

# ANNUAL REPORT 2020-2021



 02 6257 1788

 [carefcs.org](https://www.carefcs.org)

# Acknowledgement

## Acknowledgement of Country

Care acknowledges and celebrates the Traditional Custodians of the land on which we operate, the Ngunnawal people. We recognise their continuing connection to land, waters and community and pay our respects to Elders past, present, and emerging.

## Funding Bodies

Care thanks our many funding bodies and partners, whose support is essential for the accomplishment of Care's vision and delivery of Care's services.

ACT Government

- Access Canberra
- Chief Minister, Treasury and Economic Development Directorate
- Community Services Directorate
- Environment, Planning and Sustainable Development Directorate
- Justice and Community Safety Directorate

Commonwealth Government – Department of Social Services

ACT Council of Social Services

ACT Law Society

ActewAGL

Financial Counselling Foundation

Relationships Australia Canberra and Region

Service One Alliance Bank

Snow Foundation

St Vincent de Paul

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# Our Purpose



## Care Strategic Plan 2018–2023

### **Vision**

Financial fairness for all.

### **Mission**

We support, educate, and advocate to achieve financial fairness for all.

### **Our Values**

- **Equality**

We believe that all people should have access to financial skills development, information and support.

- **Inclusion**

We value diversity and work to ensure that we reach people from across the community.

- **Empowerment**

We empower people to better understand and take control of their financial situation.

- **Respect**

We are respectful and work compassionately with people to understand their experience and provide support.

- **Change**

We focus on achieving change for individuals and systems.

- **Culture**

We value our people, foster a positive team culture and work with integrity across all that we do.

## Strategic Priorities

- **Support**

We support people who are experiencing financial hardship or impacted by exploitative practices.

- **Educate**

We educate the community to understand their rights and options to make informed financial decisions.

- **Advocate**

We advocate to change systems that contribute to financial hardship and exploitative practices.

- **Innovate**

We innovate to achieve outcomes by focusing on our people and working in partnership.

- **Evaluate**

We evaluate to ensure services meet individual and community needs.



## Key Data

### Financial Counseling

**1929**

Number of service users provided with assistance over the telephone

**\$1,546,636**

Amount of debt waived/reduced

**148**

Live online chats (an additional 72 did not proceed)

**1043**

FC New clients

### Consumer Law

**\$474,076**

Debt waivers/reductions

**479**

Clients

**449**

Legal advices

**118**

Casework matters

**111**

Information and referral services

### Community Loans

**18**

total loans this year  
Assistance Beyond Crisis

**195**

Total loans approved

**\$170,952**

Money loaned

**176**

Total loans funded

### Community Education

**Stop the #DebtDisaster & National Law Week**

Campaigns this year

**453**

Energy support vouchers provided

**68**

Budgeting for life sessions

## Chairperson's Report



It has been said that the hardest thing about a 1-week lockdown is the 2nd month! In the ACT we are in the midst of Lockdown 2.0, as this report is being prepared.

Natural disasters, a feature of 2020, have given way to the pandemic which continues to impact. Although staff returned to primarily office-based work in late 2020, we continued to provide flexible service delivery. We are proud that all services continued. This is a credit to our CEO, Team Leaders, and all staff.

Care has adopted comprehensive changes to the systems we use, the policies we adhere to, and the very ways that we work. Staff and board meetings now include interaction via Zoom, team meetings and discussion can occur via Microsoft Teams, and phone appointments with clients can occur via Rainbow. A challenging aspect of the transition to working significant periods from home was maintaining and promoting individual wellbeing. Without in-person meetings, team morning teas, and ad-hoc office conversations some staff reported feeling isolated and a loss of motivation. These same challenges impacted the clients our organisation serves. Recognising these challenges has been and remains an important part of quality service delivery to our clients.

While Covid has been a tremendous challenge to overcome, we have been able to continue to deliver support to the community and to empower people to better understand and take control of their financial situation. As Carmel Franklin outlines in her report, we have achieved significant positive financial outcomes for individuals in the community. We have and will continue to support people experiencing financial hardship or who are being impacted by exploitative practices.

A re-branding for Care was a big project during 2021. The project signified growth and the growing professionalism of our organisation. Our branding now reflects the pillars of Care's operations and

reflects the modern organisation Care has become. Thank you to Zyl, our Operations Manager, for his drive in seeing this project through to completion.

This is my fourteenth year as a member of the Board and my eighth year as the Chair. After welcoming Susan Helyar to the Board last year, we were fortunate to experience no changes to board members this year.

Stability has been particularly important in a challenging year when we have had to proactively adjust to the pandemic and its impact on clients and staff. In that vein I wish to formally acknowledge and recognise my fellow board members, Michael Miller, Philippa Prothero, Nick Seddon, Christian Mikula, Duncan Buchanan and Susan Helyar. Their preparedness to contribute to the betterment of the community deserves recognition. We are fortunate to have a good mix of board members with significant experience/tenure. We recognise the value of a diverse mix of skills on our Board and will continue to look to expand to increase that diversity.

A special thanks to our dedicated staff who are always willing to invest in the goal of assisting clients to work through their financial challenges, especially in the climate we have experienced during 2021. I again recognise the tireless commitment of our CEO, Carmel, our Team Leaders, and all the team members that remain at the heart of the success of Care.

It continues to be a pleasure to fulfil a role within an organisation that acts with integrity, professionalism, and respect.

*Andrew Freer*

Chairperson

## CEO's Report



Our previous annual reporting period was dominated by the impacts of bushfires, hailstorms, and the COVID-19 pandemic. This year in the ACT we have fortunately avoided any natural disasters, but the pandemic continues to impact our lives. In July we commenced a slow transition from working at home to working in the office. Having learned how to be flexible in our approaches to service delivery, most staff have continued to work at home at least a day a week. This has proven excellent preparation for the ACT's second lockdown which is in full swing at the time of writing.

During lockdown, many staff missed the casual water cooler catch ups with colleagues which highlighted the importance of connection, particularly during challenging times. As we head into Lockdown 2.0 our focus will be on finding ways to stay connected, to share challenges, and celebrate successes.

If I was to sum up the last year the words that spring to mind are resilience, innovation, and flexibility. Our wonderful staff managed the changed work environment and embraced the flexibility that the combination of home and office-based work afforded. We also became proficient at delivering services, including group activities via tele and video conferencing. Adapting our service delivery so that people in the community continued to be supported highlights the commitment of our team to provision of high quality, client focused service. Given that many of our clients have been faced with loss of employment, increased anxiety, and ongoing uncertainty, providing flexible service delivery that met the specific needs of our clients was particularly valuable.

For those of us in secure employment there were some benefits of the lockdown. We could, for example, wear our ugg boots to the office, which was generally our kitchen bench or dining room table!

During this period, Care benefited from additional funding to assist us respond to the economic

fallout of the pandemic. The funds enabled us to build further capacity across all teams. Industry and government support packages led to a temporary decrease in demand for services, but for the first time in as long as I can remember, we had a workforce ready to deal with the surge in demand that started in early 2021. Sadly, additional funding was short-term, and we now face challenges maintaining staffing levels at a time when it is most needed.

in recent months we have heard that the economy is bouncing back and growing stronger than anticipated. Housing prices have skyrocketed, and the unemployment rate is gradually falling. These are all positive signs but mask the fact that not everyone is bouncing back and doing well. With the reduction or cessation of various supports and the resumption of evictions, repossessions and disconnections things are changing. The reality is that there are two categories of people recovering from the impacts of COVID-19. Those stuck in the slow lane are:

- People who were employed in industries including hospitality, tourism and the arts, who have relied on JobSeeker that has progressively reduced back to a level that is grossly inadequate.
- International students.
- Small business owners who were reliant on JobKeeper.
- Women who have experienced financial abuse.
- People whose mental health was significantly impacted by the social isolation of lockdown.



