a discussion with Big Bank about this and reached an agreement to surrender the house to Big Bank, with the understanding that they would not have to make any more payments. They handed the keys to Big Bank and were advised that they would receive a receipt in the mail. They never received a receipt for the keys. Instead they received a default notice from Big Bank.

Mrs T had stopped working at this stage and their sole income was from a government pension. Mr and Mrs T's only asset was the house. They had previously attempted to sell the house, but due to a downturn in the property market they were unable to do so. They also could not afford to maintain the mortgage payments on the house and pay rent on the house closer to the hospital.

Mr and Mrs T contacted CCLSWA for assistance with dealing with the loan. Their dealings with Big Bank had been causing them confusion and stress. CCLSWA asked Big Bank to provide us with a copy of the Mr and Mrs T's application of the loan and the suitability assessment for the loan. Big Bank was unable to provide us these documents.

**Outcome:**

CCLSWA was able to negotiate a settlement with Big Bank on behalf Mr and Mrs T, whereby Big Bank would accept whatever price was achieved upon sale of the house as full and final settlement of the loan. The house was eventually sold for \$60,000.

If Big Bank had not been willing to negotiate a settlement, there was a risk that Mr and Mrs T could have been pursued for the shortfall debt that arose from the sale of the house.



# TRENDS

# Facts & Figures

## 2015/16 OVERVIEW

**TOTAL ADVICE:  
2952**

**TOTAL CASES: 225**

Open at start: 131  
New: 94  
Still open at end: 79

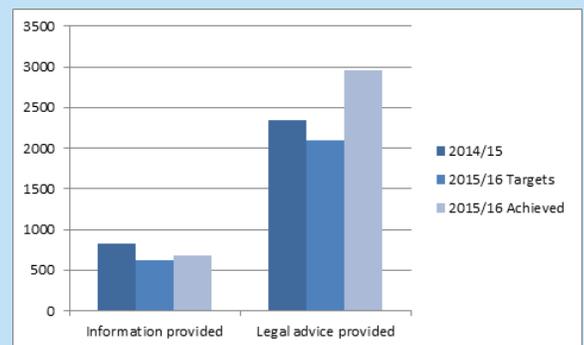
**TOTAL CLIENTS: 1350**

New: 1145  
Repeat: 120  
Existing: 85

**NON CASEWORK  
PROJECTS: 131**

## TARGETS VS ACHIEVED

Number of	Targets	Achieved
Information provided	618	676
Legal advice provided	2096	2952
Case files opened	111	94
Community legal education projects	20	44
Law reform and legal policy projects	8	20



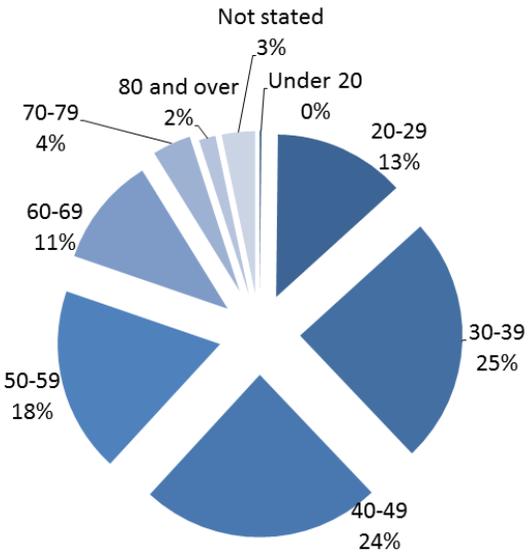
We exceeded the number of information provided target by 8.58% and exceeded the target number of telephone advices by 28.99%. From the previous financial year we provided 20.39% more legal advice, however our information provided fell by -21.45%.

