

FINANCIAL
COUNSELLING
FOUNDATION

**Annual
Report**
2022-23



Contents

| | |
|---|----|
| From the Chair | 3 |
| From the CEO | 4 |
| About the Foundation | 5 |
| The Need for Financial Counselling | 6 |
| Foundation Grants 2022-23 | 7 |
| Grant Impacts | 11 |
| Organisational Structure and Governance | 16 |
| Financial Reports | 18 |



From the Chair

Since it was established in December 2017, the Foundation has committed around \$16.1 million in grants to the financial counselling sector, helping to bridge the significant gap between need for financial counselling services and government funding.

In 2022-23 the Foundation committed \$3.1 million to new grants. Most of this investment has been directed to one of the Foundation's priority areas: women impacted by domestic violence.

A further \$2.1 million has been earmarked to fund financial counselling for people in the prison system. Financial instability is a key factor in people re-offending and returning to prison, imposing costs on themselves, their families and the wider community.

These new commitments were enabled by a one-off charitable contribution of \$7.75 million from a coalition of companies from the banking, finance, insurance, telecommunications, energy and online gambling sectors. The companies recognise and value the work that financial counsellors undertake for their customers and the community and the Board thanks them for the one-off contribution that will make a positive difference to so many people's lives.

Several industries and companies have since committed to make voluntary contributions to a new independent body being established as part of the Federal Government's work on an industry funding model for financial counselling. The new funding body is expected to be operating in 2024. The contributions will be in addition to existing funding from Federal, State and Territory governments and will allow many more people to get the financial counselling support they need.

The Financial Counselling Foundation's own funding is likely to reduce in coming years as the Community Benefit Payments which arose from ASIC Enforceable Undertakings due to corporate misconduct, as well as donations from financial services providers stop. The Board hopes that those industries and companies that have not yet committed to contribute funding to the new independent body will do so. The companies benefit when their customers are referred to financial counsellors and get back on track financially.

Thank you to all of the generous individuals who through their donations to the Foundation support people in our community struggling financially. A majority of Australians rated cost of living pressures their number one issue in 2022-23 and a rapid succession of interest rate rises has put many people repaying loans under severe strain. These pressures point to the ongoing need for financial counselling.

The Board also thanks the Foundation's CEO and the support team for their invaluable work over the past year.

A handwritten signature in dark ink, appearing to read 'George Brouwer', written in a cursive style.

George Brouwer
Chair



From the CEO

It has been an exciting year and my privilege to manage \$3.1 million in new grants to ensure financial counselling services are available to more people who need them.

Following social impact evaluation of grants to fund specialist financial counselling for women who have experienced Family and Domestic Violence (FDV), the initial three year funding agreement with seven agencies around Australia was extended for two years to June 2025. Social impact evaluation was also undertaken for the Foundation's financial counselling grants to tenancy support agencies to help vulnerable private renters struggling financially. Details about findings of impact evaluations are on page 11 of this Report.

Ongoing funding of specialist FDV financial counselling would not have been possible without the significant one-off voluntary donation from the banking, finance, insurance, telecommunications, energy and online gambling sectors.

This donation has also enabled an Expression of Interest process (under way at time of writing) to allocate funding for financial counselling services for people in prisons as recommended in the research report *Fostering Financial Stability for People in Prison* released in November 2022. The Foundation commissioned the Report from Thriving Communities Partnership in late 2019. It provides insights and recommendations to inform better practice policies to support people in prison.

In 2020 the Foundation funded employment of a financial counsellor for Mob Strong Debt Help, an established national telephone service providing legal advice and assistance to First Nations people. This year a grant was provided to fund an additional Indigenous financial counsellor position with Mob Strong Debt Help to meet the significant increase in demand experienced since the collapse of the Youpla (formerly Aboriginal Community Benefit Funds) funeral insurance funds. The free-call service has improved access to financial counselling, particularly in under-served areas and has averaged over 200 calls per month.

To support the wellbeing of financial counsellors who deal daily with people under stress, an employee assistance program (EAP) for the financial counselling sector was funded for three years. The service prioritises support for small financial counselling agencies that do not have an EAP service. Our thanks to ANZ for funding the grant during the COVID-19 pandemic.

My warmest thanks to the Foundation's Board for their support over the past year. During this first year it has also been a pleasure to meet and talk with many of those in organisations who are funded to provide specialist financial counselling nationally.

