



cclswa

Consumer Credit Legal Service (WA) Inc.

ANNUAL REPORT

2020-2021

Celebrating
30
years

Excellence • Empowerment • Collaboration • Passion • Innovation

REPORT FROM CHAIR - LAURENCE COLEMAN



As the CCLSWA Board Chair, I am pleased to present the 2020-21 Annual Report. Like the previous year, this financial year was challenging for our organisation. The fact that our organisation has thrived within this difficulty is testament to the underlying resilience, dedication and cohesiveness of our team.

The COVID-19 global pandemic has continued to alter how we all live and conduct business. We in WA have, so far, avoided the worst of the pandemic. Nevertheless, a number of periods of snap lockdown, and subsequent public health restrictions, impacted the work of the CCLSWA. The preparatory work CCLSWA did in 2019-20, particularly in ensuring staff are able to work from home, made swift transitions during snap lockdowns much smoother than they otherwise might have been.

The Board welcomed two new members at the 2020 AGM – Tim Benson and Gillie Anderson. Our Secretary, Sigourney Drane, resigned from the Board in April 2021 due to family commitments. We thank Sigourney for her many years of service and commitment to the work of CCLSWA. Melanie Callow has stepped up as

acting Secretary. I thank all Board members for their hard work this year.

Undoubtedly the biggest challenge CCLSWA faced in 2020-21 was the loss of our Managing Solicitor, Gemma Mitchell. Gemma joined CCLSWA in 2013, rose to Principal Solicitor in 2016, and became Managing Solicitor in 2017. She left CCLSWA in January 2021 to take up an exciting opportunity as Director of Civil Law at Legal Aid. In her new role, Gemma will continue to have a great impact on vulnerable legal clients across the entire state. Under Gemma's leadership, CCLSWA has worked with scores of dedicated volunteers and staff, helped hundreds of Western Australians to manage financial difficulty, and built a reputation as one of Australia's leading voices in consumer and credit policy advocacy. Gemma's passion and drive inspired staff and Board alike, and she pushed the organisation towards the achievement of its potential. On behalf of the Board, I thank Gemma for her years of dedicated service, her strong leadership and her friendship. We wish her every success in her new endeavour.

Following Gemma's departure, Senior Solicitor Roberta Grealish stepped up as acting Managing Solicitor. Roberta's ability to steady the ship and lead the team through the difficult period of change is testament to her diligence, appetite for a challenge, and commitment to the work the CCLSWA does for WA consumers. I sincerely thank Roberta for her warmth and conscientious leadership during that period.

In considering the future of the organisation, the Board made the decision to revert to the diarchy model – with a leadership team of General Manager and Principal Solicitor –

which CCLSWA had prior to Gemma's appointment as Managing Solicitor. The decision was made for two key reasons. First, having two senior leaders reduces the organisation's critical person risk, and ensures stability of leadership throughout personnel movements. Second, the change allows the division of responsibilities to be more fairly shared; solicitors can focus on the CCLSWA's core business of legal work, while management functions can be performed separately.

Following an extensive, open and competitive search process, CCLSWA was pleased to appoint Carol Child as General Manager from June 2021. Roberta was promoted to the position of Principal Solicitor, with responsibility for the legal practice of the organisation.

Financially, good fortune and prudent management has led to CCLSWA again returning an operating surplus this year. CCLSWA now has significant reserves and will need to give serious consideration to how it can use a portion of them in future years to augment and expand its services, make strategic capital investments, and conduct longer-term projects within its core mission.

We are immensely proud that CCLSWA's staff and volunteers have acquitted themselves in an exemplary manner through another difficult year. On behalf of the Board, I thank them all.