# Activities

<b>Clients</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b>Total number of Clients</b>	<b>1199</b>	<b>1350</b>
New Clients	1043	1145
Repeat Clients	118	120
Existing Clients	38	85
<b>Activities</b>		
<b>Information Activities</b>	<b>831</b>	<b>676</b>
<b>Total Advice Activities</b>	<b>2350</b>	<b>2952</b>
<b>Cases</b>		
<b>Total cases open during period (Open and New)</b>	<b>183</b>	<b>225</b>
- Open at period start	61	131
- New (opened in period)	122	94
- Still open at period end (Ongoing)	134	79
<b>Total cases closed during period</b>	<b>49</b>	<b>146</b>
- Minor Cases closed	20	52
- Medium Cases closed	16	53
- Major Cases closed	13	41
Closed involving court representation	0	0
Closed involving primary dispute resolution	41	47
Closed test cases	0	0
Closed with Public Interest Indicator	0	1
<b>Non-Casework Projects</b>		
<b>Total projects open during period (Open and New)</b>	<b>177</b>	<b>131</b>
- Open at period start	40	41
- New (opened in period)	77	90
- Still open at period end	41	42
Open Community Legal Education Projects	9	9
Open Law Reform & Legal Policy projects	15	15
<b>Total projects completed during period</b>	<b>76</b>	<b>89</b>
- Minor projects completed	55	55
- Medium projects completed	11	26
- Major projects completed	10	8
CLE projects completed	43	44
LRLP projects completed	11	20
<b>Projects deferred during period</b>	<b>1</b>	<b>2</b>

# New clients

## AGE



Age	
Under 20	2
20-29	150
30-39	282
40-49	274
50-59	211
60-69	125
70-79	44
80 and over	19
Not stated	38
<b>TOTAL</b>	<b>1145</b>

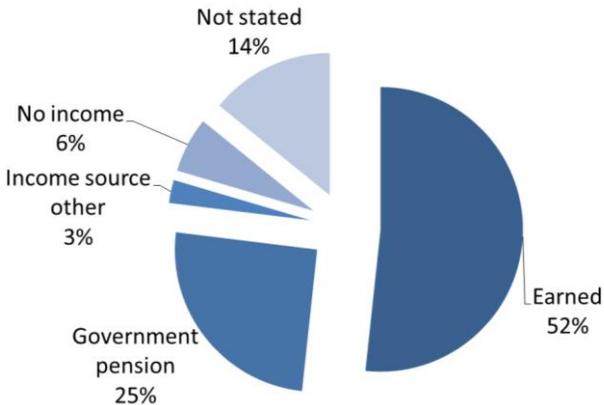
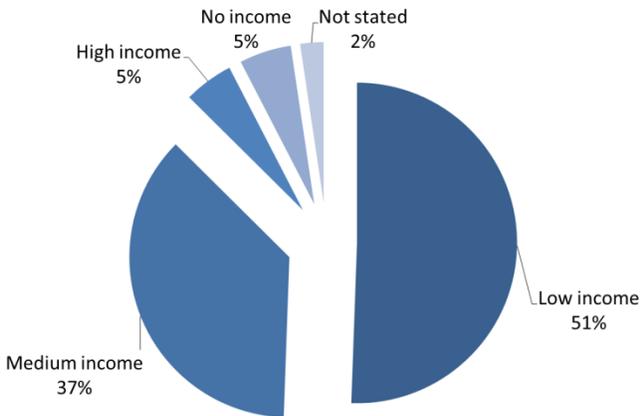
Numbers of clients over the age of 50 increased from the last financial year.

## INCOME

From the 2014/15 year slightly more clients are self reporting low income. Most other makeup has stayed the same.

