

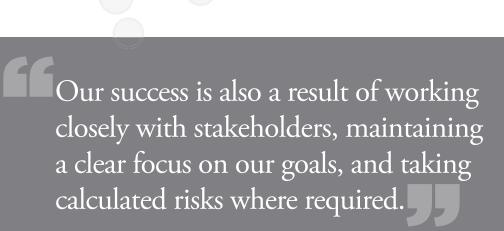
Professor Allan Fels AO - Patron

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

Professor Fels remains active at the OECD in relation to consumer and competition issues.

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Chairperson's Report

I am delighted to present the Consumer Action Law Centre's annual report for 2011-12. Along with my fellow board members, I am very proud to be part of such an important and effective organisation.

The Board appreciates the commitment and collaboration of all staff at Consumer Action - across the financial counselling, legal and policy teams, as well as administration staff, and I would like to congratulate them on another successful year. We also value the commitment and strong support of our colleagues in the consumer advocacy, financial counselling and community law sectors around Australia. We recognise that the outcomes of campaigns are due to the work of many.

The centre has continued to apply integrated strategies to advocate for consumers (individually and more widely) using financial counselling and legal casework, as well as policy research, to inform our policy work and campaigns. Our success is also a result of working closely with stakeholders, maintaining a clear focus on our goals, and taking calculated risks where required.

The "Do Not Knock" Campaign, which continues to develop in different ways, is one example of this approach. The campaign collaborated with other organisations around Australia to distribute Do Not Knock stickers and raise awareness of consumer rights with respect to door-knocking. On the back of this, a private member's bill was proposed to establish a "Do Not Knock" register and the Australian Competition & Consumer Commission has taken action in the Federal Court against energy retailers to, among other things, clarify whether ignoring a Do-Not-Knock sticker is a breach of the law. I wish also to acknowledge the support of our key funders - Victoria Legal Aid, the Federal Attorney General and Consumer Affairs Victoria.

My sincere thanks go to my fellow Directors: Anna Stewart, Paul Murfitt, Peter Gartlan, Roslyn Hunter and Victoria Marles - without whose valued input I would have a far more difficult remit.

Finally, I would like to mention the Jan Pentland Foundation. As in other years, a number of our staff attended the Jan Pentland dinner held to commemorate the incredible contribution our beloved former Chair made to the financial counselling and community sector. The scholarships have now helped a number of individuals who have received assistance to study financial counselling. One of our CEOs, Carolyn Bond, continues to be a trustee of the Foundation, and Consumer Action continues to do what we can to support the work of the Foundation.

The foundation has received donations from some members of the finance industry as well as from individuals. If you would like to donate to the foundation, see details here: http://www. janpentlandfoundation.org/donations.htm

Last but not least, I pay tribute to the Consumer Action co-CEOs who individually provide outstanding leadership in consumer advocacy across Victoria and nationwide, and who together demonstrate that collaboration and partnership can lift excellence to even higher standards. Thank you for showing what can be achieved with intelligence, perseverance and cooperation.

Consumer Action Board



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Barbara Romeril (Chair)



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Roslyn Hunter



Paul Murfitt



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Anna Stewart



Peter Gartlan



Vic Marles



CEOs' Report

As ever we acknowledge and thank our wonderful staff and board. Without your support and dedication, Consumer Action could not achieve... extraordinary outcomes for consumers.

People often use human analogies when thinking about organisations - whether looking at a new organisation like 'a baby' or describing its personality. Thinking back over the year that has been we can see a unifying theme of 'maturity' for our organisation. This report reflects Consumer Action as a six year old mature, but vibrant, centre and we can see many examples of the organisation evolving and maturing in its approach, whilst keeping true to the values we articulated when it first formed.

For example, our ongoing commitment to excellence in the delivery of our legal and financial counselling casework has seen a number of process reviews, and evaluation work undertaken. While ongoing, this work has identified ways of streamlining our processes as demand for service increases, improving the likelihood consumers will retain and act on our advice and introducing new processes such as triage. We thank all the staff, clients and stakeholders involved for their engagement in these reviews.

We have also seen our approach of maintaining strong links between our casework and policy

work bear fruit across a range of markets - from door to door selling as mentioned by our Chair, to campaigns focussed on high-cost short-term lending (sometimes called payday lending) and energy market reform. Along the way we have worked on different approaches to 'strategic litigation', improved our campaign planning skills, had significant engagement with political and policy processes, continued our strong media presence and engaged with new media - during the year we developed two campaign related websites - www.donotknock.org.au and www. debttrap.org.au and accrued more than 1000 twitter followers. We are also in the process of a major review of our website, which we expect to launch in the latter part of the 2012 calendar year.

This year also saw the 50th anniversary of the declaration of the first four consumer rights by then President John F Kennedy - the right to safety, the right to be informed, the right to choose and the right to be heard. These rights were supplemented by the International Consumer movement and subsequently adopted by the UN in 1985 to include - the right to satisfaction



of basic needs, the right to redress, the right to consumer education and the right to a healthy environment. They remain the foundation for the organising principles of the consumer movement today. In some areas we have made enormous gains, other areas, including the right to be heard, must be constantly defended.

We are very grateful that Victorian Governments recognised and continue to recognise the importance of advocacy in relation to consumer issues - even where it may not always be comfortable to receive. This support has also enabled Consumer Action to join with other consumer groups to advocate for representation for consumers in areas where it is absent or more is needed - such as in the national energy market and for a peak body for consumer organisations to enable valuable policy and casework experience across the country to be drawn together. Internally, a staffing group comprising nearly 40 individuals (undertaking 26.8 FTE roles), has required some formalisation of processes that can work more organically with a smaller group and a significant focus on updating and improving our human resources approach in areas such as induction, performance development and management and a review of policies and procedures. This work will continue in the year ahead.

As ever we acknowledge and thank our wonderful staff and board. Without your support and dedication, Consumer Action could not achieve the extraordinary outcomes for consumers that it is part of - whether changing individual lives through the provision of timely financial counselling or legal advice, through public interest litigation or through policy or legislative change in the interests of consumers.



Consumer Action Staff

Carolyn Bond Catriona Lowe Co-CEOs

Administration

Yvonne Musat Reception/Administration

Peta Hepburn Legal Support

Skye Forster Office Manager / PA to Co-CEOs

Nila Martin Finance Manager

Denise Lawry Human Resources Manager

Legal Practice

Celia Tikotin (part year) Tom Wilcox Jillian Williams (part year) Co-Directors Legal Practice

Gerald Cohen Michael Hermitage Senior Solicitors

Lachlan Edwards Akane Kanai (part year) Maria Nicolof (part year) Katia Sanderson Agata Wierzbowski Ben Zika (part year) Solicitors

Celia Tikotin (part year) Special Projects - Legal Practice

MoneyHelp Financial Counselling

Penelope Hill Advice Services Manager

Heather Brown Dianne Dejanovic Heather Keen Brian Kerr Garry Rothman Anna Tiakanas Sandra Blake Vanessa Taylor John Hartneld Rachel Milfutt Einancial Counsellors

Sarah Brown-Shaw Colin Harte Trainee Financial Counsellors

Felicity Elkiana Tegan Leeder (part year) Intake Workers

Sarah Bailey Marketing Consultant

Policy and Campaigns Practice

Gerard Brody Director Policy and Campaigns

Sarah Wilson Senior Campaigner

David Leermakers Janine Rayner Senior Policy Officers

Dan Simpson Media and Communications Officer

Regina Godfredson Standards Coordinator

Lisbeth Duke (part year) Lizzie Senior (part year) CFA Coordinator







Director of Legal Practice Report

Consumer Action is committed to ensuring that those consumers who contact our service get the best assistance they can to resolve their problems.

