

ANNUAL REPORT 2015

"just outcomes, for and with consumers"



consumer
action
law centre



Professor Allan Fels AO - Patron

Professor Fels was formerly Chairman of the Australian Competition and Consumer Commission from 1995 until 2003. He was Chairman of the former Trade Practices Commission from 1991 until 1995 and Chairman of the Prices Surveillance Authority from 1989 until 1992. He was also the foundation Dean of the Australian and New Zealand School of Government.

Professor Fels is the current Chairman of the National Mental Health Commission.

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“Consumer Action is reaping the benefits of active investment in professional development, combined with a clear and consistent commitment to the values and principles on which the centre was formed and which guide all of its actions to this day.”

Executive Report



Consumer Action Law Centre protects Australians from exploitative and unfair business models and practices. We aim to ensure the community benefits from well-functioning consumer markets. To do this, the centre takes a “broader change focus”, to give a voice to client experiences and advocate for improved laws, policies and practices that impact their lives. We have made significant strides towards these goals in 2014/15.

Private car parks have generated thousands of complaints to the centre over the years. Many Victorians have received threatening demands for unsubstantiated sums, following allegations by car park operators that they've breached car park terms and conditions. Bearing no relationship with the cost of car parking, these threats were largely revenue raising measures and, as often is the case, particularly disadvantaged lower income Victorians who could not afford to pay.

Consumer Action has provided legal advice to thousands of Victorians about the legal validity of these demands. However, the demands kept coming. To deal with the problem at its source, Consumer Action proposed a change to court procedures through which private car park companies are able to obtain drivers' personal details from VicRoads. The intention of the court procedure was to assist litigants to take legal action, however car park providers used it to facilitate harassing debt collection letters. The Victorian Government adopted Consumer Action's proposal to prevent private car park operators from obtaining drivers' personal details in this way, and it became law in 2015. This reform will put a stop to an unfair business model that has stung hundreds of thousands of Victorians.

Our systemic work is recognised by funders, and we have benefited from being the recipient of monies over-recovered by various insurers associated with the abolition of the fire services levy on insurance. This has contributed to our healthy financial position, and has set us up to take a more active role advocating on insurance issues, particularly where we see low-income Victorians being mis-sold low-value or 'junk' insurance.

Systemic outcomes are achieved through the expertise, passion and hard work of our staff. This year, our first ever staff survey uncovered very high staff engagement. A very high response rate to the survey meant that the data was reliable but also indicated support of the centre's leadership. We were particularly pleased that Consumer Action is ahead of similar organisations in indicators of organisational progress, with 90 per cent of staff believing they are having a positive impact on clients, compared with the benchmark of 70 per cent. The survey reveals opportunities to improve in some areas such as technology. In response, investments are being made in this area following a review of IT infrastructure and needs.

Consumer Action is reaping the benefits of active investment in professional development, combined with a clear and consistent commitment to the values and principles on which the centre was formed and which guide all of its actions to this day. We can look forward to another year of making a real difference for consumers, and giving voice to those who struggle to be heard.

Barbara Romeril – Board Chair

Gerard Brody – Chief Executive Officer

Consumer Action Board



Barbara Romeril
(Chair)



John Berrill



David Berry



Peter Gartlan



Roslyn Hunter



Victoria Marles



Paul Murfitt



Consumer Action Staff

Executive

Gerard Brody
CEO

Administration

Jake Lilley

Yvonne Musat (Part year)
Reception/Administration

Peta Hepburn

Legal Support

Ali Creighton

Financial Counselling
Administrator

Skye Forster

Office Manager / PA to CEO

Nila Martin

Finance Manager

Denise Lawry

Human Resources Manager

Legal Practice

Tom Willcox

Jillian Williams

Co-Directors Legal Practice

Katia Sanderson

Advice Line Manager

Gerald Cohen

Philippa Heir

Michael Hermitage

Amanda Storey

Celia Tikotin

Agata Wierzbowski

Senior Solicitors

Lachlan Edwards

Farah Hassim (part year)

Cat Newton (part year)

Ben Zika

Solicitors

Michelle Chumbley (part year)

Consumer Advocate

Financial Counselling Practice

Penelope Hill

Services Manager

Dianne Dejanovic

Heather Keen

Brian Kerr

Shungu Patsika

Vanessa Taylor

Senior Financial Counsellors

Sarah Brown-Shaw

Jenna Conway-Jones (part year)