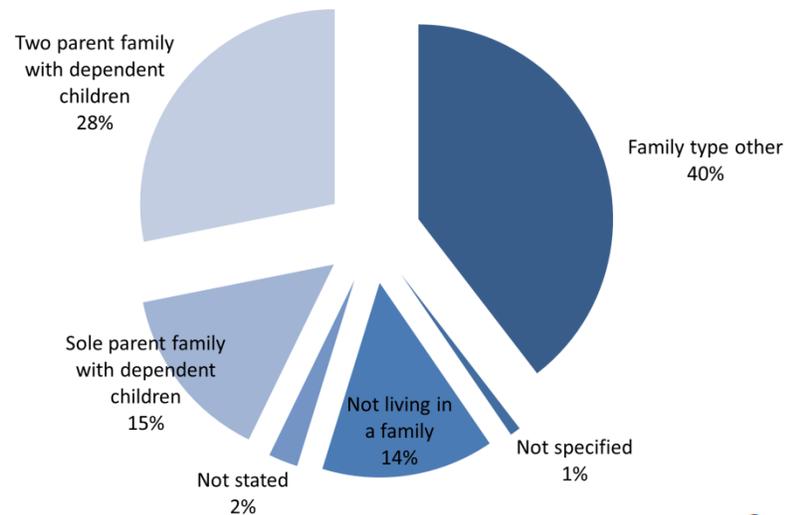
Income scale	
Low income	579
Medium income	422
High income	57
No income	60
Not stated	27
<b>TOTAL</b>	<b>1145</b>

Income source	
Earned	592
Government pension	289
Income source other	30
No income	72
Not stated	162
<b>TOTAL</b>	<b>1145</b>



## FAMILY TYPE

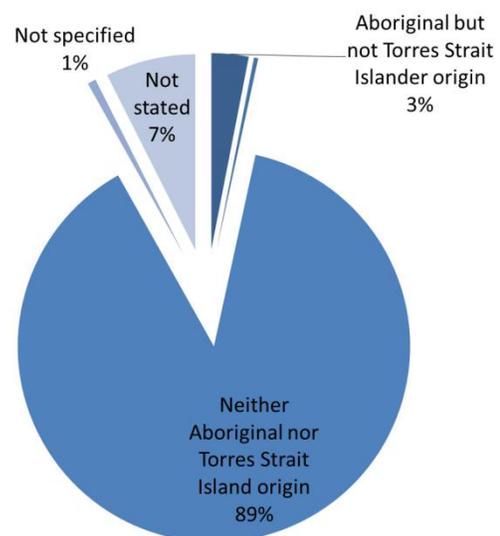
Family type	
Family type other	453
Not specified	10
Not living in a family	164
Not stated	28
Sole parent family with dependent children	168
Two parent family with dependent children	322
<b>TOTAL</b>	<b>1145</b>



New clients living in alternative family types decreased slightly from the previous financial year, while clients not living in a family increased.

## INDIGENOUS STATUS

Indigenous status	
Aboriginal but not Torres Strait Islander origin	35
Both Aboriginal and Torres Strait Islander origin	4
Neither Aboriginal nor Torres Strait Island origin	1013
Not specified	8
Not stated	85
<b>TOTAL</b>	<b>1145</b>



There have been no significant changes in the makeup of the indigenous status of new clients from the 2014/15 financial year.

### Top 5 Client Backgrounds

1. Australia **50.83%**
2. England **8.73%**
3. New Zealand **4.89%**
4. India **2.45%**
5. South Africa **1.75%**

# Detailed Statistics

## NEW CLIENTS

	2013/14	2014/15	2015/16
<b>Age</b>			
Under 20	0 (0%)	1 (0%)	2 (0%)
20-29	126 (12%)	139 (13%)	150 (13%)
30-39	249 (24%)	254 (24%)	282 (25%)
40-49	227 (22%)	253 (24%)	274 (24%)
50-59	213 (21%)	182 (17%)	211 (18%)
60-69	109 (11%)	112 (11%)	125 (11%)
70-79	47 (5%)	70 (7%)	44 (4%)
80+	19 (2%)	13 (2%)	19 (2%)
Not stated	44 (4%)	19 (2%)	38 (3%)
	1034	1043	1145
<b>Income Scale</b>			
Low	464 (45%)	505 (49%)	579 (51%)
Medium	375 (36%)	389 (37%)	422 (37%)
High	74 (7%)	75 (7%)	57 (5%)
No income	94 (9%)	42 (4%)	60 (5%)
Not stated	27 (3%)	32 (3%)	27 (2%)
	1034	1043	1145
<b>Income Source</b>			
Earned wages	478 (46%)	549 (53%)	592 (52%)
Government pension	216 (21%)	249 (23%)	289 (25%)
Income source other	22 (2%)	19 (2%)	30 (3%)
No income	69 (7%)	67 (6%)	72 (6%)
Not stated	249 (24%)	163 (16%)	162 (14%)
	1034	1043	1145
<b>Family Type</b>			
Not living with a family	144 (14%)	104 (10%)	164 (14%)
Sole parent with dependent children	166 (16%)	133 (13%)	168 (15%)
Two parent family with dependent children	254 (25%)	293 (28%)	322 (28%)
Family type other	412 (40%)	478 (45%)	453 (40%)
Not specified	1 (0%)	3 (0%)	10 (1%)
Not stated	57 (6%)	32 (4%)	28 (2%)
	1034	1043	1145
<b>Indigenous Status</b>			
Neither Aboriginal or Torres Strait Islander	870 (84%)	875 (83%)	1013 (88%)
Aboriginal but not Torres	42 (4%)	42 (4%)	35 (3%)