Hours of operation

Public advice line 10 am – 1 pm Monday to Friday

Worker advice line 10am - 1 pm and 2pm - 5pm Monday to Friday It was a year of change in the Legal Practice at Consumer Action this year. With our strong commitment to ensuring we provide high quality legal services and advice to the public, a review of our legal advice line service was commissioned which led to a number of important improvements to that service. At the same time, we saw changes to our team with new staff welcomed and others stepping into different roles.

It is testament to the expertise and adaptability of the legal team at Consumer Action that despite these significant changes, we continued to produce outstanding results for individual consumers and at the same time ensured our clients had a voice in the broader public policy debates being had around the country – debates, the outcome of which, impact most critically on those in our community who struggle to be heard.



Advice line

This year we provided one-off advice to 3182 (including 478 emails) consumers and 573 community workers. We provided an additional 784 consumers and 292 community workers with extended assistance through our advice line.

Consumer Action is committed to ensuring that those consumers who contact our service get the best assistance they can to resolve their problems. With this in mind, in January 2012 the Legal Practice welcomed a number of options for improving our processes from Elizabeth Shearer, a lawyer with significant experience in the design and delivery of legal services for disadvantaged people. The options put forward by Elizabeth, and subsequently adopted by the team, included using a formal triage process and using various best practice methods for following-up vulnerable consumers at risk of serious detriment. In addition, Dr Liz Curran has been seconded from Australian National University on a part-time basis and is using her expertise in assessing legal services to assist us in developing best-practice methods for assessing the effectiveness of our advice services. This information will be used to ensure that we are continually testing and improving our advice line services.

Staffing

In January this year, the ever spirited and tenacious Celia Tikotin decided to step aside from the role of Director-Legal Practice which she had held for over six years and into our special projects position where she is responsible for



engaging with the broader community law sector across Victoria to increase its capacity to ensure that the civil rights of the most low income and disadvantaged in our community are protected. We were extremely fortunate that Tom Willcox, one of our most experienced Senior Solicitors was happy to step into the shared Director Legal Practice position with Jillian.

Case work

Inherent to the skill set of a Consumer Action lawyer is the ability to recognise systemic and/ or public interest issues in our case work. Some of the significant issues that came out of our casework and advice line practice this year included: numerous concerns with the way in which private colleges are operating and are regulated; problems with a job service provider charging significant sums to, ostensibly at least, find people sponsored employment; and serious problems with various rental companies dealing in white goods which impact most critically on vulnerable and disadvantaged members of the community. With the introduction of significant consumer protection laws in relation to debt collection in Victoria's Australian Consumer Law & Fair Trading Act 2012 (Vic) we were able to highlight the many instances of unlawful debt collection practices that we see in the Victorian Civil & Administrative Tribunal.

Since the introduction of compulsory EDR membership by financial service providers, much of our casework is run through either the Financial Ombudsman Service or the Credit Ombudsman Service.

In 2011/2012 we made 66 complaints or substantive responses to EDR schemes; filed 33

court or tribunal documents; made 88 complaints to State and/or Federal regulators; and appeared in 17 court or tribunal hearings. Through our casework alone (not taking into account the thousands of advices we provide each year to the public and community workers) we saved consumers a total of \$578,300.97.

Despite the shared frustration that we sometimes experience in seeing the same problems impacting on the same vulnerable and marginalized groups within the community again and again, we consistently see the opportunity we have to change the law and the legal system for the better by ensuring that our clients' stories are heard. It is for this reason that we remain passionate and committed even in times of change.

The following case studies provide a snapshot of the type of advocacy undertaken by the Legal Practice this year.

Case Studies

Payday lending practices challenged in court

In October 2011, Consumer Action assisted Ron Hayes to issue proceedings in the Magistrates Court against Australia's biggest payday lender, Cash Converters. Mr Hayes, a disability support pensioner, alleged that two Cash Converters companies breached the National Consumer Credit Protection Act 2009 (Cth) and the National Credit Code when it gave him at least 64 shortterm loans over a three year period. During this time, Mr Hayes battled significant health issues and says he was forced to rely on family, friends and charities for food and medication because his pension was being eroded by loan repayments. The Walker decision subsequently resulted in various complaints to regulators, a toolkit for consumers and a 'bulk' complaint to the Credit Ombudsman Service Limited on behalf of 10 consumers.

The case was one of the first to challenge a payday lender under the new national responsible lending laws. The dispute was resolved prior to hearing.

New debt collection laws relied on in VCAT

This year Consumer Action acted for a number of clients who issued proceedings in the Victorian Civil and Administrative Tribunal (VCAT) against debt collectors. Those proceedings alleged, amongst other things, that the consumer had experienced distress and humiliation as a consequence of poor debt collection practices. It is believed that these cases were some of the first to test Victoria's debt collection laws which commenced at the start of 2011.

Debt collectors who breach the law can be ordered by VCAT to pay up to \$10,000 to those who experience humiliation or distress as a result of a course of conduct which breaches the debt collection laws, in addition to any other remedy available.

Motor Finance Wizard pays client's legal costs

In 2010/2011, we reported on our client's win against Motor Finance Wizard in the Victorian Civil & Administrative Tribunal. In October 2011 the Tribunal ordered V1 (Motor Finance Wizard) to pay our client's costs from the period 3 December 2009 to the final hearing date. It did so on the basis that the proceedings were 'moderately complex', our client had been 'substantially successful' in her claims and 'from 3 December 2009 on, V1's conduct unreasonably prolonged the time taken to complete the proceeding. Its delayed and inadequate discovery, even extending to the substantive hearing, made that hearing longer than it ought to have been... It wasted time and resulted in unfairness, because documents were not produced until the last minute, and so the opportunity of Ms Walker's legal representatives to examine them was lessened... Had V1 treated its discovery obligations more broadly, and not merely been responsive to requests for discovery from the applicant's representatives, as it should have done, there would have been far fewer procedural steps, less correspondence, and a speedier hearing.'

Following on from this decision, Consumer Action took steps to enforce the costs order and was ultimately successful in obtaining legal costs on behalf of our client from Motor Finance Wizard.

The Walker decision subsequently resulted in various complaints to regulators, a toolkit for consumers and a 'bulk' complaint to the Credit Ombudsman Service Limited on behalf of 10 consumers.



Advice line - Extended Assistance helps consumer win in VCAT

Our client agreed to undertake a course with a private training college in order to help her start a small business. At the time she entered into the agreement she was experiencing serious health problems and was hoping that the course would be a catalyst to her rebuilding her life. Unfortunately, our client was extremely dissatisfied with the course and alleged that she had, amongst other things, been misled about the availability of face-to-face tutoring and that services were not provided with due care and skill. By the time our client contacted our advice line, she had paid \$4,461 for the course using a loan secured against her home and she was being pursued for a further \$5,030 in unpaid fees. Our client had initially paid a private solicitor to negotiate on her behalf. However, negotiations failed and our client was unable to pay for further

Our advice line assisted the client to draft an application to the Victorian Civil and Administrative Tribunal. After proceedings were issued, and the matter had still not been resolved, our solicitors assisted the client by drafting thorough submissions in relation to her rights under the Australian Consumer Law.

legal services.

Happily, the consumer called us back after the hearing to report that she had been successful with the Tribunal ordering the training college to refund all fees paid by our client.

Early Intervention - more problems with education software sold in the home

Consumer Action continued to receive complaints about high cost education software packages sold door-to-door.