Jennifer Stokes
CEO



About the Foundation

The Financial Counselling Foundation is a charitable trust established in December 2017 to increase access to free and independent financial counselling for people with money and debt problems. This was in response to chronic underfunding of financial counselling relative to demand.

The Foundation achieves its purpose by making grants to fund:

- ◆ Financial counselling positions where a gap exists in government funding and there is a strong demonstrated need
- ◆ Professional development and support for financial counsellors to build capacity and help ensure ongoing access for those in need of financial counselling and
- ◆ Research into ways to improve access to financial counselling, for example, systemic barriers and innovative approaches.

The [Foundation's Operating Principles](#) are available on the website.



The Need for Financial Counselling

In 2022-23 the jobs market was strong with the unemployment rate at record lows but living costs rose at the fastest rate for over 30 years. Prices rose across the board: food, petrol, rents, power bills, insurance premiums and the size of loan repayments. To rein in price inflation, the Reserve Bank raised interest rates 12 times from May 2022 to June 2023. As a result, mortgage repayments increased significantly with the biggest increases for people coming off low fixed rate loans. Higher interest rates have made other types of loans and credit harder to repay as well. At the same time, a severe shortage of rental properties has driven rents to levels unaffordable for many of the 30 percent of people who rent privately.

By February 2023, more than half of Australians reported just being able to make ends meet or worse. Almost half of people said they faced challenges with missing meals, paying bills and addressing health needs¹. Most also reported taking some action to deal with their situation which would in some cases have included seeing a financial counsellor.

These conditions drove a 20 percent jump in the number of calls to the National Debt Helpline in 2022-23 compared with the previous year. People need free and independent financial counselling when they cannot make ends meet, find themselves unable to repay debts and in some cases at risk of homelessness.

The intersection of cost-of-living increases with circumstances such as experiencing domestic and family violence, being unable to find an affordable place to rent, or experiencing collapse of a small business have driven the need for financial counselling. To assist clients to more effectively navigate complex situations, financial counsellors have had to become more specialised in their knowledge. Clients are stressed and often traumatised when they see a financial counsellor. Client feedback and impact studies (such as those reported on in this Report) show the positive effects of financial counselling in improving both people's financial situation and their mental state.

Looking ahead, cost of living pressures are expected to take some time to abate. Interest rates are expected to stay high into 2024 and lead to some rise in unemployment. The severe shortage of affordable rental properties and housing in general is a longer-term problem with actions over many years needed to address it. A well-funded financial counselling sector is needed to support Australians facing difficult circumstances to regain financial stability for their wellbeing, as well as that of their families and the community.

¹Melbourne Institute: Applied Economic and Social Research, Taking the Pulse of the Nation Survey, May 2023



Foundation Grants 2022-23

**More than \$3 million
was committed for
grants in 2022-23.**

Details about individual grants are on the following pages.

Indigenous Help Line

December 2022

A grant of \$195,000 to Financial Rights Legal Centre NSW (FRLC) has provided an additional indigenous financial counsellor position with the Mob Strong Debt Help Service. This was in response to the significant increase in demand for the service experienced since the collapse of the funeral insurance company ACBF/Youpla.

FRLC runs Mob Strong Debt Help Line, an established national telephone service that provides legal advice and financial counselling to First Nations people. The addition of a second financial counsellor to this service will improve access to financial counselling services in under-served areas. The service also provides a culturally safe space for First Nations financial counsellors located nationally to get support.

Financial Counsellor Wellbeing

April 2023

A grant of \$35,100 was made to Financial Counselling Australia (FCA) on behalf of the State and Territory financial counselling associations to engage a not-for-profit employee assistance program (EAP) provider to support the wellbeing of financial counsellors across Australia over three years. Financial counselling agencies that are small and do not have an EAP service are the priority.

Financial counsellors respond to clients experiencing trauma due to financial stress and are themselves subject to stress and at risk of vicarious trauma. The opportunities for financial counsellors to connect and receive support varies greatly depending on their circumstances.

Financial Abuse Video Legal Agreements

April 2023

A grant of \$7040 to the University of Sydney funded legal contractual agreements for First Nations persons participating in a video about financial abuse. The funding also supported the launch of the video that will be distributed to places such as Centrelink offices and Indigenous Medical Services or used in workshops run by financial counsellors

Extension of Family Violence Grants

May 2023

A total of \$2,050,400 in grants will extend funding of family violence financial counselling within seven women's community legal centres and community agencies for an additional two years until June 2025. The funding includes a family violence Community of Practice for financial counsellors working in this space.