*On behalf of
all of us at Consumer Credit
Legal Service (WA) Inc., I pay
respects to the Whadjuk people
of the Noongar Nation and
their elders, past, present and
emerging.*

REPORT FROM PRINCIPAL SOLICITOR - ROBERTA GREALISH

I am honoured to be at the helm of CCLSWA as it celebrates its 30th anniversary. I am extremely proud of all that CCLSWA has achieved during this time and realise that I am standing on the shoulders of the giants who have preceded me in this role. I wish to particularly acknowledge Gemma Mitchell who said goodbye to us after nearly 8 years at CCLSWA, including the last 4 years as our Managing Solicitor. I took the reins from Gemma in January 2021 as Managing Solicitor (Acting), and with the unwavering support of our Board, solicitors, staff and volunteers proceeded to navigate the challenges that the pandemic continues to throw at us.

CCLSWA underwent a significant restructure following Gemma's departure, finally reverting to our former model of management in June 2021, when I took the role of Principal Solicitor and Carol Child joined us as General Manager.

As well as being a qualified accountant, Carol brings with her a wealth of community legal sector experience as former Executive Manager of The Humanitarian Group (now Circle Green) and current treasurer of the executive committee of our state peak body, Community Legal WA. She is a very welcome addition to the team and I look forward to working closely and in co-operation with Carol to ensure the ongoing success of CCLSWA.

This year we sadly farewelled solicitors, Sara Pearson and Lydia Chua. We are extremely grateful for their contributions to CCLSWA, the representation they provided WA consumers and the successful outcomes they achieved for their many clients during their time with us. I wish them well in their future endeavours.

All this change repeatedly tested the resilience of our solicitors and administrative staff. As always, they rose to every occasion. Georgia Turco, David Ryan, Nadia-Rose Agnello, Allison Sampson, Colm Divilly and Rita Pereira, I commend you on your dedication. They moved seamlessly in and out of snap lockdowns, working from home as required to continue our service delivery with minimal disruption. The pandemic also affected the type of issues and the type of clients we hear on our telephone advice line. We have noted a marked increase in Australian Consumer Law matters and calls from consumers experiencing financial difficulty for the first time.

Early government and industry response to the pandemic apparently temporarily relieved financial pressures for consumers resulting in a slightly quieter than usual telephone advice line at CCLSWA. We hypothesise however that this will also be a temporary reprieve for the volunteers who man our telephones, as reliefs roll back. History tells us that calls for financial hardship assistance take time to trickle down to our telephone advice line. Unfortunately, many consumers only call after they have reached the end of their tether and have exhausted their savings, or even worse, succumbed to predatory lending or debt vultures. We continue to open case files for the victims of unscrupulous providers to seek fair recourse and to inform our push for law reform in these areas, particularly the regulation of Buy Now Pay Later schemes and Debt Management Firms.

We have also noted an increasing complexity to the issues faced by our clients. In some cases, the blanket COVID reliefs only served to mask and prolong their problems. Our solicitors



have focused their capacity on providing case file assistance to these clients, many of whom are juggling multiple unsuitable credit products. Case files have also been born from a desire to pursue issues trending on our telephone advice line, noting particularly breaches of the ePayments Code and scams.

The pandemic did not dampen our drive for law reform and community legal education. In some respects, the increased availability of online forums increased our ability to engage with relevant stakeholders and participate in relevant consultations. Most importantly, we continue to campaign to #SaveSafeLending in response to government proposals to roll back responsible lending obligations in defiance of the first recommendation of Commissioner Hayne's Final Report of the Financial Services Royal Commission.

Finally, in what was a rollercoaster year, in a sector that does not draw a lot of rewards, it was gratifying to be acknowledged as winner of the not-for-profit award at the Attorney General's Community Service Law Awards. And so, we will keep fighting the good fight and continue to champion the rights of consumers in WA.

OUR WORK IN 2021



We continue to strengthen the consumer voice in WA by advocating for, and educating people about, consumer and financial, rights and responsibilities.

CCLSWA is a not-for-profit charitable organisation, providing legal advice and representation to people in WA in the areas of banking and finance and consumer law

CORE SERVICES

-  We empower people to resolve their own disputes with banks, financial institutions and commercial enterprises through our telephone advice line.
-  We advocate for people in their disputes with banks, financial institutions, and commercial enterprises through our case file work.
-  We educate people about banking, finance, and consumer law.
-  We improve the commercial marketplace for the benefit of the community.
-  We advocate for policy change and law reform.