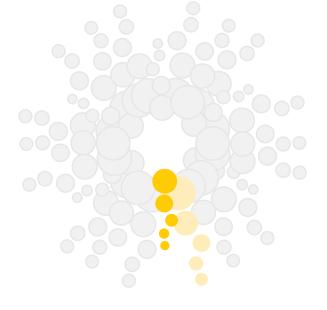
This year Consumer Action assisted a number of consumers to obtain full refunds from the Victorian Academy of Learning without the need to issue proceedings. In each of these cases, Consumer Action used its expertise in consumer law to articulate the various legal arguments open to our clients based upon their instructions and was able to achieve cost effective resolutions before the disputes escalated.







Outreach Report



The Consumer Action Outreach Program is part of the core business of the Centre. During 2011/2012 the Program continued to respond to significant, identified needs in the consumer community by providing advice and training for regional and metropolitan consumers and community workers.

The Outreach Program aims to maintain and increase awareness of the support and services that the Consumer Action Law Centre offers as well as providing expert legal content. By engaging with consumers and community workers Consumer Action is also kept abreast of emerging and continuing systemic issues in the community such as debt collection practices, unjust lending and pay day lending disputes.

The program continues to inform Consumer Action's advocacy for policy change and intervention strategies to address consumer legal problems. The Outreach program has resulted in the referral of cases to Consumer Action legal practice with positive outcomes for consumers involved. The Program has also responded to the needs of specific communities as identified through casework done by Consumer Action's legal practice. An example of this is consumer lease issues. The Outreach Program training and workshops services are supplied by all members of the legal practice including Directors of Legal Practice. Outreach projects and training ranges from presentations to small groups of 10 to audiences numbering over 100 attendees.

Regional Outreach Program

Solicitor Katia Sanderson presented training in Mildura which concentrated on consumer leases after a need for consumer education was established due to an increase in the presentation of consumer leases to vulnerable consumers in the local community. Director Legal Practice Tom Wilcox gave a session on short term high cost lending at the Loddon Campaspe Legal Centre , while Senior Solicitor Michael Hermitage gave an overview on the Australian Consumer Law and Credit and Debt to workers at the Upper Murray Family Care in Wodonga. Michael also presented to workers in Traralgon on the Australian Consumer Law.

Senior Solicitor Gerald Cohen conducted a presentation in Benalla on the impact of the new Credit legislation regime. In Echuca solicitor Lachlan Edwards gave training to workers on the Australian Consumer Law.



Metropolitan Outreach Program

Solicitors Celia Tikotin, Lachlan Edwards and Katia Sanderson gave training on respectively, debt and credit, consumer disputes and protections, new credit legislation and EDR, identifying when there is a legal issue that requires referral or action, mental health issues and the Australian Consumer Law.

Two workshops on utilities hardship at the Hardship Relief Forum 2012 (FaHCSIA) were presented by solicitor Agata Wierzbowski at Consumer Information Victoria while Directors Legal Practice Tom Wilcox and Jillian Williams presented at the FCRC Conference on credit basics, the enhancement bill and the Australian Consumer Law. Director Legal Practice Tom Wilcox presented on Consumer Law at the Victoria University Diploma of Community Services (Financial Counselling) Course.

Consumer Affairs Victoria Training

Through the Outreach Program, Consumer Action also provides training on request to Consumer Affairs Victoria (CAV). The Outreach Program provides legal training to both CAV metropolitan and regionally based advocates. A meeting was held with representatives of CAV and the Financial Consumer Rights Counsel to identify training requirements and to set a regional training calendar.

Other

Solicitor Akane Kanai gave two presentations on unsolicited sales at the Energy and Water Ombudsman Victoria. Director Legal Practice Tom Wilcox also gave a presentation at the Public Transport Ombudsman on consumer advocacy and external dispute resolution.

Targets And Outcomes

The total numbers of outreach and training activities were 19 for the year. For funding purposes Consumer Action is required to complete 4 metropolitan outreach projects , 6 regional and up to 4 sessions for CAV (as requested). Our targets were all reached or exceeded. Consumer Action completed 6 regional and 10 metropolitan training sessions while CAV staff and advocates were invited to the 6 regional presentations.

Gerald Cohen

Outreach Programme Coordinator

Continuing and Professional Development

Consumer Action's continuing professional development program represents our commitment to maintaining the significant expertise in consumer law and advocacy possessed by the organisation. The program also forms part of our solicitors' continuing education requirements under the Legal Profession Act 2004 (Vic).

Consumer Action staff have again made thorough use of external CPD programs this year, introducing new skills and knowledge to the organisation. The Community Lawyers CPD Training 2012 presented by the Federation of Community Legal Centres provided important sector-based training for our staff on practice management, strategic advocacy and ethics for community lawyers, as well as an insight into the new role of the Victorian Equal Opportunity and Human Rights Commission as conciliator of discrimination complaints, including by consumers against traders. Also very valuable for our staff was training organised by the Public Interest Law Clearing House (PILCH) and presented by



Dr Cherry, psychologist, on strategies for dealing with clients who exhibit challenging behaviours. A number of our staff also attended the Victoria Law Foundation's full-day workshop on plain English writing and training organised by the Federation on vicarious trauma and working with interpreters.

Our internal CPD sessions focused again on the continuing reforms to the consumer credit protection regime and general consumer law developments, with staff taking turns to deliver regular 'updates' on legislative changes and case law concerning the application of the National Consumer Credit Protection Act 2009 (Cth), the Australian Consumer Law and the new Australian Consumer Law and Fair Trading Act 2012 (Vic). Staff also participated in a review of our legal advice line service and workshops on implementing changes aimed at ensuring that we provide meaningful assistance to a greater number of vulnerable consumers. As always, visiting speakers formed an important part of the program. This year, Denis Nelthorpe of West Heidelberg Community Legal Centre spoke to us about insurance disputes, elder law consultant Rob Phillips presented on retirement villages and David Niven of the Financial Ombudsman Service delivered training on effective advocacy in external dispute resolution forums .Consumer Action wishes to thank all those who contributed to the program for generously sharing their time. Next financial year will continue to be an exciting year for professional development within the Centre as we see more clients presenting with cases regulated by the new Australian Consumer Law and the National Consumer Credit Protection Act 2009 (Cth).

Katia Sanderson

CPD Coordinator

It has been a year in which we have built on existing capacity, taken on new challenges and made significant strides forward in our mission to make a difference for consumers.

Director Policy & Campaign Report

What sets Consumer Action apart from many other consumer advocacy organisations is its ability to draw on the experiences of its legal and financial counselling services to help inform its policy positions and to help build a case for change. Thanks to the strong working relationship the policy team maintains with the legal and financial counselling teams we are able to identify compelling case studies and use the real life experiences of Consumer Action's clients to illustrate the problems and the need for policy and law reform.

Never has the policy team's ability to use the Centre's casework to run high profile campaigns been more evident than over the last year when we ran energetic campaigns to end the harm caused by door-to-door selling and payday loans, and to get a better deal for Victorians paying for utilities.

Payday lending

Consumer Action was sick of seeing vulnerable, low income Victorians trapped in a cycle of debt caused or exacerbated by short term loans. Often with an annualised interest rate of over 600 per cent and direct debited out of a borrower's account on their next payday, these loans keep borrowers in financial hardship and our team was determined to bring this to the public's and politicians' attention.

Building on our research published in 2010, Payday Lending: Helping Hand or Quicksand, we met with politicians, participated in dozens of media interviews and provided case studies for many more. We wrote letters to the editor, created a campaign website and organised an open letter to the Minister for Financial Services, The Hon. Bill Shorten, signed by 50 community and emergency relief organisations. But perhaps the greatest sign of the team's determination was the protest we held out the front of Cash Converters, Australia's biggest payday lender, on World Consumer Rights Day.