Edmund Gale

Colin Harte

Thuyen Mai

Clare Quinn (part year)

Jacqui Rigon (part year)

Anna Tiakanas

Financial Counsellors

Elyse Hoskins (part year)

Claire Tacon (part year)

Lee Hunter

Julie Trompf

Intake Workers

Policy and Campaigns

Denise Boyd

Director Policy and Campaigns

Mick Bellairs

Sarah Wilson

Senior Campaigner

David Leermakers

Claire Maries

Janine Rayner

Katherine Temple

Senior Policy Officers

Cathy Thwaite

Policy Officer

Jonathan Brown

Dan Simpson (part year)

Media and Communications
Officer

Regina Godfredson

Standards Coordinator

A big thank you to our hardworking volunteers of 2014-2015:

Lydia Tasevska

Pia White

Sarah Bregu

Nick Williams

Sonia Mitrovic

Mike La Rocca

Elizabeth Colliver

Oz

Hieu Trung Lam

Jacob Bayley

Teigan Marriot

Blake Dempsey

Kit Malone

Isabella Kang

Walter Neo

Christina Kolovos

Tracie Stewart

Issa Ayash

Nathan Miller

John Boden

Louise Barnes

Eleanor Pallett



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action
law centre



Financial Counselling

MoneyHelp

1800 007 007

moneyhelp.org.au

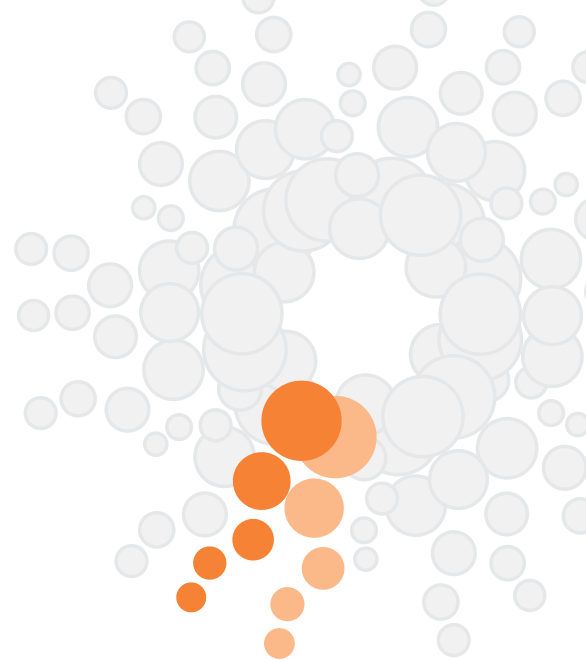
Consumer Action operates the free and independent financial phone counselling service MoneyHelp. We've dealt with a diverse range of issues from residents all across Victoria who have called in over the year. The team has directly answered 15,517 telephone calls and given information and advice on issues including bankruptcy, rent arrears, inability to pay gas and electricity bills, mortgage arrears and business failure. As always, some of the important benefits of accessing a telephone service for the callers have been accessibility, convenience, immediacy, safety, control and relative anonymity.

Our financial counselling team is as diverse as the community who calls in to us. We have qualifications in law, engineering, commerce, psychology, counselling, community development, tenancy, addiction, youth work and more. We also come from diverse linguistic and cultural backgrounds and have work histories and vast experience in community sectors including mental health, substance use (Drug and Alcohol, gambling), disability, and aged care.



Federal Court Project

This year we have run a pilot service at the Federal Circuit Court providing direct financial counselling services to self-represented debtors in the Court's bankruptcy lists. The pilot service was a collaboration between us, the Court, and a research team from the University of Melbourne Law School (MLS). The objective of the project for us was to assist self-represented debtors to understand the nature of bankruptcy proceedings so they are better able to determine their rights, and to make effective decisions in presenting their cases. The MLS evaluation of the project found that the project has achieved this aim, helping several debtors to demonstrate solvency (thereby avoiding bankruptcy) and helping others to accept bankruptcy as a positive option in their particular circumstances. The Court Registrars have also stated that the project has ensured that debtors can participate more meaningfully in the court process.



Legal Practice

Hours of operation

Public advice line

03 9629 6300/1800 466 477

10 am – 1 pm Monday to Friday

Worker advice line

03 9602 3326

110am – 1 pm and 2pm – 5pm

Monday to Friday

Consumer Action Law Centre's Legal Practice is one of the largest specialist consumer legal practices in Australia.