The agencies are: Justice Support Centre NSW, CARE ACT, Women's Legal Service Western Australia, Women's Legal Service Queensland, Women's Legal Service Tasmania, Central Australia Women's Legal Service and Jacaranda Community Centre. These services will continue to provide financial counselling to women who have experienced or are at risk of economic abuse and have highly complex financial and other needs due to family violence.

The decision to extend the funding was underpinned by the findings of the Social Impact Evaluation of the Family Violence Financial Counselling program 2020-23 (see Grant Impacts section for details) and the performance of the agencies over the initial three years. During this period the seven agencies assisted 3,500 clients of which over half were single mothers, 18% were Aboriginal and Torres Strait Islanders and economic abuse was evident in many of the cases.

Social Impact Evaluation of financial counselling in remote Indigenous communities

May 2023

The Foundation committed \$107,445 to Jumbunna Institute for Indigenous Education and Research University of Technology Sydney, to provide a social impact evaluation of the Foundation's financial counselling service to remote indigenous communities in the Pilbara and Kimberley regions of Western Australia. The services are provided by Bush Money Mob and the communities have previously had very little assistance from financial counsellors.

The purpose of the Social Impact Evaluation is to assess effectiveness of the financial counselling service and the outcomes for clients, and how to build on success and better understand the challenges. The outcome will provide insight into the delivery of financial counselling to remote indigenous communities and the effectiveness from the communities' perspective. A final evaluation report is due March 2024.

Financial Counselling in remote indigenous communities

June 2023

A grant of \$91,500 was provided to Earth Garden Foundation to fund Bush Money Mob to continue to travel via their vehicle to extremely remote Indigenous communities in Fitzroy Valley, East Pilbara Desert and Gibb River Road to provide financial counselling. This grant builds on the original grant of \$608,000 awarded in 2021 to establish the service.

These communities have either very limited access or no access to face-to-face financial counselling due to their remoteness and the impact of severe weather conditions. Face-to-face delivery is important as it builds trust and makes the service more effective. Communication is challenging in very remote communities and many processes that are key to resolving debt and money issues take longer.

Bridging grants for financial counselling trainees

June 2023

A bridging grant of \$537,952 will fund the continuation of five trainee financial counselling positions in WA for a year. The Western Australian state financial counselling association identified and supported a proposal to fund the trainee financial counsellors.

The organisations funded are Finucare (trading as Money Mentors), Moneycare Salvation Army, St Vincent's de Paul Society and Jacaranda Community Centre (with two First Nations trainees).

The funding will enable the trainees to complete their financial counselling training and become qualified financial counsellors.



Grant Impacts

The Foundation and the community organisations it works with recognise the importance of evaluating the impacts of funded financial counselling services on clients. Evaluation assists our shared understanding of the effectiveness of funding decisions, approaches that are working well and where there could be improvement.

Two social impact evaluations were completed in 2022-2023. In both grant programs, specialist financial counsellors were introduced to provide more holistic, wrap-around client services.

Financial counselling services offered alongside legal and social services to women who have experienced domestic and family violence were evaluated by the University of NSW Social Impact Centre. Financial counselling services offered alongside legal services to people living in private rental properties who have struggled to pay their rent and in some cases been at risk of homelessness were evaluated by ARTD Consultants. Summaries of the evaluations are available on the Foundation's website.

What did the social impact evaluations find?

The positive impacts of financial counselling on clients are well understood and were evidenced in both evaluations, with limits or barriers to assisting some clients also identified. For the agencies, it was the first time they could offer financial counselling alongside legal services (and in some cases a social worker) and common themes and findings emerged.

Findings about client impacts and agency impacts are outlined on the next two pages.



Client Impacts

Key findings about clients:

- ◆ A more holistic wrap-around model allowed agencies to provide a better service. Clients in crisis may only find the strength to call an agency once, and not follow through with advice or referrals. Clients in both evaluations noted that they appreciated internal referrals which helped reduce the stress that comes from having to retell their story.
- ◆ Improved financial situation and wellbeing for most clients.
- ◆ People felt empowered through understanding their financial situations and knowing about options and supports available to them.
- ◆ For tenancy services the post-intervention survey indicated that for 53% of clients, their housing situation was more secure.
- ◆ For Domestic and Family Violence services women were able to prioritise safety and break harmful cycles.
- ◆ Neither service could resolve all issues for all clients with barriers including: housing affordability, tenancy issues, pressures of being a sole parent and cost of living increases.