Consumer Action dressed in hazmat suits and decorated the footpath outside the store with hazard tape to alert passersby that payday loans are dangerous – the sight of one of our CEOs being interviewed by a national current affairs program in full costume helped steel our resolve and made us chant a little louder.

New legislation to regulate payday lending has recently passed the Australian Parliament. The level of debate and interest in this legislation was largely as a result of the concerted consumer



campaign, and our working with consumer advocate colleagues from around Australia. While we're concerned that the new legislation will not sufficiently limit the harm caused by repeat use of payday loans, we're pleased that the Government have agreed to build in reviews of the regime's enforcement framework and overall effectiveness. We'll be monitoring the implementation of these new laws in future casework and will contribute this experience to the future reviews.

Door-to-door selling

November's launch of <u>www.donotknock.org.au</u> marked a new phase in our campaign against door-to-door selling – an industry which often leads to vulnerable Australians being signed up for products they don't want, don't understand or can't afford.

The launch of the website gave our campaign a higher profile and spread its influence far beyond the Victorian border. But it also made it easier for consumers to interact with us by ordering stickers directly through the site, by lodging a complaint about a trader, or by sharing their experience of door-to-door sellers.

Establishing <u>www.donotknock.org.au</u> also helped foster an extensive network of community organisations across Australia that offered invaluable support and promotion for the campaign. There are now 100 partner organisations around Australia, ensuring the Do Not Knock stickers are readily available and advancing Consumer Action's goal of developing strategic relationships across the community sector.

We've also seen regulators and politicians take up the cause of Do Not Knock. We were particularly pleased that the Australian Competition & Consumer Commission launched legal action against a number of energy retailers and their marketing companies. This action will test whether a salesperson who ignores a Do Not Knock sticker is breaching the Australian Consumer Law. A Federal backbencher also took up the fight proposing a Do Not Knock Register, similar to the successful Do Not Call register. The strong support from consumers and others in the campaign demonstrates that further reform is required to protect consumers from high pressure door-todoor selling. We'll continue this campaign during 2012/13.

Utilities

With energy bills continuing to rise it's not surprising that utility issues were front and centre for the policy team again in 2011/2012. Consumer Action provided a loud public voice for consumers, published research reports, and was heavily involved in working towards a national energy advocacy organisation.

Barriers to a fairer network price, co-authored with the Consumer Utilities Advocacy Centre, showed how electricity distribution companies routinely challenge pricing determinations made by the Australian Energy Regulator, the independent organisation that sets distribution costs. The report describes how energy distributors have been able to use the one-sided nature of the appeals process to successfully increase their profit margins. The report had an immediate impact –prompting public discussion and leading to a review of the current system being brought forward.

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The second of our energy reports, *The pursuit* of the impossible, looked at the experiences of a number of Victorian energy consumers who had their energy debts passed onto external debt collectors. The report identified the administration and promotion of retailers' hardship programs and retailers' propensity to outsource debt collection as areas of major concern.

Consumer Action is also proud of its role in bringing to light the fact that Melbourne Water had over collected from Victorian consumers to the tune of \$300 million and was planning on repaying the amount over the space of five years. Thanks to widespread reporting of the story, fierce public reaction, and intervention of the Victorian Government and the Essential Services Commission, the plan was scrapped and repayment of the money brought forward.

Testing the Australian Consumer Law

Over the past year we continued to monitor the effectiveness of the Australian Consumer Law and promoted the consumer protections it provides to the community. Of particular note was our research project into online retailers, their returns policies and whether they complied with the law. Our scan of a number of larger retailers suggested that there is either a lack of understanding among retailers about their obligations, or that there is a widespread compliance problem. Our research was highlighted on the front page of The Sunday Age and many of the retailers we looked at responded to concerns by noting that they would reassess their policies in light of the new Australian Consumer Law. With online retail representing an increasing percentage of Australia's retail market we're also pleased that we were able to work with eBay. com.au to address a number of aspects of their online policy to ensure clarity for shoppers – the outcome in this case is a great example of what can be achieved when companies respond in a proactive manner to consumer concerns.

Other issues

During 2010/11, we've undertaken policy work and campaigns on a range of other issues—including debt collection, private colleges, insurance, and retirement villages, to name a few. We wrote 52 submissions to government, regulatory or other reviews. We published a record 40 media releases and were quoted or interviewed by media over 360 times. We also released policy reports, such as *Profiling for Profit: A Report on Target Marketing and Profiling Practices in the Credit Industry.* And we were involved in numerous other consultative fora with industry, government and the community sector.

This output could not be achieved without the hard work of the dedicated policy and campaigns team, as well as the ideas, contributions and support of all staff across Consumer Action. Working for systematic change can be challenging, but is also rewarding. We're looking forward to continuing to stand up for consumers in 2012/13 and beyond.

Gerard Brody

Director-Policy & Campaigns

Consumer Action submissions 2011/12

Submission to Essential Services Commission on the Smart Meters Regulatory Review.

Submission to Australian Communications & Media Authoritys Reconnecting the Customer Inquiry Draft Report to improve customer service standards for telecommunications consumers.

Submission to Australian Government's options paper regarding regulation of insolvency practitioners.

Submission to Commonwealth Treasury regarding the National Consumer Credit Protection Amendment (Enhancements) Bill 2011, and draft credit card regulations.

Submission to Australian Energy Market Commission Issues Paper—Power of Choice—giving consumers options in the way they use electricity.

Submission to Commonwealth Government's review of Debt Agreements under the Bankruptcy Act.

Submission to Australian Energy Regulator's Price Comparator Website Issues Paper

Submission regarding the Commonwealth Government's proposed legislation that will restrict the interest and fees charged by payday lenders.

Submission to Essential Services Commission's Draft Decision on Retailers obligations to Customers in relation to disconnection and reconnection.

Submission to Victorian Parliamentary inquiry into opportunities for participation of senior Victorians. This submission focuses on some key issues regarding retirement villages.

Joint consumer submission on the first half of the Future of Financial Advice draft legislation.

Submission to Essential Services Commission's Compliance Policy Statement.

Submission to inquiries on the Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011.

Submission to Commonwealth Government's review of the Australian Communications Consumer Action Network.

Joint consumer submission on the second tranche of the Future of Financial Advice reforms.

Submission to Australian Securities & Investments Commission on its draft advertising guidelines for financial products and advice services.

Submission to Treasury discussion papers on the operation of recent consumer credit reforms.

Submission to Essential Services Commission in relation to proposed amendments to the Energy Retail Code - with a focus on addressing issues around contract variations.

Submission to Essential Services Commission in relation to proposed amendments to Guideline 19 -Energy Price and Products Disclosure.

Submission to Communications Alliance on its draft Telecommunications Consumer Protection Code

Submission to Australian Communications and Media Authority on proposal to make 1800 numbers free from mobiles and 13 numbers the cost of a local call.

Joint consumer submission to a Parliamentary Joint Committee inquiry on the Future of Financial Advice reforms.

Submission on the Australian Energy Market Commission's Consultation Paper; National Electricity Amendment (Economic Regulation of Network Service Providers) Rule 2011.

Submission to Consumer Affairs Victoria supporting harmonisation of Australian debt collection laws, and calling for stricter regulation of the debt collection industry.

Submission on Consumer Affairs Victoria's discussion paper Retirement villages: Contract and information disclosure reports.

Submission supporting the draft Insurance Contracts Amendment Bill 2011, which will introduce a standard definition of flood and key facts sheets for consumer insurance contracts.

Submission to Commonwealth Treasury regarding proposed regulation on proper disclosure of 'interest free' credit card offers.

Submission to Reserve Bank of Australia regarding proposed changes to prevent traders charging excessive surcharges for credit card transactions.