Our team of expert lawyers provide free legal assistance through a state-wide telephone service, publish self-help legal information, and litigate on behalf of vulnerable and disadvantaged consumers across Victoria. As well as working with consumers directly, we build the capacity of the community sector, especially financial counsellors, to identify and respond to consumer problems by providing secondary consultations and training.

We recognise that legal problems for our clients arise out of complex health, financial and social circumstances and we work closely with our team of financial counsellors to provide a holistic service.

We also understand that we cannot meet all unmet legal need. Our lawyers spot emerging systemic issues and we work closely with our clients and our Policy and Campaigns team to have an impact for all vulnerable and disadvantaged consumers through law reform, encouraging regulatory action and industry change.

Professional Training Program and Worker Advice Line

To ensure that we are providing the most vulnerable and disadvantaged people in the community with targeted and effective assistance as well as a voice in public policy debates we provide secondary consultation and training services to financial counsellors and other community workers.

This year we provided approximately 60 hours of training to hundreds of community workers on a variety of topics, undertook a review of how we deliver our professional training program and identified short and long term strategies to both improve and tailor these services. Workers consistently evaluate this service highly with feedback such as:

"The content was well designed to the level 2 audience, anchored with useful and relevant content and delivery was engaging".

"In particular, the 'mock debate' was an extremely effective tool which afforded participants the opportunity to employ their new skills during a simulation".

Our dedicated worker advice line provides secondary consultation to community workers and is critical to our ability to access the most hard to reach and vulnerable members of the community. To ensure that we were meeting the needs of financial counsellors and their clients, in November 2014 we sought feedback from



financial counsellors about how we could improve and tailor this service through a roundtable of key stakeholders. As a result of this roundtable we have developed a service charter and piloted three outreach services to financial counselling agencies.

Strategic Litigation and Casework

Consumer Action is known for its targeted and strategic approach to casework and litigation. While ensuring that we are providing much needed legal services to those most in need, we also ensure that the impact of our case work benefits more than just the individual client. With our clients' consent, we use their stories and cases in a variety of law reform submissions, complaints to regulators, media and discussions with members of parliament to highlight systemic problems with industry practices and consumer, credit and debt laws.

Litigation:

In February this year we launched a VCAT litigation on behalf of 14 pensioners against Willow Lodge Over 50s Resort. The litigation challenges the legality and fairness of 'deferred management fees'. Deferred management fees require residents of retirement villages and residential parks to pay a percentage of their property's sale price, often around 20 per cent, back to management when they leave. The pensioners in the VCAT litigation are seeking to have the deferred management fees contained in their contracts declared void, alleging, amongst other things, that the fees are unfair contract terms. Willow Lodge requires residents to pay four per cent of their property's sale price for each year of residence, up to a maximum of five years. This means that residents do not know how much they will have to pay until they exit the park, with some residents facing bills of tens of thousands of dollars when leaving Willow Lodge.

Evaluation

We are committed to continual improvement of our services through well-designed evaluation. Since 2012, with the assistance of Dr Liz Curran of Australian National University, we have undertaken a series of snapshot evaluations of the assistance we give to disadvantaged consumers to self-advocate.

Self-advocacy is an option for many callers to our service, particularly for simple matters that involve a complaint to a forum designed for consumers to use themselves, such as a 'small claim' in VCAT or an industry Ombudsman scheme. We empower consumers to resolve their own disputes with information, self-help kits and template documents.

Assessing outcomes achieved through self-advocacy is important. This is because the provision of information may not be enough—indeed, the provision of information to someone who cannot take action may simply compound their problems.

The most recent snapshot evaluation was overwhelmingly positive, with 94 per cent of respondents being positive in their overall feedback. Importantly, it found that vulnerable and disadvantaged groups provided positive feedback about being able to take action with the support provided.

The report has been published and is available online at <http://consumeraction.org.au/evaluating-consumer-actions-consumer-legal-advice-service/>



Our policy and campaigns work integrates with our advice and casework to deliver on our strategic priorities. We identify issues from client work and other sources that contribute to consumer problems, and develop appropriate responses.