Looking forward, COVID-19 will clearly remain a significant influence on our health and economic environment. As an organisation, we are committed to continuing to adapt our service delivery to meet the needs of those in the local community who are experiencing financial stress.

Possibly the most significant highlight this year has been our rebranding project, leading to the launch of a new brand identity on 30 June 2021. We engaged local brand consultant Synergy to support this project. The aim was to develop a consistent brand image and logo that better represented our core purpose and values. Our new logo represents the fact that finance can be a complex field where clients can feel overwhelmed, as if trapped in a maze. While every person is on their own journey, Care uses its expertise and wisdom to support clients, cutting through the noise, providing solutions to complex problems.

I am immensely proud to announce that over the last 12 months our financial counsellors and lawyers have saved clients over \$2 million in debt waivers and reductions. This has brought enormous relief, both financially and emotionally to clients, many of whom had experienced financial abuse. This is clear evidence of the

practical and beneficial outcomes of financial counselling, as well as the holistic support Care provides to clients – from budgeting all the way through to negotiating legal settlements for complex financial matters.

As foreshadowed, at the time of writing we are in the midst of a second COVID 19 lockdown, this time more stringent than in 2020 due to the nature of the Delta variant. As we proceed into the final months of 2021 and into a new and unknown environment in 2022, Care's focus will remain on delivering high quality services to clients, supporting our staff, and keeping connected with our stakeholders.

Finally, I am, as always, grateful for the ongoing support and guidance from Care's Board and for the diligent, professional, and caring team that I have the pleasure to lead.

*Carmel Franklin*  
CEO

# Our People

## Care's Patron



**Elizabeth Grant**

## Directors



**Andrew Freer**  
*BEC LLB*  
Chairperson



**Michael Miller**  
*BCom, CFPA*  
Secretary



**Philippa Prothero**  
*BPsych (Hons) (ANU), PhD*  
*(ANU), GAICD, MAHRI*  
Treasurer



**Nick Seddon**  
*LLB (MELB), B Phil (Oxon),*  
*PhD (ANU)*



**Christian Mikula**  
*BA LLB (ANU)*



**Duncan Buchanan**  
*BA (UniSA) GAICD*



**Susan Helyar**  
*BSW (USyd) GAICD*

# Staff

## Operations

**Carmel Franklin**  
CEO

**Zyl Hovenga-Wauchope**  
Operations Manager

**Kate Luke**  
Business Manager  
(resigned August 2020)

**Bob McNab**  
Finance

**Antoinette McCartney**  
Reception/Admin Support

**Dianne Hodge**  
Reception/Admin Support

**Maddy Fisk**  
Reception/Admin Support  
(since July 2020)

## Financial Counselling

**Leasa Mayes**  
Team Leader

**Liisa Wallace**  
Financial Counsellor

**Lyndall Millburn**  
Financial Counsellor

**Rachael Milfull**  
Financial Counsellor

**Rosie Fisk**  
Financial Counsellor

**Deb Shroot**  
Financial Counsellor

**Nicole Flaws**  
Financial Counsellor

**Wendy Sandeman**  
Financial Counsellor

**Fiona Laverty**  
Financial Counsellor

**John Gilmour**  
Financial Counsellor

**Arthur Lee**  
Financial Counsellor  
(since August 2020)

**Di Hodge**  
Financial Counsellor  
(since April 2021)

**Eileen Newmarch**  
Locum Financial  
Counsellor

**Kerrie Williams**  
Intake Officer

## Consumer Law

**Agata Pukiewicz**  
Principal Solicitor  
(since December 2020)

**Angela Lauman**  
Financial Counsellor  
(resigned December 2020)

**Adam Thompson**  
Senior Solicitor

**Cameron Kiely**  
Solicitor  
(since May 2021)

**Larisa Dorzheeva**  
Project and Administration  
Officer (since March 2021)

**Gayathri Hatharasinghe**  
Paralegal

**Carly Nelson**  
Paralegal  
(resigned December 2020)

**William Scott**  
Paralegal  
(resigned December 2020)

## Community Loans

**Natasha Gunther**  
Team Coordinator

**Tracey Zol**  
Caseworker

**Tanya Dunster**  
Caseworker

**Antoinette McCartney**  
Admin Support  
(since July 2020)

## Community Education

**Vicki Wood**  
Team Coordinator

**Aoife Berenger**  
Financial Capability Worker

**Nailah Rokic**  
Financial Capability Worker

**Linda Gyamfi-Awuah**  
Financial Capability Worker  
(since February 2021)

**Mrad El-Syoufi**  
Stakeholder Engagement Officer

## Auditor

**David Perceval**

## FC Professional Supervisors

**Kandie Allen-Kelly**

**Elizabeth Yuile**

**Nasrin Lucas**

**Christine Moulet**

# Faces of Care



# Volunteers

Care continues to be supported by dedicated long term volunteers. Volunteers add significant value to our organisation and assist Care to achieve our mission.

For many years we have had the benefit of our volunteer accountant, Leslie MacDonald. Leslie has assisted numerous clients with tax returns and profit and loss statements. We are enormously grateful for her generosity and ongoing support.

For several years, we have been privileged to partner with the Australian Government Solicitors (AGS) who provide a secondment opportunity to their staff on a rotating basis, to support the work

of the Consumer Law Centre.

In addition to our wonderful secondees, we also rely on volunteer lawyers to assist in our debt clinics.

Through our relationship with the ANU College of Law, we have continued throughout this reporting period to offer 12-week practical placements to ANU students enrolled in the course 'Public Interest Clinic'.

We are also indebted to Carol Flynn for her ongoing support and mentoring of Care's CEO.

We wish to thank the following for their support during the year:

## Clayton Utz

Rashmi Islam

Ane Espach

Eleanor Cannon

John Park

Kyu Won Kim

David Purvis

Gabrielle Ho

Rachael Grivas

Deborah Mak

Julia Liu

Shirley Chung

Sarah Lim

Seth Godlweski

Mason Britton

Richard Donaldson

Nathaniel Jende

Eleanor Cannon

Sabina Prus-Wisniowski

## Australian Government Solicitor

Andrew McIntyre

Anne Macduff

Meg Wootten

Jack Simpson

James Kwan

Nicholas Wilson

Stephen Boyle

Rachael Ingleton

Prashant Kelshiker

Finn Lowe

Gabriella Imperial

Lachlan Waldron

Allison Mills

Danica Lamb

Adam Slevison

Madeleine Pratt

Aurora Crain

## ANU

Tara Mack

Jordyn Gibson

## ACCC

Rebecca Weatherby

## General

Alan Joyce

Jan Wryell

Zoe Brightling

Cameron Keily

Carol Flynn

Taryn Phillips

Leslie Macdonald

Norzang Norzang



# Our Programs

## Financial Counselling

“The new normal” was the catch cry for the last financial year. COVID related restrictions kept us largely working from home until September 2020. We were perfecting technology – virtual meetings by Zoom and Microsoft Teams, and the ability to electronically sign documents made our client work more efficient and streamlined. Government assistance in the form of increased JobSeeker and JobKeeper payments, COVID allowances and early release of superannuation has kept many people out of poverty. Also, creditors such as finance providers, telecommunication and utility services were providing generous assistance, enabling outstanding debts to be deferred. As a result, we did not see a significant increase in demand for assistance in the first half of 2020-21.

However, we did see an increase in calls from people who are not eligible for government assistance such as international students and people on some visas who were unable to access help. Often these people were reliant on income

from hospitality jobs and participation in the gig economy. Financial counsellors often felt helpless during these calls as there were very few options, apart from emergency relief, available. We also saw an increase in debt resulting from uninsured car accidents and changes in circumstances linked to workplace and mental health issues.

Clients without reliable technology or with limited IT experience were disadvantaged by the lockdowns. Seeking help during a lockdown requires reasonable access to a phone or internet service, and without these it is difficult. These necessary services also require money to keep them going, and if a client cannot pay their phone or internet bill, they can find themselves unable to get the help they desperately need.