KEY FIGURES

Community Legal Services Program Key Features

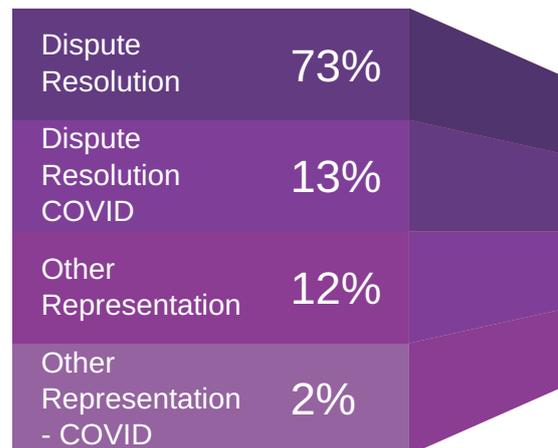
PEOPLE WE HELPED **614**



CASEWORK

This year has seen a **23% increase** in our casework as clients present to us with more complex needs as well as additional matters brought on by the COVID-19 pandemic.

Referrals	1050
Legal Advice by Telephone	604
New Cases Opened	98
Cases Closed	78
Community Legal Education Resources Created	11
Community Legal Education Activities Completed	36
Law Reform and Legal Policy Projects Completed	63
Stakeholder Engagement	136



TYPES OF MATTERS WE ASSISTED PEOPLE WITH:



22%

Hardship, default and court proceedings



19%

Home loans, shortfall debts, reverse mortgages



19%

Australian Consumer Law issues



14%

Car loans, personal loans, credit cards, guarantees



13%

Scams, buy now pay later, rent to buy, ePayments



13%

Credit reporting, responsible lending, payday loans, consumer leases, debt vultures

CASE STUDY

John* contacted a gym advertising a 6-week training program on Facebook. When he visited them, they told him that he needed to lose weight or die, and they made him carry 40kg weights around the gym, telling him that this was the extra weight he was carrying! They convinced him to sign up to a membership agreement for 12 months. The gym was forced to go online and our client lost his job due to COVID-19 related lockdowns. He tried to cancel his contract, as he could no longer afford to keep making the repayments. The gym agreed to put the membership on pause, however the gym would not allow our client to cancel the contract. We provided John with a letter of advice on potential claims he had against the gym, predominantly in relation to unfair contract terms in the membership contract around cancellation. John took our advice and was able to negotiate with the gym to let him terminate the contract.

* Clients' real names have not been used in case studies. We have withheld our clients' identifying details to respect their confidentiality.



CLIENT SURVEY KEY RESULTS

97%

of clients surveyed said that they planned to use the advice that CCLSWA had given them.

100%

of clients surveyed agreed or strongly agreed that CCLSWA staff had listened to their problem in a friendly and respectful manner.

98%

of clients surveyed agreed or strongly agreed that they would recommend CCLSWA to their family or friends.

PEOPLE WE ASSISTED WITH CASEWORK:

95%

Experiencing financial disadvantage

5%

Experiencing domestic or family violence

6%

Older people (65 years of age and over)

8%

Aboriginal and/or Torres Strait Islander people

18%

People with disability

Our Key Achievements and Events

1988 The Consumer Credit Task Force appointed by the WA Government and chaired by Dr Geoff Gallop, MLA, recommend the establishment of an independent community-based Consumer Credit Legal Service in Western Australia.

1989-1990
August 1989: A meeting is held to form a steering committee for the establishment of a Consumer Credit Legal Service in Western Australia.

1998-1999
Ran an education campaign to inform consumers of the pitfalls of buying goods interest free.

1997-1998
Participated in the Finance Broking Industry Reference Group. Completed modules for the Financial Counsellors course at Edith Cowan University.

1999-2000
Published *Your Money, Your Rights* – a comprehensive manual covering all aspects of credit, banking and financial services law.

2000-2001
Advocacy in the area of Pay Day Lending.

2001-2002
Moved to current offices at 231 Adelaide Terrace, Perth. Made submissions to the Royal Commission on finance brokers.