Submission to Treasury consultation on unfair terms in insurance contracts.

Joint consumer submission to Australian Securities & Investments Commission consultation paper 172: jurisdiction of External Dispute Resolution schemes to hear complaints against financial services providers who have started debt collection proceedings.

Submission to Commonwealth Consumer Affairs Advisory Council (CCAAC) in response to its Issues Paper, Gift Cards in the Australian Market.

Submission to Federal Government's Energy White Paper consultation.

Submission to Review of the Australian Government's Regulatory Impact Assessment Process.

Submission to Australian Competition and Consumer Commission on the proposed acquisition of Loy Yang Power (GEAC) by AGL Limited

Submission to Commonwealth Treasury on the proposal to introduce key facts sheets for home building and home contents insurance contracts.

Joint submission with Financial Counselling Australia, the Insurance Law Service and Footscray Community Legal Centre in response to the Commonwealth Government's consultation paper Reforming Flood Insurance: A Proposal to Improve Availability and Transparency

Submission to Productivity Commission Public Inquiry into Electricity Network Regulation.

Submission to Australian Energy Market Commission's rule change on economic regulation of network service providers.

Submission to Australian Energy Market Commission, Market Review, Power of Choice (Stage 3 DSP Review).

Submission to Productivity Commission's draft report on Barriers to Effective Climate Change Adaptation.

Joint submission with Financial Counselling Australia, the Consumer Credit Legal Centre NSW and 16 other organisations on consumer protections for users of payday loans.

Submission to Commonwealth Treasury regarding proposed amendments to the Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011.

Submission to Productivity Commission's Regulatory Impact Assessment benchmarking study.

Submission to Standing Council on Energy and Resources' Review of the Limited Merits Review Consultation Paper Two.

Submission to Senate Economics Committee inquiry into the post-GFC banking sector.

Submission to Consumer Affairs on a proposal to exempt restaurants and cafes from the single pricing law.

Submission to Commonwealth Government discussion paper, Reducing Reliance on Payday Lending.

Consumer representation on Standards Australia committees projects

On behalf of the Consumers' Federation of Australia, Consumer Action manages a project funded by Standards Australia, to recruit and support the involvement of suitable consumer representatives in the development of standards. Standards are documents setting out specifications and procedures. They are developed on the principles of transparency, consensus, broadbased and balanced expert representation via the Standards Australia Technical Committee process. Standards protect Australians at home, at play and at work. We all rely on an objective, rigorous set of standards to ensure the products, services and systems we use are safe, reliable and consistently perform they way they are intended to. Standards also impact government, industry and business; and link Australia to the world.

When the project began in 1992, the focus was on consumer product safety. Since then the focus has broadened—consumers were among the first to call for the development of standards for environmental management and social responsibility. This year the Project supported consumer representatives on over 50 active domestic and international technical committees. Representatives also participated in a workshop to develop networks to support their role; learn about developments in consumer policy and Standards Australia; and share experiences and concerns.

Consumer representatives are involved in the development of a broad spectrum of standards from nanotechnology, health information systems, sunscreens, seatbelts, to toys, gas appliances and many more topics that impact our daily lives. The range of committees include:

- New committees such as Grapevines and Electric Vehicles, which are developing important new standards for consumers and the industry.
- Committees reviewing existing standards such as Bicycles, which are more than 10 years old. The committee has commenced reviewing the two mandatory standards on helmets and bicycles as well as non mandatory standards on attachments (e.g. child carrier seats); lighting equipment; parking facilities and uniform traffic control devices. The committee will also be developing a new standard on electric bicycles.

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The consumer voice in the development of standards for the benefit of the Australian community.

- Committees working on standards of national significance such as health care in Australia. Health Informatics is working on standards that will allow computer systems to share health information safely and efficiently, reduce duplication of effort in expensive system development and encourage best practice. Health Informatics enables so many requirements of healthcare today. It supports the consumer as a partner in healthcare; uses technology to improve communication in healthcare and reduce errors; improve care; and consumer decision making about their own care. The national eHealth program including the Personally Controlled Electronic Health Record (PCEHR) have committed to the use of standards.
- Committees that have an impact on global issues such as Environmental Management, a subject of interest to many consumers both in Australia and around the world. The consumer representatives on the Australian committees also participate on international committees and hope to see sustainability take a more prominent focus. Standards are being

developed for combatting land degradations/ desertification; life cycle analysis for organisations; water foot-printing; and carbon foot printing. Work continues on green house gas management and there are plans for a revision of environmental labelling; all of which have the potential to improve environmental management in a wide range of areas.

This Project would not exist without the support and commitment of the volunteers who give so generously of their time and knowledge to participate as consumer representatives on the Standards Australia Technical Committees.

We are all looking forward to the year ahead and maximising consumer participation in standards development.

Regina Godfredson

Standards Coordinator

MoneyHelp Report



Hours of operation

Monday to Friday 9:30 am - 5 pm During this financial year Consumer Action's financial counselling service, MoneyHelp, answered 9,680 telephone calls assisting 8,002 individuals with financial counselling issues. The number of calls surged in March when for a couple of days we took all the calls from the other state telephone financial counselling agencies. This was due to a glitch in the technology behind the national number for telephone financial counselling (1800 007 007). The calls started to increase again May and June due to CAV's preparation for, and final switch of, its financial counselling calls to MoneyHelp.



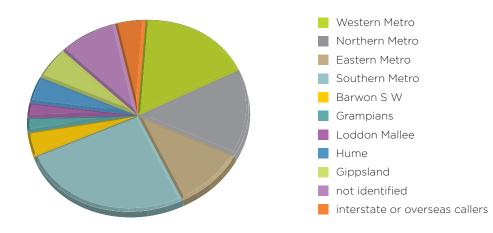
Financial Counselling services during this financial year included:

- Triage telephone assistance;
- Telephone financial counselling sessions (half hour sessions, providing up to 6 half hour sessions) - sometimes including referral to face-to-face service;
 - Multiple telephone financial counselling sessions;
 - Brief assessment followed by information provision (eg a factsheet);
 - brief assessment followed by referral to face-to-face financial counselling.
- Website (self help)
- Email financial counselling (initial contact by email, subsequent contact usually by phone)
- Information sessions to retrenched workers; and
- Information to community & other groups
- Appearances on ABC talkback radio station 774's Saturday breakfast program focussing on financial issues.

Answering Calls to MoneyHelp 1/7/11 to 30/6/12



Callers to MoneyHelp place of residence by region



Staffing

Over the past year, MoneyHelp has been staffed by 11 part time workers, the equivalent of 5.3 full time workers. The team is a good mix of very experienced financial counsellors, student financial counsellors and intake workers who have brought valuable counselling and other experience with them.

1800 007 007

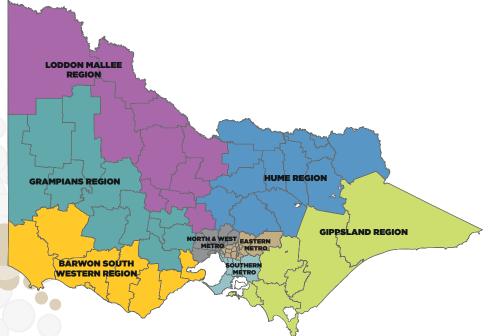
The central telephone financial counselling agencies for each state and territory, including MoneyHelp, have been working together with the assistance of Financial Counselling Australia since 2010. This group with the support of the Department of Families, Housing & Community Services and Indigenous Affairs has organised one central telephone number for anyone in Australia who needs financial counselling assistance. You can now talk to a phone financial counsellor from anywhere in Australia by ringing 1800 007 007. This number will automatically switch through to the service in the State or Territory you are ringing from.