There was a small window of opportunity for interstate travel in May 2021 and the Financial Counselling Conference went ahead in Darwin. Several financial counsellors from Care attended



and found the sessions informative and a good networking experience. They noted how special it was to gain a better understanding of the amazing work financial counsellors do in remote indigenous communities. The new age of technology allowed financial counsellors in Canberra to view some of the sessions as the event was live streamed.

Care participated in a Live Chat pilot program initiated by Financial Counselling Australia. Five financial counsellors were trained by Freshchat and the service went live in July 2020. In this financial year, our team responded to approximately 330 live chats that were initiated via the National Debt Helpline website. As the first jurisdiction listed on the website, we received a significant number of requests for assistance outside of Australia and these problems are being looked at. The chat service provides another avenue for clients to seek help without making a call. It is easy to access and uses a platform many clients would be familiar with.

Care supported 3 financial counselling students, Julia Collin, Anna Healey and Di Hodge, to complete 220 hours of placement. This is a compulsory requirement of the Financial Counselling Diploma and allows students to experience financial counselling by observing and then being support-

ed to conduct client sessions and do follow up work and notes. We see this as an important part of training the next generation of financial counsellors. Rachael Millfull is providing mentoring and the coordination of the student programs. During this period, Arthur Lee joined Care as an intern financial counsellor and completed the Diploma. Arthur also commenced fulltime work at Care and is now a valuable fully-fledged financial counsellor and member of the team.

We have some wonderful volunteers. Leslie MacDonald continued her role as volunteer accountant and assisted clients with business accounting and tax returns. The lockdowns limited the number of sessions she could offer, but this service assisted many clients to meet their taxation obligations. Taryn Phillips also volunteered to do administrative tasks to support the financial counsellors and Leslie.

John Gilmour resigned from Care in June 2021 to address some health issues. John had worked closely with St Vincent de Paul and with Braidwood residents in the bushfire service. He made a huge difference to the many clients he worked with and will be sadly missed by colleagues. We are hopeful he makes a speedy recovery so that he can one day return to Care





## Consumer Law

The most significant highlight for **Care Consumer Law** in 2020-21 has been its new name, website and online resources as part of Care's new brand identity. Just over a month earlier, on 19 May 2021, Care Consumer Law received a successful assessment under the NAS for Community Legal Centres and was granted a licence to use the Community Legal Centres Australia certification trademark until 19 May 2024. It is a notable achievement in recognition that Care Consumer Law is operating according to good practice and industry standards and a culture of ongoing quality improvement.

In March 2021, Care Consumer Law welcomed the appointment of Agata Pukiewicz as Principal Lawyer following the departure of Angela Lauman. Agata is no stranger to Care Consumer Law, having first joined the organisation in 2008. The service also grew to three full time lawyers, and two full time project and office administration/paralegal staff. This staffing footprint is exciting for Care as it provides necessary capacity to deliver essential assistance to the community into the near term.

During this financial year, Care received additional funding from the Commonwealth and ACT

Governments which has allowed us to strengthen and expand our **financial abuse program** to provide legal assistance, financial counselling and literacy and capability building to vulnerable survivors of financial abuse. In delivering the program, we have been focussed on working with our community sector partners to deliver support in settings most appropriate or accessible to the persons needing help and where they feel safe. We have observed instances and methods of financial abuse becoming more prevalent due to COVID-19 and associated restrictions.

We also continued to deliver the free **Defined Benefits Information Service (DBIS)** for the **ACT Motor Accident Injuries (MAI) Scheme**, which offers important benefits to anyone injured in a motor vehicle accident in the ACT – no matter who was at fault.

During this period, Care Consumer Law has strengthened and increased its partnerships with our volunteers and pro bono partners including the **Australian Government Solicitor (AGS)**, **Clayton Utz** and **Sparke Helmore**. In addition to research and resource development including factsheets, support and ad-hoc referral where required in



complex legal matters, AGS and Clayton Utz continued to staff Care Consumer Law's **Friday Legal Clinic** (fortnightly) and the **Wednesday After-Hours Legal Clinic** (weekly).

Under our partnership program with **AGS**, we also hosted an AGS lawyer in our office under the supervision of the Principal Solicitor. This arrangement is very beneficial to Care Consumer Law and offers exceptional support, including through research, preparation of education material and casework.

We also continued to support practical training for developing lawyers, including by offering practical legal training and internship opportunities for law students and graduates. During this reporting period, we undertook to offer two internship placements each year to the **ANU College of Law** students to enable them to gain practical legal experience for academic credit as part of their university studies. From time to time, we also offer similar opportunities, subject to our capacity, to law graduates undertaking their Graduate Diploma of Legal Practice.

Key client advice and casework highlights over this period included:

- Assisting 474 clients and providing 449 client legal advices, 118 casework matters, 336 information and 111 referral services.
- Achieving over \$474,000 in debt waivers, debt reduction and settlement outcomes for clients across our consumer credit and consumer law practices. This includes over \$377,000 specifically for clients experiencing financial abuse. This is in addition to other positive outcomes such as negotiated agreements, time extensions, avoiding bankruptcy and other non-financial case resolutions.

As well as working with consumers directly, Care Consumer Law works closely with Care's Financial Counselling team to identify and respond to consumer problems by providing secondary consultations and training. Also, during this financial year, Care's Consumer Law and Community Education teams joined forces to enhance our delivery of community education and offer a wider range of education resources through our social networks, website, and face-to-face and online content delivery.

In the area of policy and law reform, Care Consumer Law contributed to a range of submissions, in collaboration with Care and national consumer rights networks. Significantly, during this period, Care joined over 60 community-sector federal, state and territory organisations early in 2020 expressing our concerns and advocating under the banner of Save Safe Lending campaign against the proposed National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020.



## Community Education

Care's Community Education Program provides information, awareness and practical tools to promote financial capability, wellbeing and resilience in the Canberra community.

This past year has been extremely busy and productive for the Community Education team. In February 2021, we were delighted to welcome Linda Gyamfi Awuah who has been employed as our newest Financial Capability Worker.

Due to the ongoing COVID-19 environment, we continued to embrace technology to reach target groups remotely as well as to stay connected with our stakeholders.

### Workshops and Information sessions for consumers

Care delivered **68** Budgeting for Life workshops to a range of target audiences, including inpatients at the Canberra Hospital Withdrawal Unit and Karralika's Residential Treatment Program. We also delivered **17** information sessions to people engaged in mental health treatment programs and to young people engaged with programs at Headspace and Relationships Australia.

### Community events and expos

As lockdowns eased towards the end of 2020, Care took part in a range of community days and events, attending a total of **18** events. This included being stallholders across all tertiary campus O-Week events in the ACT. We also set up a stall at Worksafe ACT Men's Health Breakfast Conference.

### Stakeholder meetings

Care attended a range of stakeholder meetings to help promote our services as well improve referral pathways with government and non-government organisations. This included attending forums such as the Multicultural Youth Affairs Network and the Justice Reform Group facilitated by ACTCOSS.

### Energy Support Voucher Program

A highlight of our program this year has been our ongoing delivery of the Energy Support Voucher Program (ESVP) which we have been operating since August 2017. Under the ESVP, the ACT Government and ActewAGL contribute funds to provide a \$100 credit for low to moderate income households towards their electricity and gas bills.

This year Care provided **453** total vouchers and facilitated **59** budget coaching appointments. These appointments included assistance with budgeting, assistance in negotiating payment plans with energy providers, ensuring that energy rebates and concessions were applied, and facilitating referrals to other teams within Care or to one of our external partners for additional support.