2013-2014
Joined ASIC on their roadshow to rural and remote areas of WA including the Kimberley.

2012-2013
Commenced regular radio interviews on Community Radio FM 107.3.

2011-2012
Invested in technology and established the Telephone Advice Line manned by law students.

2015-2016
February 2016: Launched new website at Parliament House. The Attorney General, the Hon. Michael Mischin MLC, was the guest of honour.

2017-2018
Participated in the 'National Day of Action', urging the Federal Parliament to implement laws based on the Independent Review of Pay Day Loans. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established.

2018-2019
Submissions made to the Financial Services Royal Commission. Invited to the 'lock up' in Canberra to be one of the first to read the final report. Won the WA Consumer Protection Award. Nominated as a Finalist in the Volunteering WA Community Volunteer Organisation of the Year Awards. March 2019: Supporters' event with guest of honour Janine Freeman, MLA.

2016-2017
February 2017: Short term relocation due to a fire in the Adelaide Terrace building. Launched Social Media pages with guest of honour, Peter Quinlan SC, Solicitor General of WA.



1990-1991

November 1990: Consumer Credit Legal Service is incorporated under the Associations Incorporations Act 1987. Name changed to Consumer Credit Legal Service (WA) Inc. in May 1993.

March 1991

Official opening.

1993-1994

Working in partnership with Keystart and Homeswest to improve the Keystart Home Loan Scheme.

1995-1996

Establishment of the CCLSWA Newsletter. Credit Helpline launched. Appointed, at the recommendation of the Attorney General, to the Motor Vehicle Dealers Reference Group reviewing practices and legislation in the area of motor vehicle sales.



1996-1997

November 1996: The Consumer Credit Code was introduced in WA. CCLSWA contributed to the Wallis Inquiry into the Australian financial system recommending an alternative dispute resolution scheme be set up for disputes between consumers and finance companies.

2006-2007

First website launched. Finalist in the 2007 WA Consumer Protection Awards.

2007-2008

Submission to the Senate Economics Committee's inquiry into the ASIC (Fair Bank and Credit Card Fees) Amendment Bill 2007. This Bill proposed to limit fees that can be imposed by banks.

2004-2005

Finalist for the WA Consumer Protection Awards.

2009-2010

Community sessions on credit and debt aimed at new migrants and refugees in the Northern Suburbs.

2008-2009

Established volunteer paralegal program to increase the capacity of the organisation and to provide a clinical learning experience for law students interested in the community sector. Travelled to remote and regional Aboriginal communities to discuss a range of credit and debt related matters.

2010-2011

External operations audit conducted.

2020-2021

October 2020: Won the Not-For-Profit Award at the Attorney General's Community Service Law Awards.

2019-2020

August 2019: Provided evidence to an ASIC public hearing into responsible lending. March 2021: Responded to COVID-19 pandemic. Remote working commenced. CCLSWA worked with industry and Government to help shape responses to COVID-19 for the benefit of WA community.

March 2021

Celebrating 30 years of assisting WA consumers.



COMMUNITY LEGAL EDUCATION AND LAW REFORM

CCLSWA continued to deliver a varied and informative program of legal education sessions to the community.

- **36** CLE Activities
- **11** CLE Resources
- **12** Editions of The Shield Newsletter
- Increasing **engagement** with our Social Media platforms
- New **Animated** videos for the website.

EDUCATION TOPICS INCLUDED:

- Credit & Debt
- Consumer Laws
- Scams
- Responsible Lending
- Financial Literacy
- Financial Hardship
- Dispute Resolution
- Pay Day Loans
- Buy Now Pay Later

CCLSWA also continued its program of regular “Hot Topics” webinars delivered to Financial Counsellors. These are a very valuable resource and are watched by the counsellors as part of their continuing professional development program.