Strait Islander			
Both Aboriginal and Torres Strait Islander	3 (0%)	10 (1%)	4 (0%)
Torres Strait Islander but not Aboriginal	2 (0%)	1 (0%)	0 (0%)
Not stated	116 (11%)	112 (11%)	85 (7%)
Not specified	1 (0%)	3 (0%)	8 (1%)
	1034	1043	1145

## CLIENT BACKGROUNDS

	2013/14	2014/15	2015/16
<b>State</b>			
NSW	2	3	2
QLD	1	4	7
TAS	0	0	1
VIC	3	4	1
WA	1027 (99%)	1036 (99%)	1132 (99%)
TERRITORIES	1	1	1
Undefined	0	0	1
	1034	1043	1145
<b>English Proficiency</b>			
Very well	528 (51%)	609 (58%)	609 (53%)
Well	441 (42%)	461 (44%)	461 (40%)
Not well	41 (4%)	51 (5%)	51 (4%)
Not at all	5 (0%)	3 (0%)	3 (0%)
Not stated	18 (2%)	14 (1%)	14 (1%)
Not specified	1 (0%)	7 (0%)	7 (0%)
<b>Interpreters required</b>	<b>3</b>	<b>2</b>	<b>2</b>

## MATTER DETAILS

	2013/14	2014/15	2015/16
<b>Financial products</b>			
Cheque account	3	3	3
Consumer Lease	13	10	11
Consumer credit insurance	1	2	2
Credit card facility	146 (13%)	149 (13%)	133 (10%)
Credit related sale	8	10	18 (1%)
Deposit account	20 (1%)	11 (1%)	36 (3%)
Finance broker	49 (4%)	4	2
Financial Product Other	0	95 (8%)	54 (4%)
Guarantees/loan security	11	9	19 (1%)
Home loan/mortgage	200 (17%)	205 (18%)	288 (23%)

Investment advice/financial planning	0	5	1
Investment product	1	3	5
Lease	7	48 (4%)	3
Non-financial product or service	40 (4%)	310 (27%)	24 (2%)
Not Specified	420 (37%)	16 (1%)	360 (29%)
Other continuing credit facility	22 (2%)	1	16 (1%)
Other general insurance	2	10	2
Payment system/service	148 (13%)	214 (19%)	4
Personal loan	4	4	219 (18%)
Reverse Mortgage	4	2	7
Small Amount Credit Contract	8	7	10
Small business finance	3	7	10
Superannuation	9	1	1
	<b>1115</b>	<b>1126</b>	<b>1228</b>



# Top 20 Problems Types

These are the top 20 problem types we have come across over the last year. Similarly to the 2014/15 financial year the most common problem type relates to Consumer Credit and Debt.