### Pop up information stalls

Care continued to provide pop up information stalls at a range of emergency relief providers who are supporting individuals and families impacted by COVID 19. The stalls were provided at the premises of 5 different partner organisations, including:

- Communities@Work Tuggeranong and Gungahlin food pantries
- St. John's Care Reid
- YWCA Lanyon
- Woden Community Service

### Bring Your Bills

Care We ran **3** Bring Your Bills events this year, including at the Yeddung Mura Service which supports the Aboriginal and Torres Strait Island community in the ACT. This event was delivered at the premises of the Mingle Suburban Land Agency. We also ran an event for residents of Coombs and the Woden Community Service.



## Understanding and Responding to Financial Abuse workshops for frontline workers

In 2020 Care received funding by the ACT Family Safety Hub (ACT Government) to design and deliver a series of workshops on understanding and responding to financial abuse for frontline workers.

Care's Community Education and Consumer Law Programs collaborated to design and deliver **4** half-day masterclass sessions for specialist domestic and family violence workers from the Domestic Violence Crisis Service, Toora Women Inc, and OneLink.

We also facilitated **2** online workshops, focussed on understanding, and responding to financial abuse, for Woden Community Service staff who work directly with individuals and families in the community.

## Money Management workshops Work Development Order participants

Care delivered money management workshops for people undertaking either the Work Development Program (ACT) or a Work and Development Order (New South Wales) due to outstanding traffic infringements. Participants could attend one to four separate sessions. For those who attended all four, fines were reduced by \$800.

The workshops covered a range of financial and consumer literacy topics and included guest speakers from Actsmart and the Public Trustee and Guardian (ACT).

## Electronic newsletter and social media engagement

In March 2020, in response to the COVID-19 lockdown, Care produced an electronic newsletter as a way of staying connected with clients, stakeholders and the Canberran community generally. Each newsletter provides an update from each of Care's Programs as well as seeking to provide information that may be useful to the community at this time. Since then, we have continued to publish the newsletter regularly on the Care website, and to date we have produced a total of **7** newsletters.

We continue to promote Care's services and to raise awareness of important social justice issues, including promoting consumer rights during Law Week, Homelessness Week, and the Stop the #debt disaster campaign which sought to protect safe lending laws.



## Community Loans

Care offered No Interest Loans (NILs) under the auspice of Good Shepherd Microfinance (GSM) for nearly 25 years. In that time, we provided over 2,000 loans worth approximately \$3 million to people in the local community to support them with the purchase of household goods and services.

In addition, for several years we have been operating an independent program, Trusty Loans by Care (TLC), in the Queanbeyan-Palerang District. This has been made possible with philanthropic grant funding, primarily through The Snow Foundation.

In 2020-21, and after a long period of consideration, Care decided to leave the NILS network and to establish and expand our own independently run program into the ACT. We have been able to do this with the assistance of our new banking partner –Service One Alliance Bank. Moving forward, operating an independent program will provide us with a greater ability to respond to the needs of the local community. The program operates largely the same way as NILs but with increased flexibility around eligibility criteria and loan purposes.

As part of the recent organisational rebrand, we have changed the name of our program from TLC to Community Loans. The new name better reflects

our more inclusive approach to offering no interest loans and more closely aligns with other program names across the organisation.

The Assistance Beyond Crisis (ABC) Program has now been in operation for four years. To date, we have approved a total of **66** loans which have assisted **168** women, men and children in the ACT and surrounding NSW region to rebuild their lives.

We have seen a sharp increase in the number of loan enquiries throughout this reporting period, with many of these coming through in the final 6 months of the financial year. This is likely due to restrictions easing after the worst of the COVID 19 pandemic and the cessation of government assistance such as the JobKeeper and JobSeeker payments. It is also reflective of the increase in domestic violence both during and after the worst of COVID-related lockdowns.

Due to the social distancing rules and restrictions that are currently in place, we have been unable to hold an event in the 2019-20 and 2020-21 financial years, however we remain hopeful that such an event can be held in 2021-22 to mark the 5th Anniversary of the commencement of the ABC program.



## Policy and Advocacy

Care has always used casework experience to support our policy and advocacy work. Raising systemic issues that impacts more broadly on our client group is an important part of our work.

Our primary focus during this reporting period has been on advocating against the Australian Government's proposal to wind back Responsible Lending Obligations. We joined with over 60 other organisations in expressing our concerns through the Save Safe Lending Campaign.

We firmly believe that responsible lending protections are vital in maintaining a strong economy and in protecting the most vulnerable people in our community from finding themselves in a cycle of debt. The proposed changes are unwarranted and will lead to a greater number of people taking out loans they cannot afford. Repealing these laws is also in stark contradiction to the recommendation of Justice Kenneth Hayne in the Banking Royal Commission.

As part of our campaign, we wrote letters to all ACT Federal Members of Parliament and Senators, met with the ACT Attorney-General, provided case studies to the joint consumer submission, provided input into a submission from state and territory financial counselling organisations, and participated in a media stand up event at Parliament House with CHOICE and the Consumer Action and Financial Rights Legal Services.

We are grateful to the ACT Government for their continued support and strong stance on this important issue. Relaxing responsible lending obligations will reduce the capacity of advocates, including Care, to assist vulnerable consumers.

Another significant area of policy relates to the proliferation of Buy Now Pay Later (BNPL) products in the Australian consumer market. While these services offer convenience, they are unregulated and have very few consumer protections. Our concerns include:

- Clients with multiple BNPL arrangements that add up to unaffordable amounts
- Reliance on credit cards to make payments
- Reliance on BNPL for essentials such as food or utility bills
- Clients are going without essentials because they are trying to make BNPL payments
- Clients having adequate access to technology to manage the accounts as they are all online
- Despite the claims of the Australian Finance Industry Association (AFIA) that its newly published BNPL Code of Practice (the Code) 'goes above and beyond the law in Australia, setting best practice standards for the sector and strengthening consumer protections', the Code is not legally enforceable and does little to provide protections to consumers.

At a local level we continue to be active in areas of our core business. This includes input into:

- Discussions on ACT rental property minimum energy efficiency standards
- Design and implementation of the Vulnerable Household Energy Support Scheme  
ACT Affordable Home Purchase Scheme.

Our vision is 'Fair Finance For All' and in pursuit of this we will continue to raise issues of concern and advocate for a fair financial marketplace to reduce the number of people experiencing financial hardship.



# Our Clients

## Client Stories

### Financial Counselling

Jenny\* is a single parent in her 40's, studying fulltime. She had been with her ex-partner for two years. Three months ago, he left with no explanation. She stated she has been really distressed since he left, with her anxiety impacting her ability to engage with friends and work.

Her ex-partner operated his own business, which shut down due to financial problems. He found a new job quite quickly and needed to purchase a car for this new job. Due to his credit rating and failed business, he asked Jenny to obtain a loan in her name, insisting he would make the repayments. The client agreed as she felt it was building trust in their relationship. She had also allowed him to make several purchases with her credit card, believing he would pay her back.

A couple of months after they had separated, she found out that he had purchased additional items on her credit card without her knowledge, including interstate flights. She was finding it hard to maintain minimum repayments and the bank was contacting her. She also received calls about the car loan being in arrears. No payments had been received for several months. The financial counsellor listened to her story and talked to her about financial abuse. Her ex-partner coerced her into getting the loan from which she received no benefit, and stole from her via her credit card. The financial counsellor:

- o Undertook an assessment of Jen's financial position.
- o Provided information on hardship options
- o Ensured Jenny was receiving all support and concessions she was entitled to.
- o Referred Jenny to a women's counselling service to assist with her trauma.

- o Advocated for the client with the financial service providers including requesting the bank waive the balance of the personal loan due to financial abuse.

The financial institution agreed to waive the balance of the car loan debt. The other granted a partial debt waiver on her credit card and agreed to a long-term hardship arrangement to pay back the balance.

The client was enormously relieved as this enabled her to redirect money to look after herself and her children.