Case Studies

Rent arrears

A migrant/refugee on Centrelink payments was struggling with rent arrears of \$1,000 and had an eviction notice. The client's situation was further complicated by the fact that he had pawned several personal items and these loans were due to be paid. The client was struggling on this low income to feed his two teenage children.

The MoneyHelp financial counsellor did the following for the client:





- contacted the client's nearest face to face financial counselling service and organised to get the client on that agency's waiting list for advocacy and further housing assistance;
- sent details of the client's pawn contract to the Consumer Action lawyers who then rang the client and gave some legal advice;
- gave the client the Tenant's Union details for him to obtain legal advice about the eviction notice; and
- advised the client to prioritise rental payments over other loan payments.

Mortgage arrears

The client had been in an industrial accident and needed an operation on his leg. The client had already had 3 hardship variations on his home loan with his lender, and although he was not behind in current payments, he had not capitalised the arrears. Now the lender was demanding repayment of the arrears and saying that the client could not get another variation. The client had been receiving worker's compensation for the past year and he could not afford to repay the arrears lump sum, however as he had around \$100,000 of equity in his house he wanted to keep the loan on foot if possible.

The MoneyHelp financial counsellor did the following for the client:

- advised him to ask the lender to capitalise arrears;
- advised him to make a written complaint to the Financial Ombudsman Service if the lender refused his request to capitalise the arrears;
- advised him to check his superannuation policy to see if he could make a claim for temporary or permanent disablement;
- advised him that he had the option of accessing his general superannuation as he was over 55 and not returning to work; and
- gave him contact details for local face to face financial counsellor should he need any advocacy in relation to any of the above.

Suicide & depression

The client was referred by her hospital social worker. The client had been admitted into hospital following a suicide attempt. The client was receiving the disability support pension and family tax benefits. The client had unmanageable utility bills and fines. The client wanted contact for food vouchers and assistance with transport costs. Her daughter did not go to school that day as she could not afford a transport ticket. MoneyHelp referred the client to the local financial counselling service for general help and for an assessment as to whether an application to waive the fines under 'special circumstances' would be possible. MoneyHelp also provided contact for local charity for food/transport vouchers



Feedback from clients & others:

- Client wanting to thank F for her assistance last week. He said he will send her an email also as he really appreciated her taking the time to listen to him.
- Client called back to state how happy she was after speaking with B, I could hear the relief in her voice compared to her first call and she was much more confident with the process.
- Everybody so supportive here. Wonderful outcome; thankyou.
- Bill called back and wanted to say that he was very pleased with the efficient service he received and how happy he was with the service overall.
- Really glad you guys exist and have been a great help
- All the information you're giving me is such a relief; I'm feeling much better, thankyou
- Can I have your name? You've been very lovely
- He was very helpful and very nice
- A lady I spoke to was very helpful
- Oh you're great, thank you. So many people don't appreciate the call centre/break thing, so thank you for calling back in my break.
- Thank you for all your help, it's great.
- Thanks a lot for that, that's great
- Thanks F, I really appreciate it.
- Thanks mate, you've been great and it's been good talking to you
- Thanks, you've been a great help! Now that I know more about MoneyHelp, I'll be able to give clients more information and refer them on.
- Thanks, you've been terrific!
- Thank you for all your help; you've been very helpful
- Thank you for your time; you've been really helpful
- Thank you so much! This is really helpful. I didn't even realise financial counsellors existed.
- Thank you so much, F, you've made me feel a whole lot better

- Thank you so much, that's really helpful. I was really worried about it.
- Thank you so much; you've been a great help
- Thank you very much, you're wonderful, F
- Thank you very much, you've been really helpful
- Thank you very much, you've been very helpful, and thank you for those kind words
- Thank you, you've been very helpful
- You're great help; can he speak directly with you?
- You've been really helpful, thank you
- You've been very helpful, thank you. It has helped me to help him
- You've been very helpful, thank you. You don't know how worried I've been about him.
- you've really put me at ease. I'm glad I spoke with you
- client is calling from the psychiatric ward at the Alfred Hospital. he was admitted two weeks ago after trying to commit suicide due to gambling debts.
- client spoke to Heather who was very informative she was great
- Client stated that by talking out the situation she had a clearer idea of what to do.
- Client phoned wanted address so he could write say H gave brilliant advice and was absolutely superb.
- developed rapport with B and would prefer to speak with him again, George said that B had been wonderful and had set his mind at ease and he really appreciated his assistance
- I am so glad I contacted you.
- Paul said he was so happy to have talked to us as he hasn't slept all week. Kept saying thank you.
- External financial counsellor: I saw a client today- he had spoken to B twice and has asked me to send feedback...B helped keep the client focused and was very understanding and supporting of his issues....
- Client very grateful for the time everyone has taken to listen to her.
- wish I had have phoned MH earlier it's a relief!

Volunteers Report



2011-2012 was another bumper year for Consumer Action's volunteer program. We were delighted to welcome a new crop of volunteers, and privileged to retain the services of a number of our dedicated vollies.

The demand to participate in Consumer Action's volunteer program far outweighs the positions we have available, which means we are spoilt for choice with an extremely high calibre of potential volunteers to choose from.

Volunteers at Consumer Action come from a broad range of backgrounds. Some are recent graduates or in their penultimate year; others are taking a break from paid practice. Most days we have 3 or 4 volunteers on hand to provide a range of support to the legal, policy, admin and financial counselling teams at Consumer Action. At any given time we have our volunteers supporting our work by summarizing legal cases, researching points of law, writing memos to help staff understand the complexities of an issue, or helping out with some of our day to day administrative tasks, particularly with our advice services. As in other years, we have also hosted internships and practical legal training programs from Leo Cussens, the College of Law, Melbourne University (summer and winter internships) and La Trobe University (Public Interest Law internship).

This year we were pleased to send many of our volunteers off into the workforce as lawyers in their own right, with a good grounding in how to practice law in a community legal environment. It is no exaggeration to say that we rely on our volunteers to allow us to take on as many legal cases and policy issues as we do – so once again, a big thank you to all our hard working vollies. Your professionalism and good humour is an integral part of the good work done by Consumer Action.

Michael Hermitage and Sarah Wilson

Volunteering at Consumer Action - Mini Chandramouli

Volunteering at Consumer Action has exposed me to more skills and experiences than I ever expected. Within my first week I was analysing complex consumer contracts to determine their compliance with the ACL. Since then I have sat in on client meetings, drafted complaints to regulators and been part of a professional development seminar with legal counsel from FOS.

Every day is different, you are working with new people every week and everyone, ranging from the CEO's to the solicitors, is willing to give you career tips and advice. As a student, this is invaluable. The best thing about working at Consumer Action is that the solicitors aren't afraid to give you responsibility, so you know that your work is having a real impact on a real client. Working at Consumer Action has allowed me to see the law from a different perspective that just can't be taught at university.