HOT TOPICS



HOT TOPICS SUBJECTS:

July 2020	ePayments and Debt Collection Guidelines
Sept 2020	Australian Financial Complaints Authority (AFCA) Approach & Banking Code
Nov 2020	Hardship and Complaints Post COVID
March 2021	Debt Vultures
June 2021	Scams

REFRESHING THE REGIONS “WHAT WE DO AND HOW TO REFER” WEBINARS WERE PRESENTED TO COMMUNITY LEGAL CENTRE STAFF AT:

- Northern Suburbs Community Legal Centre
- Regional Alliance West
- Fremantle Community Legal Centre

GROUPS PRESENTED TO INCLUDED:

- Older Australians • University of the Third Age • Kalamunda Auxiliary Group • Headspace • Financial Counsellors • School Children – years 10/11 • Law Society • Curtin Law School • TAFE – students studying the Diploma of Financial Counselling



LAW REFORM

Law reform and policy change remain a critical element of our work.

63 LAW REFORM ACTIVITIES

COLLABORATING WITH:

- Financial Rights Legal Centre NSW
- Financial Counselling Australia
- CHOICE
- Consumer Action Law Centre
- Consumer Federation Australia

ISSUES:

- e-transactions • Consumer Leases • Payday Lending • AFCA Review of Scope • Lenders Mortgage Insurance • Shortfall Debt • Consignment Sales • Buy Now Pay Later • Stop the Debt Trap • Save Safe Lending.

CASE STUDY

Steve* was in his 60's and working full time when he entered into a novated lease in 2017 for a car valued at approx. \$25,000. About one year later he resigned to care for his wife, who had become unwell. Following his resignation, Steve started making repayments directly to the lease provider from his post-tax income. Steve contacted

CCLSWA because his ongoing post-tax repayments were causing him financial hardship and he was distressed by the large payout figure he received of \$15,000, even though he had already paid approx. \$27,000. Our solicitor requested documents from the lender in order to provide the client with a detailed informed advice regarding his options. The lender failed to provide the documents within the statutorily prescribed time frame and the matter escalated to AFCA. The lender then responded with the documents

and \$750 in acknowledgment of the delay. Following a review of the documents, our solicitor made a complaint to the lender's IDR department for their failure to provide financial hardship assistance. Our solicitor ultimately negotiated a settlement that meant Steve could keep the car (which he needed to care for his wife), the lease was ended, the lender's security interest was removed and the balance was waived.

* Clients' real names have not been used in case studies. We have withheld our clients' identifying details to respect their confidentiality.

THE IMPORTANCE OF VOLUNTEERS AND COLLABORATION

We could not do the work we do without the generous pro-bono, volunteer and collaborative contributions from our community of service providers, industry bodies, law firms and individuals.

VOLUNTEERS

We are particularly indebted to the volunteer law students who operate our telephone advice line under the supervision of a solicitor. These dedicated volunteers, who give their time each week to CCLSWA, are a vital part of our service. It is a mutually beneficial relationship as they gain fantastic experience whilst helping us run the advice line. They were an integral part of helping to provide over 600 advices during the year. Over 3,000 hours were contributed by our telephone advice volunteers.

PRACTICAL LEGAL TRAINING

During the year we partnered with the Piddington Justice Project and College of Law to provide practical legal training placements to law graduates. We are pleased to be able to nurture a commitment to access to justice within future lawyers at the start of their careers.

INTERNSHIPS

This year we welcomed interns from the McCusker Centre for Citizenship at UWA, the office of the Australian Government Solicitor, Hancock Creative and the University of Notre Dame.

STAKEHOLDER ENGAGEMENT

Our solicitors appreciate the opportunity to catch up regularly with our stakeholders in government, regulation, and industry. CCLSWA's telephone advice line

puts us at the coalface of issues facing WA consumers and our engagement with these stakeholders allows us to provide direct feedback on the most common issues we see in order to influence change. For example, Steve's case study informed our consultation with ASIC on Credit (Mandatory Credit Reporting) Instrument 2021 leading to an amendment to the Explanatory Statement to clarify the exception applied to novated leases.

Roberta meets regularly with representatives from Federal Treasury, ASIC and Consumer Protection to highlight emerging areas of concern. She also sits quarterly on the Australian Financial Complaints Authority (AFCA) Consumer Advisory Panel to provide feedback on our AFCA cases and systemic issues. These relationships and the relationships developed with the Managers and Customer Advocates of various financial institutions provide helpful insight and useful points of escalation for our clients' cases.