### Financial Counselling

Buy now pay later arrangements have become very popular, as they provide a convenient and easy way to spread costs over a period. However, we are increasingly seeing clients who are in financial stress due to multiple Buy Now Pay Later arrangements that leave them with inadequate income for essential expenses. The risk with these schemes is that they can lead to a debt spiral particularly for people on moderate incomes. Buy Now Pay Later schemes are not regulated so consumers have limited protections when using these products.

Sam\* is in his mid-20's, single and living in private rental. He works full time earning approximately \$60,000 a year. Sam approached Care as he was behind on rent, and his electricity account was in arrears.

During discussions about Sam's financial situation, Sam acknowledged that they had multiple BNPL arrangements with different providers totaling several thousand dollars. Purchases included groceries, car registration, clothing and



other essentials. Consequently, there were insufficient funds in their account to pay rent and electricity when it became due.

In addition to the BNPL arrangements Sam had a credit card and a personal loan for a car. Over recent months Sam had not been able to keep up with all of the BNPL repayments and had been using the credit card to make payments. His credit card has now reached the limit and he is only able to make minimum repayments each month, incurring high interest on the outstanding balance.

Sam was also behind on some repayments and one provider had charged a fee of \$10 for an overdue amount of \$8.

The financial counsellor was able to:

- o Connect Sam to his utility provider's hardship program
- o Negotiate a repayment plan for private rent to prevent eviction proceedings
- o Arrange a 3-month moratorium on the credit card
- o Negotiate reduced repayment arrangements with two BNPL providers and a waiver on another on the basis that Sam returned the goods.
- o Discuss alternative payment options and budget strategies

Whilst Sam continues to juggle his financial situation, he now has a plan in place to get out of debt in the next 6 months. However, this plan is contingent on reducing reliance on BNPL products which may be a challenge given the prevalence of, and ease of access to, such products.

## Community Loans

Peter\* approached Care for a no interest loan for car repairs. He receives a Centrelink Disability Support Pension and has children in his care including one with special needs. He needs a reliable car to transport himself and family to medical and other appointments. Peter has had a long affiliation with Care as he has had (and repaid) a number of loans over the past 7 years.

His initial loan was for a bed and since that time Care has been able to approve his subsequent loan application requests which have included purchase of a tablet, washing machine and car repairs.

We have recently established an independent no interest loan program, Care Community Loans, with the support of a banking partner (Service One) This enabled us to be more flexible and responsive to the needs of people on low incomes in the local community. For Peter this meant we were able to provide a loan for an amount greater than the usual \$1500.00 maximum to cover the full cost of the repairs. This was due to the client's particular circumstances and his long history as a reliable payer.

Assessing this client's income and expenditure was difficult due to some culturally challenging barriers. Peter has responsibility for supporting others in his extended family and community. In his community money is transferred from one family member to another when there is a need. Other members of Peter's family also have no interest loans with Care.

Because Care takes cultural circumstances into consideration when assessing an application, we were able to work with him to approve the loan whilst making sure we adhered to responsible lending principles and ensuring the loan would not put our client in financial duress.

The client was extremely relieved that we could assist with the car repair. These have now been completed and Peter has been meeting all loan repayments.

## Consumer Law

Maria is a polite shy woman in her sixties, a pensioner, and a carer of her elderly mother. As many Canberrans, Maria's roof was damaged during the January 2020 hailstorm. She had lodged an insurance claim which was accepted by the insurer and the holes in her roof were covered by a tarpaulin. After about six months, several tradespersons and phone calls later, Maria was referred to our service. She was in



tears: it was winter 2020, temperatures in Canberra were sub-zero, her heaters had been removed due to fire hazard, the tarpaulin on her roof was leaking when it rained, and nails and broken timber pieces were scattered in her backyard thrown away by the tradespersons and causing a health risk to her pets. The front door could no longer be closed.

Care Consumer Law lodged an urgent complaint with the insurer. Two more complaints were lodged about the failure of the insurer to promptly respond, with Maria hesitant to escalate her complaint not to 'upset' the insurer. Minor compensation was offered by the insurer pending an independent expert report, which confirmed the repair works done by the insurer's contractor failed to meet almost all building standards, with the only option forward being to replace the roof and compensating Maria for all damage.

Shortly after writing this report, the matter settled with a large cash settlement.

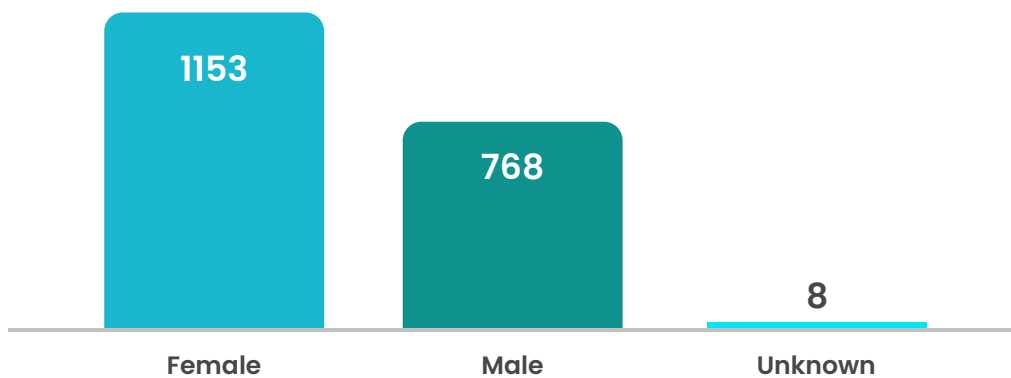
\*Real names have been changed to protect the identity of the client