“

[My worker] has changed my life and the difference honestly to my life and my children's life has kept us safe and off the streets. Without the help of [this service] I would have been homeless, but worse I may have gone back to my extremely dangerous situation just to keep a roof over our head. She has always been respectful, never judged me or made me feel like I had done something wrong

Client, FDV Service

“

It has helped [me with] Energy Accounts Payment Assistance loans for electricity and gas.... I could do it again [now that the financial counsellor has helped me]

Client, Tenant Service

“

We have a lot of things under one roof, and this is very beneficial, especially when clients are very traumatised. They have, in our office, possibly four people to talk to. Imagine if they had to run to four offices?

Financial counsellor, FDV Service



Agency Impacts

- ◆ Sharing of professional knowledge between financial counsellors and lawyers is useful to both and improves capacity for problem solving.
- ◆ Service providers feel empowered to assist with more issues.
- ◆ Risks can be managed. Embedding a financial counsellor was identified as a potential risk as financial counsellors do not have the same legal privilege as lawyers regarding confidential information clients share with them and could be subpoenaed to provide evidence which might be detrimental to clients. Financial counsellors need to save documents to advocate for clients and do their job well. Organisations mostly viewed this to be low risk and allowed the financial counsellor to save documents. To support collaboration, services established protocols to support different professions to work together in a legal service context; these related to ensuring client confidentiality, having client documents subpoenaed and having files reviewed.
- ◆ Integration models that worked successfully:
 - ◆ embedded the financial counsellor within their team - this educated the team and reduced the counsellors' feelings of isolation,
 - ◆ educated staff through both formal and informal means to build awareness,
 - ◆ provided extra support to the financial counsellor by ensuring they had someone to debrief with and encouraging them to connect with their broader professional network.

“

Five years ago, we weren't doing all these matters. Now we are. I find that quite empowering that we are assisting these women. I don't know whether they would've ever got assistance, but we are doing that. We're filling a gap. They come to our service for a legal matter, but we're actually assisting them with other matters. I really like that.

Manager, FDV Service

“

It's time and expertise. It's expertise that we don't have, as practitioners. It's expertise that I would say most of the other referrals, workers that we refer to, wouldn't have and it's time. We're funded to be a short, sharp intervention and we wouldn't have time to do budgeting or any of those things with clients.

Domestic violence worker, FDV Service

“

The most mentioned way to improve specialist financial counselling related to continuity, with women stating: “Keep it going”.

UNSW Impact Evaluation p.32



Case Studies

The case studies below bring to life the integrated service examined by the social impact evaluations.

Case Study

Tenants Service

Amy* is an independent woman who has supported herself her whole life. After allegedly being unfairly dismissed from her job, Amy returned to Victoria and after some time moved in with her aged dad to care for him. Their landlord claimed they were in rental arrears and asked them to move out. Amy contacted the tenancy service which gave her clear, well-structured advice.

When financial pressures became too much, Amy again contacted the tenant service by phone and was referred to the financial counsellor. Having a financial counsellor within the service simplified the process for Amy and reduced the stress associated with seeking help. Amy stated that she would not have accessed financial counselling without it.

Amy passed the eviction notice she had received onto the financial counsellor, who then consulted a lawyer within the tenant service on three separate occasions. The financial counsellor also referred to the Tenancy Advocacy Assistance service, who provided support in working through this period. Eventually, a positive outcome was reached.

Amy's financial difficulties stemmed largely from job loss. The financial counsellor was able to secure the waiving of two debts. Amy feels more autonomy and confidence in handling her financial situation. She found the financial counsellor to be clear and his advice was well-structured and easy to understand and interpret, which allowed her to recall his advice when she required it.

This has allowed Amy to function once again as an independent woman on a day-to-day basis. Improved well-being has manifested in her new approach to life: she is once again willing to put herself forward because she is confident; she can advocate for herself due to the support she has received. Her experience has been so positive she would have no hesitation in referring others to the organisation.

*Name changed to protect privacy.