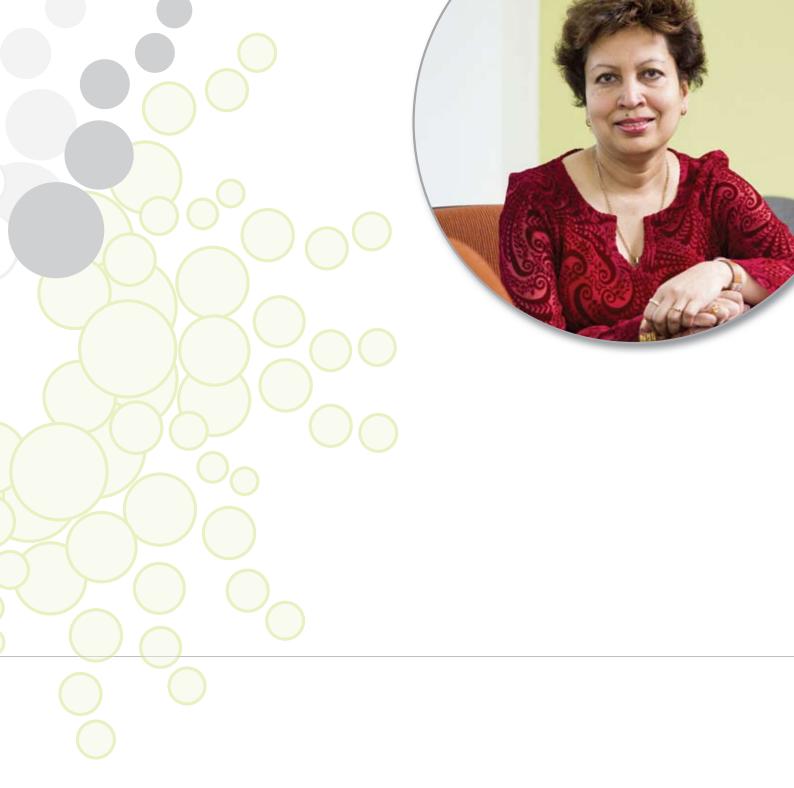
A big thank you to our hardworking volunteers of 2011-2012:

Alana Bayliss Caroline Mayer Daniel Le Huray Emily Evans Emma Robbins Emma Heggie Farah Hassim Jay Lewis Jon Risby Mini Chandramouli Michelle Davies Nikita Harrison Natasha Sim Pietro Nacion Rob Nash Ricky Sharma Ryan Doll Safiye Tasgin Samantha Huang Stephanie Huang Shane Robertson Vimala Srinivasan









Financial Report

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

INCOME	Mada	2012	0.011
INCOME Core Grants	Note	2012 1,617,617	2011 1,314,379
Non Core Grants		1,249,339	1,083,980
Interest received		49,638	45,161
Consulting & Sitting Fees		36,532	30,781
Costs Recovered & retained		8,705	5,806
Refunds & Reimbursements		63,081	67,540
Set Up Funds		23,745	23,243
Set Up Funds - Money Help		95,524	47,709
Set Up Funds - Money Help - IT Transfer to CALC - Money Help		32,959 88,710	- 88,710
Transfer to CALC - Money Help		77,177	9,332
		/ / , / /	5,552
		3,343,027	2,716,641
EXPENDITURE			2,710,011
Legal Expenses -		1,784	1,784
Salaries		1,559,487	1,478,408
Superannuation		158,097	150,550
Salary On Costs		23,840	21,995
Rent		227,902	219,293
Repairs & maintenance		1,443 30,996	1,234 29,941
Occupancy Staff Training		74,871	12,066
Staff Recruitment		1,760	3,005
Communications		53,527	27,852
Office Overheads		110,382	107,833
Insurance		1,109	115
Finance & Accounting		10,100	13,301
Library Resources & Subscriptions		24,779	18,583
Travel Costs Programming & Planning		127,039 326,057	84,605 400,953
Client Disbursements		8,563	535
Loss on Assets Sale		-	2,205
Depreciation		41,985	42,882
Other		2,215	19,188
Set Up Costs - Core		-	1
Set Up Costs - Money Help		-	1
VLA Surplus		152,109	53,040
		2,936,261	2,689,370
Profit (loss) before income tax		406,766	27,271
Income tax expense	2	-	-
Profit (loss) after income tax		406,766	27,271
Other comprehensive income:			
			_
Other comprehensive income for the year, net of tax		-	-
Total Comprehensive Income for the year		406,766	27,271
Retained Profits at the beginning of the financial year		553,098	525,827
Retained Profits at the end of the financial year		959,864	553,098

BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012	2011
	\$	\$	
CURRENT ASSETS			
Cash and cash equivalents	3	1,146,376	939,946
Trade and other receivables	4	431,165	116,149
TOTAL CURRENT ASSETS	1,577,541	1,056,095	
NON-CURRENT ASSETS			
Property, plant & equipment	5	130,361	144,692
TOTAL NON-CURRENT ASSETS	130,361	144,692	144,092
TOTAL NON-CORRENT ASSETS	130,301	144,092	
TOTAL ASSETS	1,707,902	1,200,787	
CURRENT LIABILITIES			
Trade and other payables	6	162,059	117,896
Provisions	7	530,609	495,168
TOTAL CURRENT LIABILITIES	692,668	613,064	
NON-CURRENT LIABILITIES			
Provisions	7	55,370	34,625
TOTAL NON-CURRENT LIABILITIES	55,370	34,625	
TOTAL LIABILITIES	748,038	647,689	
NET ASSETS	959,864	553,098	
EQUITY			
Retained profits		959,864	553,098
TOTAL EQUITY	959,864	553,098	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2010	525,827	525,827
Profit attributable to the entity	27,271	27,271
Balance at 30 June 2011	553,098	553,098
Profit attributable to the entity	406,766	406,766
Balance at 30 June 2012	959,864	959,864

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2012	2011
	\$	\$	
CASH FLOWS FROM OPERATING ACTIVITIES			
Core grants	1,460,161	1,423,168	
Non Core Grants	1,096,258	1,083,980	
Receipts from customers & other sources	426,432	298,024	
Payments to suppliers and employees	(2,798,404)	(2,545,929)	
Interest received	49,638	45,161	
Net Cash provided by operating activities	8	234,085	304,404

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds on sale of investments	-	-
Payments for purchase of property and equipment	(27,655)	(3,950)
Net Cash provided by (used in) investing activities	(27,655)	(3,950)
Net increase (decrease) in cash held	206,430	300,454
Cash at the beginning of the year	939,946	639,492
Cash at the end of the year	1,146,376	939,946

Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports.

These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 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 the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investment with original maturities of three months or less.

b. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, whereapplicable, accumulated depreciation and impairment losses. Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use. Leasehold Improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

d. Employee Entitlements

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits. Provision is made for the entity's liability for long service leave from commencement of employment not from the 5 year employment period normally accrued as industry practice.

e. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expenses to the income statement.

g. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Deferred Income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received.

Capital Grants

Grant Income received relating to the purchase of capital items is shown as Unamortised Capital Grant and brought to account over the expected life of the asset in proportion to the related depreciation charge.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt. All revenue is stated net of the amount of goods and services tax (GST).

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

i. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

j. New Accounting standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

a. AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137,139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1031: Materiality. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

b. AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101 & 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to various Accounting Standards, including AASB 101 and AASB 108, arising from the IASB's annual improvements project. These changes are not expected to have a major impact on the presentation of the company's financial report. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements; and
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes.
- c. AASB 2010-5: Amendments to Australian Accounting Standards (October 2010) [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011). However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including AASB 101 and AASB 107. However, these editorial amendments have no major impact on the requirements of the respective amendment pronouncements. This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including AASB 101 and AASB 107. However, these editorial amendments have no major impact on the requirements of the respective amendment pronouncements.