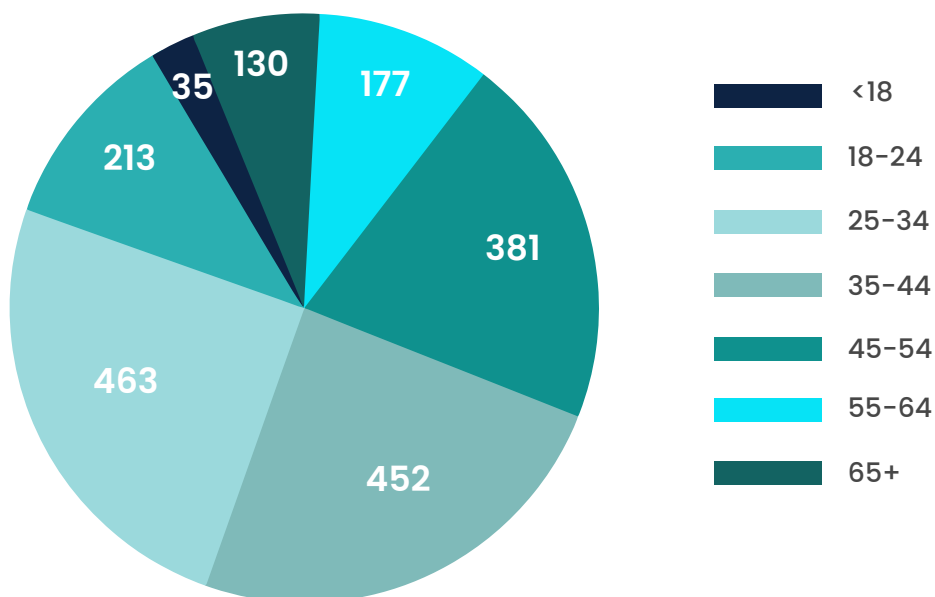
# Services Data

## Financial Counselling

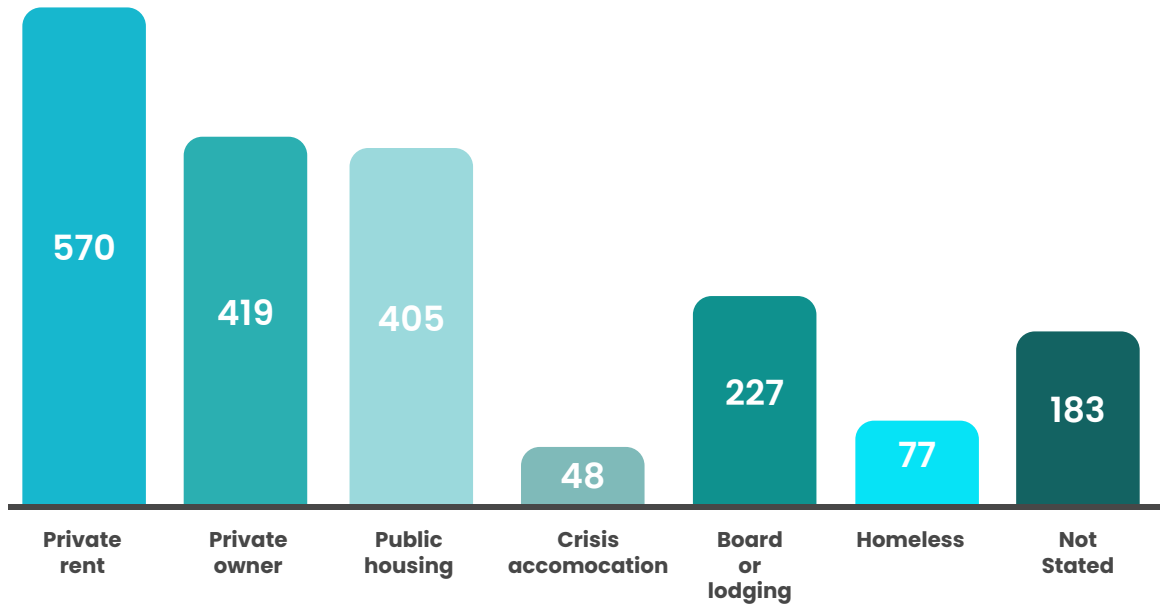
### Gender



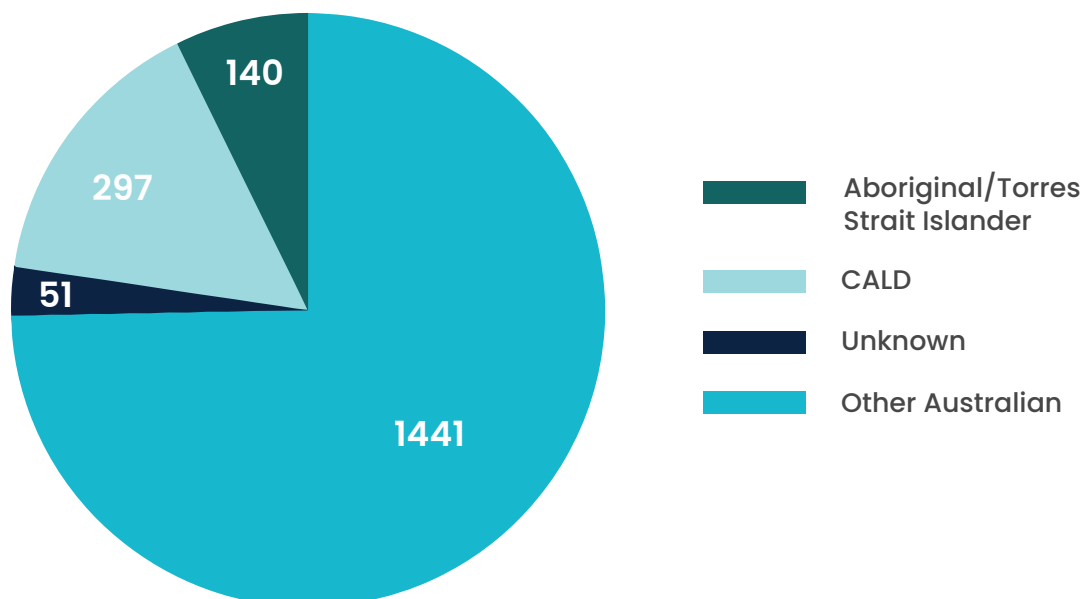
### Age Groups



## Housing Type



## Cultural Background



### Age Groups

25-34	92
35-49	165
50-64	103
65 & over	76
Unknown	38
<b>Total</b>	<b>474</b>

### Country of Birth

Australia	309
Overseas	141
Unknown/Not stated	24
<b>Total</b>	<b>474</b>

## Income Source

Wages	249
Centrelink payment	119
Other	54
No income	6
Not stated	46
<b>Total</b>	<b>474</b>

## Aboriginal & Torres Strait Islander

Torres Strait Islander	0
Both	0
Aboriginal	19
<b>Total</b>	<b>474</b>

## Gender

Female	277
Male	190
Other	1
Unknown/Not stated	6
<b>Total</b>	<b>474</b>

## Community Loans



### General Loan Data

**536**

Total loan enquiries

**227**

Total applications received

**195**

Total loans approved

**14**

Total declined

**9**

Total not proceeding



### Housing Breakdown

**22**

Private rent

**144**

Public rent

**9**

Own home

**4**

Community housing

**7**

Boarding

**4**

Relatives

**4**

Transitional housing

### Gender



**63**

Male



**131**

Female

### Age groups

**7**

18-24

**41**

25-34

**49**

35-44

**53**

45-54

**35**

55-64

**18**

65+

## Cultural demographic

**29**  
Aboriginal/  
Torres Strait Islander

**38**  
CALD

**137**  
Neither



## Housing familiar structure

**92**  
Single  
(no children)

**58**  
Single with  
children

**11**  
Group  
housing

**21**  
Partner and  
children

**12**  
Partner  
(no children)

## Loan purpose

**13** Computer  
related  
expense

**24** Household  
furniture

**27** Household  
appliances

**6** Legal  
fees

**3** Medical/  
dental

**5** Outdoor  
equipment

**17** Refrigerator

**2** Rental  
bond

**21** Washing  
machine

**34** Vehicle  
repairs

**3** Vehicle  
registration

**1** Vet/  
pets

**3** Legal  
fees

**78** Other



## Source of referral

**116**  
Previous  
borrower

**24**  
Family/friends

**25**  
Non-government  
agency

**10**  
Self-referred

**11**  
Internal  
(Care)

**8**  
Government  
agency

## Community Education

**18**

Total community events attended

**453**

Energy support vouchers provided

**59**

Budget coaching appointments

**3**

Bring your bills events

**5**

Pop up information stalls at food pantries

Located:

- St. Johns
- Communities at Work Tuggeranong and Gungahlin
- YWCA Lanyon
- Woden Community Service

**4 Sessions**

Understanding and responding to financial abuse masterclass workshops

Domestic and family violence workers from:

**dvcs** | Domestic Violence Crisis Service

**Toora Women Inc.**

**onelink**  
Information and connections

**17**

Information sessions (including online)

**68**

Budgeting for life sessions

**4**

Money management workshops for the work development program

**88**

Stakeholder engagements

**15**

Outreach

**7**

Newsletters to date

**36**

Online promotions

**35**

Posts on social medial



# Our Impact

## Client Feedback

### Financial counselling

//

The financial counsellor understood my plight and started to communicate with all my debtors. If you fall behind in payments these days, they are like vultures!! When you are out of work and struggling you need Care's services to do the advocating for you because otherwise you are liable to commit suicide. //

//

The financial counsellor was respectful, professional and he listened. I could not have got through this without him. //

//

My first call to Care was quite emotional for me and the people at Care instantly made me feel comfortable and confident that there was a light at the end of tunnel. //

//

I remain indebted to you and your organization for the help and support you provided to me at a time that I had nowhere else to turn. //

//

The financial counsellor was incredible. I was able to have significant amounts of debt waived due to the support I received from Care Financial Counsellors and the solicitor at Consumer Law. My life has changed significantly, I am better able to support myself and kids due to not having such a large debt that occurred from domestic violence. //