Case Study

Women's Legal Service

Twenty-one-year-old First Nations woman Tessa* contacted the Central Australian Women's Legal Service (CAWLS) in Alice Springs as she had used up all her funds in short-stay apartments while she and her three-year-old were escaping domestic violence. Tessa's former partner and father of their child had regularly breached Domestic Violence Orders taken out against him and inflicted injuries on Tessa that led to hospitalisations.

During her initial appointment at CAWLS, Tessa received a call to say that she had been accepted for supported youth housing, which was a huge relief to her. Tessa's partner had destroyed her ID documents. The CAWLS financial counsellor assisted Tessa to apply for replacement ID documents and to change the passwords on all her accounts. She also assisted Tessa to apply for a domestic violence payment from Centrelink and an Escaping Violence Payment, which she could use to buy basic household furnishings as well as other things she needed to set up house. An NT Concessions application was submitted for Tessa and she was linked in with relevant support services.

To enable access to government services online, Tessa was assisted to download the MyGov app and shown how to use it. Tessa had little experience in managing household finances on her own, so the financial counsellor created a budget which included an account for emergencies. To help manage living expenses, Centrepay was set up to make regular deductions for household rent and utilities.

Tessa was very appreciative of the assistance provided and has the option to re-engage with CAWLS' Financial Counsellor if she requires further assistance in the future.

*Name changed to protect privacy.

Organisational Structure and Governance

The Financial Counselling Foundation is a public ancillary fund and donations are tax deductible. The trustee for the Foundation is a company limited by guarantee, Financial Counselling Foundation Ltd. The sole purpose of the company is to act as the trustee of the charitable trust called the Financial Counselling Foundation (the public ancillary fund).

The directors of Financial Counselling Foundation Ltd are:



George Brouwer

George Brouwer has over forty years' experience working in Federal and State public service in Australia and abroad and serving on boards including as chair. He has extensive experience at executive and chief executive level in public policy, strategic development, change management, law and governance. He is a former Head of the Victorian Department of the Premier and Cabinet and was Victorian State Ombudsman for ten years until 2014, including a number of years as Head of Victoria's Office of Police Integrity.

George holds a Bachelor of Arts (Hons) and a Bachelor of Laws from the University of Melbourne, a Master of Laws from the Australian National University, is a graduate of the National School of Administration (Paris) and a barrister (non-practising) in the Supreme Court of NSW and the ACT and the High Court of Australia.



Carolyn Bond

Carolyn Bond AO has worked in consumer policy and advocacy roles for over 40 years, mainly within the financial counselling and community legal services sector. She is a past co-CEO of Consumer Action Law Centre and currently facilitates the work of the Economic Abuse Reference Group (EARG), an informal network of over 20 community organisations which influences industry responses to the financial impact of domestic and family violence.



Greg Tanzer

Greg Tanzer is a consultant and company director specialising in financial services. He is currently a consultant with Promontory Australia, a Division of IBM Consulting, providing independent assurance and advice to Australian banks on financial services compliance and risk governance. Greg is also a Director of Financial Counselling Australia and the Astana Financial Services Authority (Kazakhstan).

Most of Greg's full-time career was in senior executive roles at the Australian Securities and Investments Commission, culminating in a term as Commissioner from 2012 to 2016. From 2008 to 2012 he served as Secretary-General of the International Organisation of Securities Commissions, the global organisation with membership of the securities regulatory agencies and stock exchanges of over 95 percent of the world's securities markets.

Greg holds a Bachelor of Economics and Bachelor of Laws (Honours) degree from the Australian National University.



Betty Weule

Dr Betty Weule AM has been a financial counsellor for over 40 years. Betty was made a Member of the Order of Australia in 2016 for significant service to social welfare, through the development of financial counselling services in NSW. She was the founder of the first financial counselling services in NSW in 1976. Betty was a Telstra Business Woman of the Year award recipient and received the NSW Government's Lifetime Achievement Award for Consumer Advocacy.

Betty holds a PhD in Law with a thesis on consumer bankruptcy and is the author of numerous books and articles.