One significant omission in the Australian Consumer Law is an unfair trading provision. We've started the policy conversation on the benefits with academics and policy makers ahead of a review of the law in 2016. We challenged the shonky practices of some private education providers and brokers; the unfair contracts, fees and charges for older Victorians in retirement housing; and got closer to stopping private car park operators using the courts to get your details and hit you up with unreasonable demands for payment. We exposed the easy money consumer lease providers make from welfare payment recipients through the Government's Centrepay bill paying service, and drew attention to the growth of payday lending ahead of a review scheduled for later in 2015.

We've investigated insurance products and practices, including add-on insurance and junk warranties, challenged the obstacles consumers have in accessing their free credit reports, and worked with our legal and financial counselling colleagues to get justice for the most vulnerable consumers in our society.

Private Colleges

Since 2009, Consumer Action has received an increasing number of complaints about private colleges and education brokers using high pressure sales tactics, leaving students with thousands of dollars of VET FEE-HELP debts. One such student was Sarah. Sarah had been applying online for jobs via a jobs website operated by an education broker. Sarah received a telephone call from an education broker offering to enrol her in a Diploma of Management. Sarah was told that the course was 'government funded' and would help her obtain a job. Sarah was told not to read the enrolment email, leaving her with a VET FEE-HELP debt of over \$23,000. Consumer Action was able to get Sarah's debt waived, and used her story (among others) to campaign for better protections for students. From Senate inquiry submissions and consultations, to media and regulator complaints, stories like Sarah's just kept coming. As a result, the Federal Government introduced sweeping reforms to the VET FEE-HELP scheme, including a ban on marketing VET FEE-HELP-supported training as 'free' or 'government-funded', and a ban on offering inducements such as 'free' laptops and tablets*



Policy & Campaigns

Energy

Energy as an essential service continues to be a high profile area of policy and advocacy. Policy makers, consumer advocates, regulators and industry are realising that innovation is outstripping the ability of the current regulatory framework to provide the necessary consumer protections. There is a need for a consistent, robust and responsive consumer protection framework in this market. Our Power Transformed project, with a reference group of senior energy market participants, is laying the foundations for a coordinated response to this challenge.

We've also seen a disturbing trend of energy retailers bankrupting low income people struggling to pay their energy bills. Our 'Problems with Payment' report, released in 2014, gave us the evidence base for our work with retailers, regulators and policy makers on causes and solutions. We maintain a regular dialogue with energy retailers to advise them on their customer service, from the early identification of those struggling to pay bills to disconnection and debt recovery action, including bankruptcy.

Funded by Consumer Advocacy Panel/Energy Consumers Australia

Standards

Consumer Action Law Centre administers and manages the Consumer Representatives on Standards Australia Committees Project on behalf of Consumers Federation of Australia (CFA). The Project supports and organises consumer participation in the development of Australian Standards.

Standards are documents that impact our lives on a daily basis because they ensure the products, services and systems we use are safe and reliable. Standards Australia develops internationally aligned Australian Standards through a technical committee process. In recognition of the importance of promoting consumer involvement in standardisation, Standards Australia provides an annual grant to facilitate the participation of volunteer CFA representatives on the technical committees.

The influence and contribution of our skilled and dedicated representatives deliver more relevant standards and better, safer end products. In 2014-15, we had 35 representatives active on fifty-nine national and international committees.



Standards Representative Elaine Attwood

Since the 1970s, Elaine Attwood has been a leading consumer advocate, primarily in food safety and labeling. Since that time Elaine has worked at State, National and International level, culminating in 2002 as the first consumer representative to join Food Standards Australia New Zealand. This work allowed her to become very familiar with the importance of Standards, how Standards were set, the science behind them and the work required in raising and reviewing a Standard.

Elaine is now a recognised international expert in her own right, participating in a range of committees and working groups and contributing to publication. She believes that global standards are well worth the time and effort put into them, works diligently between meetings, and is passionate about having viable standards to ensure a level playing field for industry and ultimately for the protection of the community.

In 2011 Elaine was awarded an AM in recognition for her various advocacy services to the community over the past 40 years.