We also value the ability to collaborate with our consumer advocate counterparts at CHOICE, Consumer Action Law Centre, Financial Rights

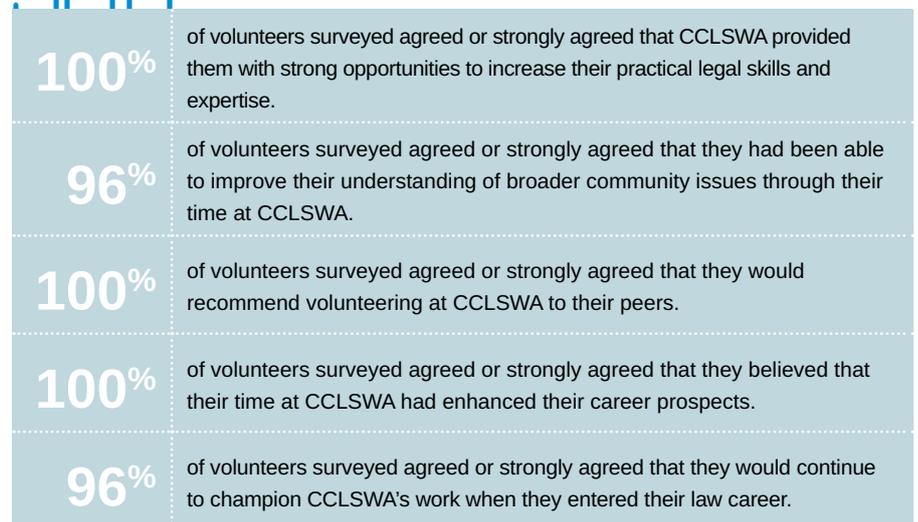


NSW, Financial Counselling Australia and Consumers' Federation of Australia on important law reform initiatives. They afford us the opportunity to bring a WA perspective to their national campaigns.

We particularly wish to acknowledge the valuable warm referral pathway between CCLSWA and the legion of financial counsellors represented by FCAWA and FCA. So many of our clients benefit from their guidance through the dispute resolution process and beyond.



VOLUNTEER SURVEY KEY RESULTS



ACKNOWLEDGEMENTS

Consumer Credit Legal Service acknowledges the Aboriginal and Torres Strait Islander people of Australia.

We acknowledge the Traditional Custodians of the land on which our offices are located, the Whadjuk people of Noongar Boodjar. We recognise their continued connection to the land and waters of this beautiful place, and acknowledge that they never ceded sovereignty. We respect all Whadjuk Elders and Ancestors.



STAFF SURVEY KEY RESULTS

I clearly understand the vision and mission of CCLSWA.

CCLSWA as an organisation is aligned with its vision, mission and values.

I believe my work is aligned with and contributes to the vision, mission and values of CCLSWA.



CCLSWA has provided strong opportunities for me to increase my skills and expertise.

My work makes a strong positive impact on the community

CASE STUDY

Mary* is a self-employed single mother of three living in Perth doing seasonal work. She took out a home loan as a sole borrower to buy her first home, however over time failed to make repayments. Mary realised her only option was to sell the property or face legal action for repossession. Mary came to CCLSWA seeking advice on how to stop or delay repossession of her home so that she could get back on her feet. CCLSWA was able to help Mary better understand her legal obligations and how she may negotiate with her lender for an extension of time to sell the property herself. Mary's relationship with her lender had seriously deteriorated and her tolerance for dealing with the matter was low. CCLSWA advocated on Mary's behalf to successfully negotiate an extension of time to sell the property. This gave Mary greater control over the sale process and allowed her time to secure alternative accommodation for herself and her three children.

* Clients' real names have not been used in case studies. We have withheld our clients' identifying details to respect their confidentiality.