	2012 \$	201 ⁻ \$
Note 2: Income Tax Expense		
Prima facie tax payable on operating profitat 30% (2011 - 30%)	122,030	8,18
Less tax effect of:		
- non-taxable member income arising from principle of mutuality	(122,030)	(8,181)
Income tax expense	-	
Note 3: Cash and cash equivalents		
Cash on hand	163	103
Cash at bank	849,893	659,235
Cash on Deposit	296,320	280,608
	1,146,376	939,946
Note 4: Trade and other receivables		
Accounts Receivable	139,793	89,160
Accrued Income	284,854	6,020
Prepayments	6,518	20,969
	431,165	116,149
Note 5: Property, plant & equipment		
Leasehold Improvements - at cost	190,484	190,484
Less: Accumulated depreciation	(126,001)	(97,428)
	64,483	93,056
Computer Equipment - at cost	52,015	49,315
Less: Accumulated depreciation	(43,787)	(36,766)
	8,228	12,549
Telephone System - at cost	66,120	41,524
Less: Accumulated depreciation	(13,724)	(8,444)
	52,396	33,080
		· · · ·
Office Equipment - at cost	3,150	3,150
Less: Accumulated depreciation	(1,103)	(473)
	2,047	2,677
Office Furniture - at cost	5,017	4,658
Less: Accumulated depreciation	(1,810)	(1,328)
	3,207	3,330
Total Property, plant & equipment	130,361	144,692
	130,301	144,092

Note 6: Trade and other payables		
Trade Creditors and accruals	89,864	69,642
BAS Payable	72,195	48,254
	162,059	117,896
Note 7: Provisions		
CURRENT		
Provision for annual leave	104,273	88,768
VLA Grants in advance	224,528	103,150
CALC Set up Funds	11,055	34,799
Money Help Set Up Funds	84,166	107,288
Money Help Surplus	37,173	108,853
CFA Surplus	-	503
CALC Surplus	30,233	18,533
Standards Plus Surplus	24,161	33,274
T - Money Help Set Up Funds	15,020	
	530,609	495,168
NON-CURRENT		
Provision for Long Service Leave	55,370	34,625
Note 8: Reconciliation of Cash Flow from		
Operations with Profit from Ordinary		
Activities after Income Tax		
Profit after income tax	406,766	27,27
Cash flows excluded from operating profit attributable		
to operating activities;		
Non-cash flows in profit		
- Depreciation	41,985	45,088
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	(315,016)	132,842
- Increase/(decrease) in trade and other payables	44,164	40,328
- Increase/(decrease) in provisions	56,186	58,875
Net cash provided by Operating Activities	234,085	304,404

Note 9: Company Details

The registered office of the company is:

Consumer Action Law Centre, Level 7, 459 Little Collins Street, Melbourne VIC 3000.

Note 10: Member's Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50each towards meeting any outstandings and obligations of the entity. At 30 June 2012 the number of members was 6.

Note 11: Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

CONSUMER ACTION LAW CENTRE LIMITED ABN 37 120 056 484

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CONSUMER ACTION LAW CENTRE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Consumer Action Law Centre Ltd, (the company), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising significant accounting policies and other explanatory information and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Auditing Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation 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 conduct our audit in accordance with Australian Auditing Standards. These 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 judgment, 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Consumer Action Law Centre Ltd, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Consumer Action Law Centre Ltd is in accordance with the Corporations Act 2001, including,

- giving true and fair view of the company's financial position as at 30 June 2012 and of it's performance for the year ended on that date; and
- complying with the Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001

<u>Sean Denham</u> Sean Denham & Associates Dated: Suite 1, 707 Mt Alexander Road, Moorree Ponds Vic 3039

CONSUMER	ACTION	LAW	CENTRE	LIMITED
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DIRECTORS' DECLARATION

The directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 1 to 13 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of its performance for the year then ended on that date of the entity.
- 2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ispielia PonbouaRcomenO Directo

Dated: 18 10 12

Director

Dated: 19.10.12

Acknowledgements

Prof. Allan Fels, AO Patron

Chris Flaherty Annual Report Design

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CPD presenters

Christopher Archibald Paul Bingham Simone Bingham Michael Borsky Mark Champion Peter Fary Eddy Gisonda Stephen Warne Barrister

David Harvey Law Maddocks Maurice Blackburn PILCH Law firms

Legal Team

We wish to express our sincere thanks and appreciation to the above barristers and law firms which have each contributed, whether through the provision of advice, information, advocacy and/or support, to the capacity of Consumer Action to provide quality legal advice and assistance to vulnerable and marginalised members of the community.

MoneyHelp Team

MoneyHelp would particularly like to thank all the external financial counselling agencies who have been working collaboratively with MoneyHelp to provide a streamlined service to clients. We would also like to thank the multiple sources of referrals who provide the more marginalised and vulnerable in our community better access to our free financial counselling services. We look forward to continued networking with other services to provide consumers experiencing financial difficulties with a range of options.

Policy & Campaigns Team

Consumer Action works with like minded organisations to achieve our campaign goals.

Our Do Not Knock campaign was developed in partnership with Financial Counselling Australia. We thank all at FCA for their work putting a spotlight on bad door to door selling practices, and particularly acknowledge the efforts of Lynda Edwards from CentaCare Wilcannia-Forbes in creating a Do Not Knock sticker and other resources that address the specific needs of Aboriginal and Torres Straight Islanders. Victoria Legal Aid's provision of an online ordering service for free Do Not Knock stickers is also gratefully acknowledged.

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.

We'd also like to thank all the community legal centres, rights organisations, welfare agencies, and other stakeholders who loaned their voice to our campaign to end the payday lending debt trap. Amongst other campaign activities, the following organisations signed our Open Letter to Minister Bill Shorten in support of the draft legislation which had the broad support of consumer stakeholders involved in the government's consultation process:

- Anglicare Victoria
- Australian Council of Social Service
- Banana Shire Support Centre
- Blackheath Area Neighbourhood Centre
- Bribie Island & District Neighbourhood Centre
- Brotherhood of St Laurence
- Caloundra Community Centre
- Carlton Fitzroy Financial Counselling Service
- Care Financial Counselling and the Consumer Law Centre of the ACT
- Caxton Legal Centre
- Centacare Family Services Mildura
- CHOICE
- Community Information Victoria
- Consumer Credit Legal Centre
- Consumer Credit Legal Service (Inc.) WA
- Darebin Volunteer, Information & Resource Service
- EACH Social & Community Health
- Financial and Consumer Rights Council Inc
- Financial Counselling Australia
- Financial Counselling Tasmania
- Financial Counsellors' Association of NSW
- Financial Counsellors' Association of Queensland
- Financial Counsellors Association of Western Australia
- Flemington & Kensington Community Legal Centre
 Inc
- Footscray and Wyndham Community Legal Centres
- Gambling Help Caboolture & Redcliffe Peninsular

- George Street Neighbourhood Centre Assoc Inc.
- Good Shepherd Youth and Family Service
- Gosford/Wyong Financial Counselling Service
- Homelessness Australia
- Indigenous Consumer Assistance Network
- Justice & International Mission Synod of Victoria and Tasmania, Uniting Church in Australia
- Kildonan UnitingCare
- Lions Emergency Accommodation Centre Inc, Keys to Early Intervention in Homelessness Service
- Loddon Campaspe Community Legal Centre
- Moneycare, The Salvation Army
- Muru Mittigar Aboriginal Cultural & Education
 Centre
- PILCH Homeless Persons' Legal Clinic
- Redfern Legal Centre
- Rural Financial Counselling Service Victoria Wimmera South West Inc.
- South Australian Council of Social Service
- South Australian Financial Counsellors' Association
- St Vincent de Paul Society, National Council of Australia
- Townsville Community Legal Service Inc.
- UnitingCare Community
- UnitingCare Moreland Hall
- UnitingCare Wesley Adelaide
- Victorian Local Governance Association
- Villamanta Disability Rights Legal Service Inc
- Womens' Health Goulburn North East
- Youth and Family Service (Logan City) Inc



Level 7, 459 Little Collins Street MELBOURNE VIC 3000 AUSTRALIA

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

www.consumeraction.org.au