“ I remain indebted to you and your organization for the help and support you provided to me at a time that I had nowhere else to turn. ”

“ The most useful was the empathy and understanding shown, instead of judgment. The effort to find options to help me was remarkable. ”

“ The counsellors were fantastic and understood my situation. Advice provided by them has given me the confidence to make an informative decision to my financial affairs. ”

## Community Loans

“ I'd like to thank you for even considering me for this loan. Most every organization I've ever dealt with have discriminated against me for one reason or another, but you guys have been very up front and kind all along the way so I'm very grateful to you. ”

“ I am so grateful for all you have done to help me overcome these barriers. ”

“ I have finalized my loan. I want to thank you for your support guidance and empathy through this process I don't think I would be where I am today without your assistance. ”

## Consumer Law

“ Dear Consumer Law Centre staff, I am overwhelmed by your generosity and help. Thank you all for everything. Kind deeds change lives and make me believe in justice once more. ”

“ I think you saved my sanity and life, seriously! I can't thank you enough. I am just so grateful and feel of thanks are not enough, but here I go, thanks again ”

“ Thank you soooooo much for getting me to this wonderful conclusion. I was bracing myself for the worst. I acknowledge and appreciate all the time and effort you have both put into this. I am greatly humbled” (feedback for the Care Consumer Lawyer and Care Financial Counsellor working together).” ”

**Care Incorporated**

ABN: 45 037 269 595

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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Statement of comprehensive income	38
Statement of financial position	39
Notes to and forming part of the financial statements	41

# CARE INCORPORATED

## REPORT OF THE COMMITTEE

### Statement by Committee

The names of each person who held a position as a member of the Committee during the year ended 30 June 2021 or at the date of this statement were:

Andrew Freer	Chairperson
Michael Miller	Secretary
Philippa Prothero	Treasurer
Nick Seddon	
Susan Helyar	
Christian Mikula	
Duncan Buchanan	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal Activities

The principal activities of the Association during the financial year were to inform, support, empower and advocate on behalf of low to moderate income people with financial and related problems and work to ensure they were treated fairly and with dignity as consumers.

### Significant Changes

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


### Operating Result

The surplus of the Association for the year ended 30 June 2021 amounted to \$434,765 (2020: surplus of \$341,248)

In the opinion of the Committee, the financial report is drawn up so as to give a true and fair view of the performance of the Association for the year ended 30 June 2021 and the financial position of the Association as at that date. The financial report of the Association is made out in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission Act 2012* and the requirements of the *Associations Incorporation Act 1991* of the Australian Capital Territory.

In the opinion of the Committee, the Association will be able to pay its debts as and when they fall due.

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

  
ANDREW GRANT FREER, CARE BOARD CHAIR  
Committee Member

  
Committee Member

Dated this 27TH day of AUGUST 2021.

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARE INCORPORATED

## **Report on the Financial Report**

I have audited the accompanying financial report of Care Incorporated (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

## **Committee's Responsibility for the Financial Report**

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Associations Incorporation Act 1991 of the Australian Capital Territory, the Australian Charities and Not-for- profits Commission Act 2012 and the constitution of the Association and for such internal control as the Board members 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**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 management, as well as evaluating the overall presentation of the financial report.

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

## **Independence**

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

## Auditor's Opinion

In our opinion, the financial report of Care Incorporated is in accordance with the Associations Incorporation Act 1991 of the Australian Capital Territory and the Australian Charities and Not-forprofits Commission Act 2012, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the financial reporting requirements of the Australian Charities and Not-for-profits Regulation 2013.



David Perceval  
Fellow Chartered Accountant  
ICAA Member #45109

18th August 2021  
Canberra, ACT



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from ordinary activities	2	3,151,918	2,467,597
Expenditure			
Depreciation expenses		(29,578)	(25,988)
Employee benefits		(2,336,162)	(1,820,185)
Occupancy costs		(102,717)	(102,658)
Other administrative expenses		<u>(248,696)</u>	<u>(177,578)</u>
Total Expenses		<u>(2,717,153)</u>	<u>(2,126,349)</u>
Current year (deficit) / surplus before income tax		<u>434,765</u>	<u>341,248</u>
<b>Total comprehensive income for the year</b>		<b><u>434,765</u></b>	<b><u>341,248</u></b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,730,022	1,292,669
Trade and other receivables	4	196,131	227,533
Other Current Assets	5	<u>14,299</u>	<u>18,282</u>
<b>TOTAL CURRENT ASSETS</b>		<b><u>1,940,452</u></b>	<b><u>1,538,484</u></b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	<u>68,864</u>	<u>96,266</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>68,864</u></b>	<b><u>96,266</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,009,316</u></b>	<b><u>1,634,750</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	7	207,805	276,318
Provisions	8	<u>182,683</u>	<u>174,368</u>
<b>TOTAL LIABILITIES</b>		<b><u>390,488</u></b>	<b><u>450,686</u></b>
<b>NET ASSETS</b>		<b><u>1,618,828</u></b>	<b><u>1,184,064</u></b>
<b>EQUITY</b>			
Retained earnings	9	<u>1,618,828</u>	<u>1,184,064</u>
<b>TOTAL EQUITY</b>		<b><u>1,618,828</u></b>	<b><u>1,184,064</u></b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from grants and other		3,091,929	2,463,997
Interest received		1,060	3,600
Payments to suppliers and employees		(2,703,459)	(2,037,867)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>389,530</b>	<b>429,730</b>
<b>Increase in Investing Activities</b>			
Purchase of plant and equipment		(2,177)	(-)
<b>Net cash outflow from investing activities</b>		<b>(2,177)</b>	<b>(-)</b>
<b>Increase in Financing Activities</b>			
Proceeds from Borrowings – Service One Loan		50,000	(-)
<b>Net cash outflow from financing activities</b>		<b>50,000</b>	<b>(-)</b>
<b>Net increase from cash or cash equivalents</b>		<b>437,353</b>	<b>429,730</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,292,669</b>	<b>862,939</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>1,730,022</b>	<b>1,292,669</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Associations Incorporation Act 1991 of the ACT and the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial report of the Association was authorised for issue on the date of signing of the attached Committee's Report by the committee members.

### Accounting Policies

#### (a) Income Tax

The Association is exempt from Income Tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

#### (b) Cash and Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, at banks and on deposit.

#### (c) Revenue

##### Government funding

Government operational grants and funded projects are brought to account as income in the year received or receivable to the extent of expenditure during the year on the purpose of the grant. Grant monies which have been received or are receivable but have not been expended at balance date, including interest thereon where required under the terms of the grant, are carried forward as unexpended grants (unearned revenue – current liability).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## Fees for Services

Revenue from the rendering of services including services provided under ACT Government service purchase contracts is recognised upon the delivery of the service to the customer. Where amounts have been received in respect of ACT Government service purchase contracts, but the outputs and/or quantitative performance indicators have not been fully achieved, an amount equivalent to services unperformed at balance date is recognised as unearned revenue (liability).

## Other income

All other sources of income are brought to account as income when the related goods or services have been provided and the income earned. All revenue is stated net of the amount of goods and services tax (GST).

## (d) Plant and Equipment

Plant and equipment are carried at cost, less where applicable accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

## Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Furniture and Equipment	11.25% - 20%
Leasehold Improvements	10%

## (e) Employee Benefits

### Short-term employee benefits

Provision is made for the Association's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### Other long-term employee benefits

The Association classifies employees' long service leave and annual leave entitlements as other longterm employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Association's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

The Association's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

### Retirement benefit obligations

All employees of the Association receive defined contribution superannuation entitlements, for which the Association pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Association's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Association's statement of financial position.

### **(f) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## **(g) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight-line basis over their estimated useful lives, where it is likely that the Association will obtain ownership of the asset, or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the year in which they are incurred.