Credit and debt consumer credit	<b>783</b>
Consumer complaints services	<b>91</b>
Consumer complaints products	<b>82</b>
Credit and debt collection	<b>69</b>
Credit Reporting	<b>55</b>
Consumer complaints financial/insurance/super etc	<b>46</b>
Motor Vehicle Dealer Complaint	<b>45</b>
Credit and debt Other	<b>31</b>
Credit and debt owed by client	<b>28</b>
Motor vehicle Other	<b>25</b>
Credit and debt recovery (court)	<b>18</b>
Credit and debt management/negotiation	<b>17</b>
Consumer complaints Other	<b>16</b>
Electronic Transfer	<b>15</b>
Telco's	<b>14</b>
Consumer complaints fair trade/trade/sell practice	<b>13</b>
Credit and debt bankruptcy	<b>10</b>
Credit and debt information/privacy	<b>8</b>
Separation	<b>6</b>
Consumer complaints building	<b>6</b>

## TOP PROBLEM TYPES PER AGE GROUP

	2015/16		
<b>Under 20</b>	Consumer complaints Services	2	100%
	<b>Total problems in age group 2</b>		
<b>20 – 29</b>	Credit and debt consumer credit	107	51%
	Credit and debt collection	15	7%
	Consumer complaints services	15	7%
	Motor Vehicle Dealer Complaint	13	6%
	Consumer complaints products	11	5%
<b>Total problems in age group 208</b>			
<b>30 – 39</b>	Credit and debt consumer credit	182	52%
	Credit Reporting	22	6%
	Consumer complaints services	22	6%
	Credit and debt collection	21	6%
	Consumer complaints products	17	5%
<b>Total problems in age group 344</b>			
<b>40 – 49</b>	Credit and debt consumer credit	188	55%
	Consumer complaints financial/insurance/super etc	22	6%
	Motor Vehicle Dealer Complaint	15	4%
	Consumer complaints services	14	4%
	Credit and debt collection	14	4%
	<b>Total problems in age group 340</b>		
<b>50 – 59</b>	Credit and debt consumer credit	157	65%
	Consumer complaints services	19	8%
	Credit and debt collection	9	4%
<b>Total problems in age group 243</b>			
<b>60 – 69</b>	Credit and debt consumer credit	72	48%
	Consumer complaints products	14	9%
	Consumer complaints services	9	6%
	Credit and debt collection	7	5%
<b>Total problems in age group 150</b>			
<b>70-79</b>	Credit and debt consumer credit	35	57%
	Consumer complaints products	9	15%
<b>Total problems in age group 61</b>			
<b>80+</b>	Credit and debt consumer credit	44	56%
	Consumer complaints services	7	9%
	Consumer complaints products	5	6%
<b>Total problems in age group 78</b>			

# Community Legal Education

## PREVENTION BETTER THAN A CURE

CCLSWA believes in prevention. Financial literacy is the key to preventing poor financial decisions and out of control debt.

CCLSWA is committed to financial literacy education initiatives and community legal education. We reach different target groups: high school students, new Australians, community advocates and groups with specific vulnerabilities such as migrants with low literacy, prisoners and women.

## GROWING CLE

CCLSWA is committed to continuing and growing its CLE service.

	2014/2015	2015/16
<b>CLE sessions to high schools</b>	12	13
<b>CLE to Universities</b>	5	4
<b>CLE other</b>	25	21
<b>Radio Shows</b>	10	6

The CLE sessions fell in the last financial year, although remained strong for High School sessions. To address this issue and to expand our CLE service base CCLSWA has recruited a volunteer from the McCusker Centre for Citizenship for the next financial year.

## WEBSITE STATISTICS

The new CCLSWA website went live on 15 April 2015. The website was formally launched on 17 February 2016.

The new website features automated letters and updated fact sheets. This financial year we have had:

	2014/15	2015/16
<b>Sessions</b>	10347	17270
<b>Users</b>	7581	12631
<b>Page views</b>	26028	52586

Age	Percentage of total users
<b>18-24</b>	10.34%
<b>25-31</b>	37.48%
<b>35-44</b>	22.34%
<b>45-54</b>	16.12%
<b>55-64</b>	10.34%
<b>65+</b>	4.27%

TOP 10 MOST DOWNLOADS	# downloads
Sample Hardship Variation Letter	1069
Terminating a contract which is subject to finance	787
court documents	734
debt collection issues and complaints	672
hardship variation flow chart	617
hardship variation fact sheet	591
default notices fact sheet	567
Have you missed payments on your home loan? Fact sheet	553
free credit file form	538
letter to lender/debt collector requesting documents	519

# Case Study

## **Facts:**

The client took out a loan in 2011 with a lender to assist him and his wife meet their mortgage repayments as they were experiencing financial difficulty and had fallen into default. The client borrowed \$3900 and made 11 repayments from January 2011. The loan was secured by a caveat over the client and his wife's home.