Thank you to our consumer representatives

Allan Asher
Antonio Bonacruz
Bill Yeo
Cam Wilkinson
Catherine Whitby
Darren Margerison
David Gray
Debra O'Connor
Elaine Attwood
Eleanor Sumner
Gail Broadbent
Gail Greatorex

Heather Grain
Joe Borg
John Furbank
John Henry
Mark Henley
Max Mosher
Murali Nathan
Pam Edwards
Paul Loney
Ray Dennis
Raphael Grzebieta
Rebecca Searcy

Rick Barry
Robyn Easton
Ron Somers
Sue Wicks
Elizabeth Wheeler
Katina Michael
George Rechnitzer
Polly Plowman
Janine Rayner
Johannes Hartzenberg
John Wood



Financial Report

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

INCOME	2015	2014
	\$	\$
Revenue	3,795,342	3,999,128
Other income	338,514	135,565
Employee Benefits Expense	(2,807,119)	(2,268,310)
Depreciation Expense	(22,831)	(28,086)
Travel Expense	(143,401)	(101,842)
Rental Expense	(282,719)	(273,579)
Office Overhead Expense	(66,651)	(53,614)
Finance & Accounting	(8,108)	(8,453)
Communication Expense	(43,564)	(37,058)
Library Resources & Subscriptions	(20,131)	(19,185)
Programming & Planning Expense	(104,457)	(61,779)
Other Expense	(134,580)	(101,513)
Surplus/(Deficit) before income tax	500,295	1,181,274
Income Tax Expense	-	-
Surplus/(Deficit) for the Year	500,295	1,181,274
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income/(loss) for the period	500,295	1,181,274

STATEMENT OF FINACIAL POSITION AS AT 30 JUNE 2015

CURRENT ASSETS	2015	2014
	\$	\$
Cash and cash equivalents	1,765,460	2,103,327
Trade and other receivables	262,433	268,560
Financial assets	1,000,429	79,106
Other assets	38,291	8,073
TOTAL CURRENT ASSETS	3,066,613	2,459,066
 NON-CURRENT ASSETS		
Property, plant & equipment	114,889	64,433
TOTAL NON-CURRENT ASSETS	114,889	64,433
 TOTAL ASSETS	3,181,502	2,523,499
 CURRENT LIABILITIES		
Trade and other payables	236,710	137,571
Other liabilities	289,787	303,219
Provisions	219,877	178,906
TOTAL CURRENT LIABILITIES	746,374	619,696
 NON-CURRENT LIABILITIES		
Provisions	71,588	40,558
TOTAL NON-CURRENT LIABILITIES	71,588	40,558
 TOTAL LIABILITIES	817,962	660,254
 NET ASSETS	2,363,540	,863,245
 EQUITY		
Retained profits	2,363,540	1,863,245
TOTAL EQUITY	2,363,540	1,863,245

Full financial reports are available at www.consumeraction.org.au/about/



Acknowledgements

Consumer Action thanks the following individuals and organisations, who have assisted us during the year – providing their valuable services and expertise free of charge or at a reduced fee.

Consumer Advocacy Panel/Energy Consumers

Australia

Standards Australia

Financial Rights Legal Centre

Financial Counselling Australia

Financial & Consumer Rights Council

K&L Gates

Clayton Utz

Maddocks

Lander & Rogers

Maurice Blackburn

Slater & Gordon

Australian Government Solicitor

Gilbert + Tobin

Justice Connect

Federal Circuit Court

Australian National University College of Law

Victoria Legal Aid

Consumer Affairs Victoria

Federal Department of Social Services

Office of Fire Services Levy Monitor

Anne Dalton & Associates

Good Shepherd Microfinance

Consumers Federation of Australia

Federation of CLCs

NACLC

CHOICE

National Energy Consumers Roundtable

Omar Masri

Daniel Parnell

Andrew Reeves

Cam Truong of Counsel

Meg O’Sullivan of Counsel

Garry Bigmore QC

Paul Bingham

Daniel Clough

Georgia Douglas

Andrew Downie

Jonathan Evans

Peter Fary

Astrid Haban-Beer

Kristine Hanscombe QC

William Houghton QC

Caroline Kenny QC

Mark Lapirow

Tim Maxwell

Rolf Sorensen

Carolyn Sparke QC

Kate Burke of Counsel

Graeme Cuthbert of Cuthbert Automotive Consulting

W Brind Zichy-Woinarski QC

Ken Howden

Liam Brown of Counsel

Stephen Warne of Counsel

Dr Rhonda Smith, Melbourne University

Lucy O’Brien, University of Melbourne

Professor Ian Ramsay, University of Melbourne

Dr Liz Curran, Australian National University





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The Consumer Action Law Centre is an
independent, not-for-profit, campaign
focused, casework and policy organisation.

www.consumeraction.org.au