BOARD

CHAIRPERSON
Laurence Coleman

VICE CHAIRPERSON
Edward Souti

TREASURER
Claire Whitelaw-Brown

SECRETARY
Melanie Callow

MEMBERS
Robert Klug, Tim Benson,
Gillie Anderson

STAFF

PRINCIPAL SOLICITOR
Roberta Grealish

GENERAL MANAGER
Carol Child

SENIOR SOLICITOR
Georgina Molloy

SOLICITORS
Nadia-Rose Agnello, David Ryan,
Georgina Turco

CLE & COMMUNICATIONS
Allison Sampson

PARALEGAL
Colm Divilly

LEGAL ADMINISTRATIVE ASSISTANT
Rita Pereira

Consumer Credit Legal Service maintains a high standard of governance and financial accountability.

The organisation prepares financial accounts in accordance with relevant accounting standards and is independently audited under the financial reporting requirements of the Associations Incorporation Act 2015 and the Australian Charities and Not-for-profits Commission Act 2012. Consumer Credit Legal Service is accredited under the quality assurance scheme operated by Community Legal Centres Australia (CLCA) and participated in the CLCA Professional Indemnity Scheme.

Consumer Credit Legal Service made

an operating surplus of \$68,809 in the year 2020-2021. This year we continued to receive funding from the Community Legal Services Program and the Public Purposes Trust. Additionally, we received two grants of COVID-19 funding from the WA Department of Justice; \$126,000 to cover legal salaries to meet additional demand caused by COVID and \$20,000 for IT infrastructure investment. The latter monies were used to further improve our capabilities to move quickly and efficiently to remote working. We would like to acknowledge all the organisations that fund us.

Salaries increased by \$100,000 as the COVID monies were used to employ additional legal staff. The percentage of our costs expended on salaries and wages remains high at 77% thereby ensuring the optimisation of our

service delivery.

At the end of the year the organisation adopted AASB 16 for leases. This led to the capitalisation of our tenancy lease in the Statement of Financial Position. A non-current liability corresponding to the capitalised lease has also been recognised.

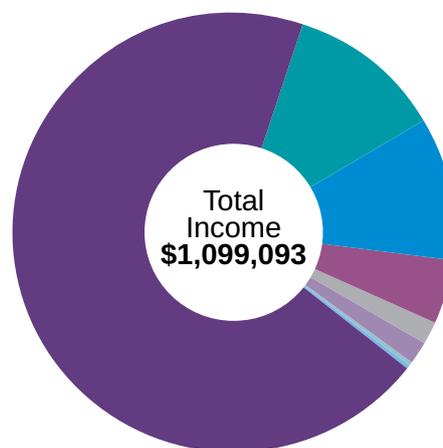
The Board resolved to reallocate the provision balances to retained earnings in the Statement of Financial Position and to create an Operating and General Reserve, and at June 2021 the organisation stands in a healthy financial position with reserves of \$546,000 and cash of \$824,000

Summaries of our finances are shown below. Full copies of our audited accounts are available and can be requested by emailing admin@cclswa.org.au.

Profit and Loss	2021 \$	2020 \$
Grants & Fees	1,026,441	948,145
Training & Donations	4,099	1,362
Interest & Other	18,553	24,142
ATO Cash Flow Boost	50,000	50,000
Total Income	1,099,093	1,023,649
Salaries & Wages	794,547	694,112
Other Expenses	235,737	329,214
Total Expenses	1,030,284	1,023,326

Surplus/(Loss) for the Year	68,809	323
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Balance Sheet	2021 \$	2020 \$
Fixed Assets	70,156	0
Current Assets	841,166	679,060
Current Liabilities	292,933	201,421
Non-Current Liabilities	71,942	0
Provisions	0	309,539
Net Assets	546,447	168,100
Retained Earnings	236,909	168,100
Reserves	309,538	0
Total Equity	546,447	168,100



OPENING HOURS

TELEPHONE ADVICE LINE 08 9221 7066

Monday to Friday 9.00am to 4.00pm

GENERAL OFFICE 08 6336 7020

Monday to Friday 9.00am to 4.30pm

A Level 1, 231 Adelaide Terrace, Perth WA 6000

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W cclswa.org.au