In February 2015 the client approached a debt consolidation service. With their assistance it was discovered that the client's debt with the lender had increased to over \$200,000. The client lodged a dispute with the Financial Ombudsman Service (FOS) and was soon informed that FOS could not hear the dispute as the lender had obtained a judgment against the client in the NSW Local Court in 2012. The client was not aware of the judgment or any court proceedings. The lender demanded that the client repay the full debt amount owing. FOS referred the client to CCLSWA for assistance.

## **CCLSWA's actions:**

CCLSWA reviewed the client's court documents and contacted NSW Legal Aid and the Financial Rights Legal Centre in NSW to obtain advice about the judgment. CCLSWA and the Financial Rights Legal Centre were of the opinion that the lender had applied the incorrect rate of interest to the judgment.

CCLSWA lodged a fresh dispute with FOS on behalf of the client arguing that the debt amount being pursued by the lender was incorrect. Even though the lender was pursuing the client for a debt of over \$200,000, CCLSWA calculated that the lender was only entitled to payment of approximately \$400 after the correct interest rate was applied. Further, CCLSWA noted that the client had made more repayments to the lender since the judgment had been issued which totalled almost \$3000, suggesting that the client had overpaid the lender.

## **Outcome:**

The complaint proceeded through the FOS dispute resolution process. FOS issued a determination substantially in favour of the client. The determination established that:

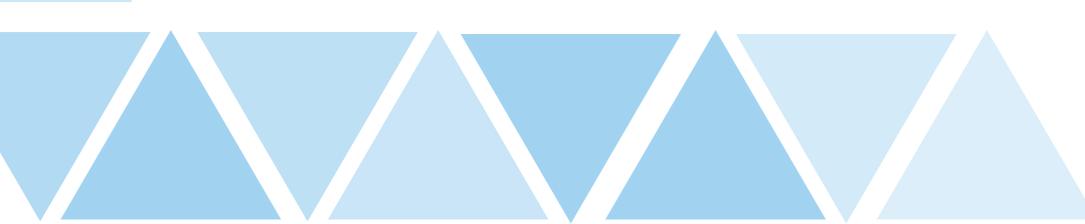
- the client had no further liability under the judgment debt;
- the debt was recalculated on the basis submitted by CCLSWA;
- dishonour fees charged to the client by the lender since the judgment were incorrect; and
- the lender should pay the client non-financial loss compensation for stress and anxiety caused.

The lender refunded over \$1,000 to the client.

Had CCLSWA not assisted this client, it is likely that the client would have lost his home, and would have paid a debt for which he was not liable.



# FINANCIALS





# Financial Reports

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

**ABN 42 262 474 001**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

COMMITTEE'S REPORT

DIVISIONAL INCOME AND EXPENDITURE STATEMENT

BALANCE SHEET

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

AUDITORS DECLARATION

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

# CONSUMER CREDIT LEGAL SERVICE (WA) INC.

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## CONTENTS

Declaration by the Members of the Committee

Statement of Financial Performance

Balance Sheet

Notes to the Financial Statements

Independent Auditor's Report

## CONSUMER CREDIT LEGAL SERVICE (WA) INC.

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### DECLARATION BY THE MEMBERS OF THE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2016

The committee of the Consumer Credit Legal Service (WA) Inc. has determined that the organisation is not a reporting entity. The committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

In the opinion of the committee of the Consumer Credit Legal Service (WA) Inc.:

- 1
  - a) the statement of financial performance gives a true and fair view of the result of the organisation for the year ended 30 June 2016; and
  - b) the balance sheet gives a true and fair view of the state of affairs of the organisation as at 30 June 2016 .
- 2 At the date of this statement, there are reasonable grounds to believe that the organisation 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:

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Treasurer

# CONSUMER CREDIT LEGAL SERVICE (WA) INC.

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>Income</b>		
Government - Commonwealth and State	582,417	584,263
Government- New Commonwealth Funding	120,000	120,000
Non-Government - Public Purposes Trust	86,525	83,046
Non-Government - Piddington Justice Project	1,000	-
Non-Government - LotteryWest	-	4,790
Non-Government - LotteryWest carried forward funds FY2014	27,835	31,760
<b>Other Income</b>		
Donations	5	840
CCLS membership	118	118
Reimbursements	2,000	1,500
Interest received	6,933	5,939
Training Sessions	6,391	4,012
<b>Total Income</b>	<u><u>833,224</u></u>	<u><u>836,268</u></u>
<b>Expenditure</b>		
Advertising & Promotion	1,335	1,245
Archiving	847	2,133
Accounting Fees	27,308	24,959
Audit fees	2,910	2,870
Assets Purchased < \$1,000	1,020	2,070
Bank charges	144	243
Board & governance expenses	263	405
Cleaning	3,600	3,605
Client support services	-	74
Computer expenses	35,933	47,103
Depreciation	47,675	46,288
Employment support	690	-
Funding Carried Forward	-	18,500
Insurance	7,045	6,848
Legal Fees	-	2,430
Publication & information resources	3,244	3,140
Meeting expenses	412	460
Memberships	6,653	7,870
Postage	627	339
Printing & stationery	3,671	7,744
Rent	53,287	51,879
Repairs & maintenance	150	521
Salaries	477,582	473,351
Staff amenities	5,673	5,194
Staff entitlement provisions	5,119	(7,324)
Staff recruitment	1,645	11,076
Staff training & development	16,309	11,426
Superannuation	45,184	44,775
Sundry expenses	-	269
Fees & Permits	6,443	3,770
Telephone & fax charges	20,283	21,470
Travel & accommodation	6,535	15,249
Utilities & outgoings	24,775	24,838
Provision for future salary position	25,700	-
<b>Total expenditure</b>	<u><u>832,062</u></u>	<u><u>834,820</u></u>
<b>Net Surplus / (Deficit)</b>	<u><u>1,162</u></u>	<u><u>1,448</u></u>

# CONSUMER CREDIT LEGAL SERVICE (WA) INC.

## BALANCE SHEET AS AT 30 JUNE 2016

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Bankwest Cheque Account	9,644	13,173
Bankwest Business TeleNet Saver Account	130,976	79,712
Bankwest Zero Debit Card	3,478	1,078
Bankwest Term Deposit	154,327	150,000
Cash on hand	500	500
Prepayments	7,149	9,902
Sundry Debtors	2,173	500
	<u>308,247</u>	<u>254,865</u>
<b>Non-Current Assets</b>		
Leasehold improvements	19,768	19,768
Less: Accumulated depreciation	(13,262)	(9,370)
Plant & equipment	217,795	217,795
Less: Accumulated depreciation	(190,523)	(146,740)
	<u>33,778</u>	<u>81,453</u>
<b>Total Assets</b>	<u>342,025</u>	<u>336,318</u>
<b>Current Liabilities</b>		
Sundry creditors	1,942	776
PAYG payable	6,385	10,342
GST payable	14,535	11,295
Salary Sacrifice	-	3,641
Superannuation payable	8,428	7,675
Provision for annual leave	17,200	14,656
Provision for annual leave loading	3,010	2,565
Provision for long service leave	33,441	31,755
Provision for super on employee entitlements	5,097	4,653
Grant In advance	4,000	-
Funding in advance	18,500	18,500
	<u>112,538</u>	<u>105,858</u>
<b>Non- Current Liabilities</b>		
LotteryWest depreciation clearing a/c	-	27,835
Provision for future salary position	49,200	23,500
Provision for IT	5,063	5,063
Provision for Service Devel relocation	15,000	15,000
	<u>69,263</u>	<u>71,398</u>
<b>Total Liabilities</b>	<u>181,801</u>	<u>177,256</u>
<b>Net Assets</b>	<u>160,224</u>	<u>159,062</u>

# CONSUMER CREDIT LEGAL SERVICE (WA) INC.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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 (WA) 1987 and the Australian Charities and Not for Profits Commission Act 2012. The Board of Management has determined that the association is not a reporting entity.