Financial Reports

Contents

| | |
|---|----|
| Trustees' Declaration | 19 |
| Statement of Comprehensive Income | 20 |
| Statement of Financial Position | 21 |
| Statement of Changes In Equity | 22 |
| Statement of Cash Flows and Notes to the Statement of Cash Flows | 23 |
| Notes to the Financial Statements | 24 |
| Independent Auditor's Report | 26 |

FINANCIAL COUNSELLING FOUNDATION
ABN 85 195 456 873
TRUSTEES' DECLARATION

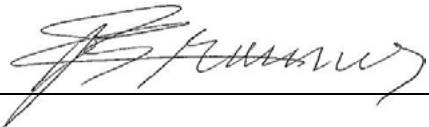
In the opinion of the Board of Directors of the trustee company, Financial Counselling Foundation Ltd, the financial report as set out on pages 2 to 7, satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:

- 1 a. comply with Australian Accounting Standards applicable to the association; and
 b. give a true and fair view of the financial position of the Financial Counselling Foundation as at 30 June 2023 and its performance for the year ended on that date.

- 2 At the date of this statement, there are reasonable grounds to believe that the Financial Counselling Foundation will be able to pay its debts as and when they fall due.

This declaration is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Trustee



Dated this

17th day of October 2023

FINANCIAL COUNSELLING FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 \$ | 2022 \$ |
|---|------------------|--------------------|
| INCOME | 9,024,116 | 924,830 |
| Donations Received | 1,176,622 | 917,531 |
| Donations Received from Industry | 7,749,800 | - |
| Interest Received | 97,694 | 7,299 |
| EXPENDITURE | 2,462,632 | 2,226,747 |
| Administrative Expenses | 63,763 | 54,730 |
| Employee Benefit Expenses | 59,805 | 58,488 |
| Grant Payments | 2,339,064 | 2,113,529 |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | 6,561,484 | (1,301,917) |
| Other comprehensive income for the year | - | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTES TO THE FOUNDATION | 6,561,484 | (1,301,917) |

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

FINANCIAL COUNSELLING FOUNDATION

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 \$ | 2022 \$ |
|----------------------------------|-------------------|------------------|
| CURRENT ASSETS | | |
| Cash at bank | 1,756,402 | 488,243 |
| Cash on term deposits | 8,484,865 | 4,660,810 |
| Cash on hand | 100 | 100 |
| Accounts receivables | 1,426,031 | - |
| Interest receivable | 41,003 | 715 |
| Other receivables | - | - |
| GST refundable | 2,656 | 3,896 |
| TOTAL CURRENT ASSETS | 11,711,057 | 5,153,764 |
| TOTAL ASSETS | 11,711,057 | 5,153,764 |
| CURRENT LIABILITIES | | |
| Accounts payable | 13,464 | 14,269 |
| PAYGW payable | 2,004 | 1,944 |
| Sundry payables | 2,427 | 3,621 |
| Provision for annual leave | 3,711 | 5,963 |
| TOTAL CURRENT LIABILITIES | 21,606 | 25,797 |
| TOTAL LIABILITIES | 21,606 | 25,797 |
| NET ASSETS | 11,689,451 | 5,127,967 |
| EQUITY | | |
| Settled sum | 100 | 100 |
| Accumulated funds | 11,689,351 | 5,127,867 |
| TOTAL MEMBERS' FUNDS | 11,689,451 | 5,127,967 |

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

FINANCIAL COUNSELLING FOUNDATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

| | SETTLED SUM \$ | ACCUMULATED FUNDS \$ | TOTAL \$ |
|--|----------------------|----------------------------|-------------------|
| Balance as at 1 July 2021 | 100 | 6,429,784 | 6,429,884 |
| Surplus/(Deficit) attributable to the Foundation | - | (1,301,917) | (1,301,917) |
| Balance as at 30 June 2022 | 100 | 5,127,867 | 5,127,967 |
| Surplus/(Deficit) attributable to the Foundation | - | (6,561,484) | (6,561,484) |
| Balance as at 30 June 2023 | 100 | 11,689,351 | 11,689,451 |

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

FINANCIAL COUNSELLING FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|-------------|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and donors | | 7,461,343 | 920,914 |
| Payments to suppliers and community partners | | (2,466,823) | (2,228,246) |
| Interest received | | 97,694 | 7,299 |
| Net cash generated from/(used in) operating activities | (i) | 5,092,214 | (1,300,033) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net increase/(decrease) in cash held | | 5,092,214 | (1,300,033) |
| Cash and cash equivalents at beginning of financial year | | 5,149,153 | 6,449,186 |
| Cash and cash equivalents at end of financial year | (ii) | 10,241,367 | 5,149,153 |