## **(h) Impairment**

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any 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. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

## **(i) Comparative Information**

The classification of comparative figures has been changed where the change improves the understandability of the financial information.

## **(j) Critical accounting estimates and judgements**

The Committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

## **(k) Key estimates – impairment**

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2021.

## **(l) Financial Instruments**

### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### NOTE 2: REVENUE

	2021 \$	2020 \$
<b>Revenue</b>		
Operating activities		
Services rendered:		
- ACT Government operational funding	1,751,454	1,285,169
- Commonwealth Government funded projects	972,490	690,306
- Commonwealth Government Cash Flow	50,000	-
- Project income	231,880	394,527
	<u>3,005,824</u>	<u>2,370,082</u>
Non-operating activities		
Relationships Australia	115,000	-
Commonwealth Government Cash Flow Boost - COVID-19	-	50,000
Interest	1,060	3,600
Donations	10,034	23,995
Other income	20,000	20,000
	<u>146,093</u>	<u>97,595</u>
<b>Total Revenue</b>	<u><u>3,151,918</u></u>	<u><u>2,467,597</u></u>

### Notes:

1. ACT Government funded projects includes an amount of \$250,909 which is COVID-19 related and was expensed in the 2021/21 financial year.
2. DSS funding COVID-19 was \$365,682 of which \$161,612 was not expended but rolled over to the 2021/22 year.
3. Donations includes \$10,000 to be used in the Assistance Beyond Crisis (ABC) Program.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
CARE general cheque account	135,363	30,975
CARE flexi account	1,323,789	952,500
CARE cash reserve account	22,444	22,437
NILS cash management account	-	1,688
NILS cheque account	19,279	16,519
Service One corporate	338	-
Service One high interest	113,719	138,120
Service One loan repayment	958	2,033
Service One TLC	10,614	20,526
Service One Energy Subsidies	4,824	-
FaHCSIA cash reserve	16,941	16,935
Term Deposits	81,503	81,229
Petty Cash	250	250
<b>Total Cash</b>	<b><u>1,730,022</u></b>	<b><u>1,292,669</u></b>
<b>NOTE 4: RECEIVABLES</b>		
CURRENT		
Trade Debtors	-	-
Loan Debtors	200,828	235,203
Less allowance for impairment of debtors	(4,697)	(7,670)
Other debtors	-	-
<b>Total Other Assets</b>	<b><u>196,131</u></b>	<b><u>227,533</u></b>
<b>NOTE 5: OTHER ASSETS</b>		
CURRENT		
Prepayment	14,299	18,282
<b>Total Other Assets</b>	<b><u>14,299</u></b>	<b><u>18,282</u></b>
<b>NOTE 6: PLANT AND EQUIPMENT</b>		
Furniture and Equipment at Cost	184,267	182,090
Less accumulated depreciation	<u>(163,614)</u>	<u>(151,469)</u>
	20,653	30,621
Leasehold improvements at Cost	203,381	203,381
Less accumulated depreciation	<u>(155,171)</u>	<u>(145,844)</u>
	48,210	57,537
Remote Work Assets	-	8,108
<b>Total plant and equipment</b>	<b><u>68,864</u></b>	<b><u>96,266</u></b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
<b>NOTE 7: PAYABLES</b>		
CURRENT		
Trade creditors and accruals	14,799	17,197
Income in Advance	31,824	82,303
PAYG payable	70,949	60,602
NAB Overdraft	1,145	68,483
Service One Loan	50,000	-
Net GST Payable	39,088	47,733
<b>Total Payables</b>	<b>207,805</b>	<b>276,318</b>

**Notes:**

1. Income in Advance includes an amount of \$4,824 which is managed on behalf of the ACT Government as part of their Energy Minimisation Project and is offset against the NILS loans, dependant on the energy efficient white goods bought by Care Incorporated clients.

**NOTE 8: PROVISIONS - CURRENT**

Annual Leave	158,653	130,678
Long Service Leave	24,030	43,690
<b>Total Provisions</b>	<b>182,683</b>	<b>174,368</b>

**NOTE 9: RETAINED SURPLUS**

Operating Surplus	434,765	341,248
Closing Retained Surplus 30 June	1,184,063	842,815
<b>Retained Surplus 30 June</b>	<b>1,618,828</b>	<b>1,184,063</b>

**NOTE 10: RELATED PARTY TRANSACTIONS**

As at balance date the Association had no known related party transactions. The committee at any time during the financial year was:

Andrew Freer     Chairperson  
 Michael Miller     Secretary  
 Philipa Prothero     Treasurer  
 Nick Seddon  
 Susan Helyar  
 Christian Mikula  
 Duncan Buchanan

No committee member received any remuneration for acting as a Committee Member during the year. The Centre's Director and staff representatives appointed to the Committee in accordance with the Constitution are however remunerated for their employment by the Association.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTE 11: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year to the date of this report that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

## NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at balance date the Association has no known contingent liabilities or contingent assets. The Association pays a very low professional indemnity insurance premium for the Consumer Law Centre's operations by being a part of a joint scheme through the National Association of Community Legal Centres. One of the trade-offs for the extremely cost-effective policy is that there is a \$10,000 excess per claim.

## NOTE 13: COMMITMENTS

CARE has a rental agreement for additional office space for 3 years (ceasing 30 November 2021). These are not capitalised in the financial statements

	<b>2021</b>	<b>2020</b>
Payables		
not later than 1 year	32,290	75,575
later than 1 year but less than 5 years	-	31,250
<b>Total Commitments</b>	<b>32,290</b>	<b>106,825</b>

## NOTE 14: ECONOMIC DEPENDENCY

The continued operation of the Association is reliant on the current and future financial support provided by the ACT Community Services Directorate; ACT Justice and Community Safety Directorate; and the Commonwealth Department of Social Services.

The current funding agreement periods as at 30 June 2021 are:

ACT Financial Counselling Service

1 July 2019 - 30 June 2021: ACT Community Services Directorate

No Interest Loan Program -Community Development Program

1 July 2019 - 30 June 2021: ACT Community Services Directorate

Commonwealth Financial Counselling and Financial Capability and National Debt Helpline

1 July 2019- 30 June 2023: Department of Social Services

Financial Counselling for Problem Gambling

1 July 2020 - 30 June 2021: Department of Social Services

1 July 2020 – 30 June 2021 Relationships Australia

Energy Support Program

1 July 2019-30 June 2021: ActewAGL

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTE 15: COMMITMENTS RECEIVABLE

	2021	2020
Income Commitments Receivable (net of GST)		
not later than 1 year	2,478,478	2,917,526
later than 1 year but less than 5 years	730,500	1,174,726
<b>Total Commitments</b>	<b>3,208,978</b>	<b>4,092,252</b>

Commitments receivable have been derived from the grant contracts signed by the Association with Relationships Australia, Access Canberra, Commonwealth Department of Social Services, the ACT Justice and Community Safety Directorate and the ACT Community Services Directorate. The amounts receivable are also subject to an uplift factor that reflects a CPI increase and the Association is notified of the relevant increase by way of a contract variation on an annual basis. The amounts reflected in the current financial statements are based on the most recent contract variations.

Commitments Receivable - Not later than 1 year includes \$224,000 specifically for COVID-19.

## NOTE 16: RENT RECEIVED FREE OF CHARGE

The organisation receives its Consumer Law Centre office in Akuna Street free of charge. This is not reflected in the financial statements, as the organisation has not undertaken a valuation of the premises it receives as rent free.

## NOTE 17: ASSOCIATION DETAILS

The Association operates solely within the Australian Capital Territory and surrounding NSW to support low income members of the community. The Association is incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991* (Association No. A01128).

The registered office and principal place of business of the Association is:

Shop 16, 1st Floor  
Waldorf Apartments  
2 Akuna Street, Canberra City ACT

## NOTE 18: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Association.