The financial statements have been prepared in accordance with the following mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

AASB 101 - Presentation of Financial Statements

AASB 107 - Cash Flow Statements

AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031 - Materiality

AASB 1048 - Interpretation of Standards

AASB 1054 - Australian Additional Disclosures

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.

### Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities of the organisation. The ability of the organisation to continue as a going concern will be dependent upon the continued receipt of grants from the State Government of Western Australia and supporting bodies.

### Principal Activities

The principal activities are to:

- Provide free and confidential legal advice and information to consumers in the West Australian community, on credit contracts (such as home loans, car loans, credit cards) and also on goods and services covered by the Australian Consumer Law;
- Provide education to high school students, consumer advocates and financial counsellors on prevention strategies or resolutions of consumers' disputes with financial institutions and suppliers of goods and services;
- Assist consumers by advocating for them in their disputes on various forums such as the Financial Ombudsman Service and the Credit Ombudsman Service Limited;
- Assist consumers by providing legal advice for their disputes at the Magistrates Court of Western Australia;
- Participate in relevant law reform initiatives for the long-term benefit of consumers.

# CONSUMER CREDIT LEGAL SERVICE (WA) INC.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### **Plant and Equipment**

Plant and equipment are included at cost. All fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use using the diminishing value method.

### **Superannuation**

Staff superannuation has been paid in accordance with the requirements of the Superannuation Guarantee Charge legislation and is paid to complying funds.

### **Employee Entitlements**

Provision is made in respect of the organisation's liability for annual leave and long service leave. Both the provision for annual leave and long service leave has been accrued in respect of all employees from the commencement of their employment with the organisation.

### **Funding /Grants in Advance**

All grants are brought to account as income when received, unless they relate to future years in which case they are recognised as income in the year expended.

They appear in the Balance Sheet as a liability – Funding in Advance.

# Independent Audit Report

## To the members of Consumer Credit Legal Service (WA) Inc.

### Report on the Financial Report

We have audited the accompanying financial report of Consumer Credit Legal Service (WA) Inc. which comprises the balance sheet as at 30 June 2016, the statement of divisional financial performance, statement of financial performance, statement of changes in equity and statements of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Board's Declaration.

### The Responsibility of the Board of Management for the Financial Report

The Board of Management of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant accounting standards and the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Board of Managements responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

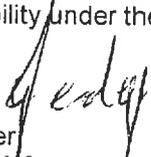
### Audit opinion

In our opinion, the financial report of Consumer Credit Legal Service (WA) Inc. is in accordance with the Australian Charities and Not-for- profits Commission Act 2012, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2016 and of its performance for the year ended on that date.
- b) complying with relevant accounting standards contained in Subdivision 60 of the Australian Charities and Not-for-profits Regulation 2013;

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describe the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's financial reporting responsibility under the Constitution. As a result, the financial report may not be suitable for another purpose.

  
RG Ledger  
Chartered Accountant  
Registered Company Auditor

23 AUGUST 2016

# GREG LEDGER PTY LTD

CHARTERED ACCOUNTANT

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*Liability limited by a scheme approved under Professional Standards Legislation.*

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23 August 2016

The Board of Management  
Consumer Credit Legal Service (WA) Inc  
Level 1, 231 Adelaide Terrace  
Perth WA 6000

## AUDITOR INDEPENDENCE DECLARATION

This declaration is made in connection with the audit of the financial report of Consumer Credit Legal Service (WA) Inc. for the year ended 30 June 2016 and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012.

I declare that, to the best of my knowledge and belief, there have been:

- No contravention of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- No contravention of any applicable code of professional conduct in relation to the audit.

Yours sincerely



Ross Gregory Ledger  
Chartered Accountant  
Registered Company Auditor