Note (i). Net cash generated from/(used in) operating activities

| | | | |
|--|--|------------------|--------------------|
| Surplus attributable to the Foundation | | 6,561,484 | (1,301,917) |
| Increase in accounts and GST receivables | | (1,465,079) | 2,291 |
| Increase in other receivables | | - | 1,092 |
| Increase in accounts and other payables | | (4,191) | (1,499) |
| | | 5,092,214 | (1,300,033) |

Note (ii) Cash and cash equivalents at end of financial year

| | | | |
|-----------------------|--|-------------------|------------------|
| Cash on hand | | 100 | 100 |
| Cash on term deposits | | 8,484,865 | 4,660,810 |
| Cash in bank | | 1,756,402 | 488,243 |
| | | 10,241,367 | 5,149,153 |

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Note 1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated. The entity is a not-for-profit entity.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the company in the preparation of the general purpose financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

a. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

b. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

c. Income Tax

The Foundation is a not for profit organisation and as such is exempt from paying income tax.

d. Trustees

The Foundation was established as a charitable foundation by Financial Counselling Australia Limited (the Founder).

The trustees are as follows:

Mr George Brouwer **Chairperson**

Ms Carolyn Bond AO

Mr Greg Tanzer

Ms Betty Weule AM

Ms Rita Battaglin **Secretary**

FINANCIAL COUNSELLING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 2. Financial Instruments

Financial Risk Management Policies:

The entity's financial instruments consist mainly of deposits with banks, local money market instruments and short term investments.

The trustee's overall risk management strategy seeks to assist the company in meeting its financial target, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the trustees on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finances for the trust's operations.

The trust does not have any derivative instruments at 30 June 2023.

Interest rate risk

The Trust does not have any material interest rate risk exposure, which is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates.

Credit risk

The Trust does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Trust.

Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are comparable to the amounts disclosed in the financial statements.

Note 3. Related Party Transactions

Financial Counselling Australia Limited ("FCA") is the ultimate holding company of Financial Counselling Foundation Limited, the trustee of the Financial Counselling Foundation ("the Foundation"). FCA has no influence over the Foundation and does not have the authority to affect day-to-day operations.

30 June 2023

| | |
|-----------------------------|----------|
| Secretariat Fee paid to FCA | \$48,000 |
|-----------------------------|----------|

Over the 2022-2023 financial year, the Foundation paid the following grants to FCA:

| | |
|---|-----------------|
| Annual fee for an Employee Assistance Program for Financial Counsellors | \$26,000 |
| Prison Research Grant auspiced to Thriving Communities Partnership | \$12,675 |
| | <hr/> |
| | \$38,675 |

30 June 2022

| | |
|-----------------------------|----------|
| Secretariat Fee paid to FCA | \$48,000 |
|-----------------------------|----------|

Over the 2021-2022 financial year, the Foundation paid the following grants to FCA:

| | |
|---|-----------------|
| Annual fee for an Employee Assistance Program for Financial Counsellors | \$25,000 |
| First Nations Outreach Grant auspiced to HK Training and Consultancy | \$10,000 |
| First Nations Outreach Grant auspiced to CQ Financial Counselling Association | \$10,000 |
| Prison Research Grant auspiced to Thriving Communities Partnership | \$40,000 |
| | <hr/> |
| | \$85,000 |



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

FINANCIAL COUNSELLING FOUNDATION
ABN 85 195 456 873
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Financial Counselling Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Trustees.

In my opinion, the accompanying financial report of Financial Counselling Foundation is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2023 and of its performance and cash flows for the year ended on 30 June 2023; and
- ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Foundation in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Trustees of the Foundation would be on the same terms if given to the Trustees as at the time of this auditor's report.

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

Responsibilities of the Trustees for the Financial Report

The Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

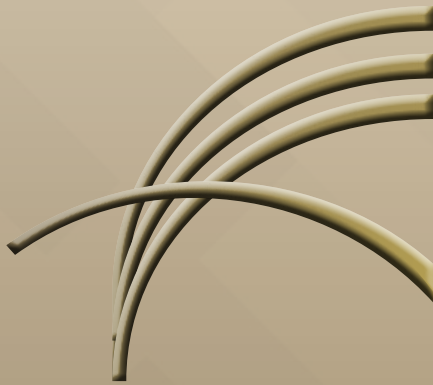
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 17th day of October 2023



FINANCIAL
COUNSELLING
FOUNDATION