



FINANCIAL  
COUNSELLING  
FOUNDATION



**Annual Report 2021-22**



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## From the Chair

After long periods of lockdowns during the COVID-19 pandemic, Australia transitioned to 'living with COVID'. Lockdowns are over, but we have been left with sharp increases in the cost of living, including higher rents, energy and fuel prices and higher interest rates that make repaying debt more challenging. As Australia has moved to more 'normal' settings without the income and other support measures that kept so many afloat financially, the Foundation has continued to direct grants to ensure some of the most vulnerable in the community have access to financial counselling.

In 2021-22 the Financial Counselling Foundation committed \$1.2 million to new grants. Detailed information is contained in this report.

Since it was established in December 2017 to address under-funding of financial counselling services, the total amount the Foundation has paid and earmarked for grants is over \$12.9 million. In some cases where new financial counselling services have been funded by the Foundation, this has led to ongoing Australian Government funding of those services. For example, Australian Government funding of \$4.5m over three years from 2021-22 to legal and support services provider knowmore for financial counselling services to people participating in the National Redress Scheme.

The Foundation experienced a reduction in funding in 2021-22 from Community Benefit Payments. Until recently, Community Benefit Payments, which arose from ASIC Enforceable Undertakings due to corporate misconduct, accounted for the vast majority of funds flowing into the Foundation. Additionally, financial services providers unable to contact customers to make remediation payments will, under new ASIC guidance, no longer direct funds of significant size to charities but to a government Unclaimed Money fund instead.

On behalf of the Board, I thank all those individuals and companies who have made donations – more than ever it is your donations that have enabled the Foundation to continue to make financial counselling services accessible to people struggling to get their lives back on track.

The funding landscape for the financial counselling sector may also change due to the expected progress of an industry funding model for financial counselling. This may see funding for financial counselling through voluntary contributions from a number of the industries whose customers benefit from financial counselling services, including banks, telcos and energy companies. A new independent body, to be established with funds included in the March 2022 Federal Budget would distribute this funding to the financial counselling sector.

After more than two years as CEO, Jane Nash decided to leave the Foundation at the end of June 2022. The Board thanks her for her leadership during the challenging times presented by the COVID-19 pandemic. The Board also welcomes Jennifer Stokes as the Foundation's new CEO. Jennifer has deep experience of the financial counselling sector through her work at Consumer Affairs Victoria where she had responsibility for designing and funding financial counselling, tenancy and consumer programs. We look forward to working with Jennifer to further improve access to financial counselling for all those who need it.

**George Brouwer**



## From the CEO

In 2021-22 the Foundation committed \$1.2 million to new grants. The largest grant has provided access to regular face-to-face financial counselling to some of Australia's most remote and underserved Indigenous communities in Western Australia's Kimberly region. Being physically hard to reach has offered no protection against mis-selling and other predatory practices but has made providing effective financial counselling extremely challenging. In addition to supporting individuals with their financial issues, the service will cast light on the systemic issues experienced in those communities. A case study later in this report provides more detail.

In Australia's largest city, Sydney, a new grant has improved access to financial counselling for people facing personal bankruptcy proceedings without legal representation in the Federal Court, and the Federal Circuit and Family Court of Australia. The service started in March 2022 and is proving helpful to people in understanding their true financial position and options. Within a few months several clients had been assisted to avoid bankruptcy.

Agencies with grants to establish in-house financial counselling services alongside legal services and in some cases, social workers have continued to integrate those services. This includes Women's Legal Services around Australia (except in Victoria which has Victorian Government funding) as well as Tenants Queensland, Tenants Victoria and VERTO in NSW. Social impact evaluations of financial counselling in those services will assist in understanding what works well and what may need refining. We are grateful to Ecstra Foundation for their contribution to the impact evaluation of specialised Domestic and Family Violence financial counselling services.

The National Indigenous Helpline financial counselling service (part of the Mob Strong Debt Helpline run by the Financial Rights Legal Centre) funded last year is up and running. Its profile with Indigenous communities was lifted in the second half of the year by the financial collapse of funeral insurance company Youpla (formerly Aboriginal Community Benefit Fund) leaving thousands of low-income Indigenous people with nothing. The financial counsellor played an important role advocating for compensation for those who lost their money. The Australian Government has since announced it would honour benefits for people whose policies were active at 1 April 2020, with this assistance available until 30 November 2023.

To support the wellbeing of financial counsellors around Australia, a second grant was made in 2021-22 for training webinars and to continue an Employee Assistance Program introduced last year in response to COVID-19 related pressures. Our thanks to ANZ for funding the grant.

Thriving Communities Partnership completed the Fostering Financial Stability for People in Prison Project. This is a research project aimed at uncovering the key factors in an effective approach to providing financial counselling to people in prison given the link between debt, incarceration and recidivism rates. The Foundation will consider 'next steps' in the period ahead.

My warmest thanks to the Foundation's Board for their support over the past two years and to my colleagues for their hard work – it is always a team effort. My best wishes to those in the community organisations I have been privileged to work with and who direct their passion and energy to enabling people in vulnerable circumstances to improve their lives.

  
**Jane Nash**

## 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

People need assistance from financial counsellors when they are unable to cover daily living expenses or repay debts. In the first half of 2021-22, millions of people were impacted by lengthy lockdowns to contain COVID-19 outbreaks in NSW, Victoria and the ACT. Government income support measures were significant in helping to keep people afloat financially. For example, the COVID-19 Disaster Payment to people who lost work due to lockdown restrictions were introduced in June 2021 and by December 2021, \$12.9 billion in Disaster Payments had been made to more than 2.3 million people.

In the second half of 2021-22, Australia transitioned to 'living with COVID'. International and State borders reopened and employment grew strongly. By June 2022 Australia's unemployment rate had fallen to 3.5 per cent. This was very good news for the majority, though the underemployment rate was 6.1 per cent, meaning not everyone was able to secure the work hours and income they needed.

While lockdowns ended, cost of living increases driven by government stimulus, supply chain problems and higher global fuel prices put people under financial pressure. After years of hovering at 1-2 percent, the Consumer Price Index increased by over 6 percent in the year to June 2022. Almost everything went up from fuel and energy prices to food and rent. This made it really tough for people who live on lower incomes to make ends meet financially. Cost of living pressures were one of the main reasons clients sought financial counselling advice and inflation is expected rise further over 2022, potentially peaking at around 8 percent by the end of the year.

Interest rate rises designed to bring inflation under control have increased the size of loan repayments, including for mortgages. Mortgage arrears have also driven people to seek financial counselling. With many people having taken on large loans when rates were at historic lows there will likely be more to come.

COVID-19 related supply chain disruptions combined with fixed price contracts led to high profile collapses in the construction industry. Family and Domestic Violence increased. Forty-two percent of women who had experienced violence before the pandemic reported an increase in frequency or severity and many experienced violence from their partner for the first time. Financial counsellors have assisted many clients dealing with these issues. On top of this, natural disasters such as repeated flooding along Australia's East Coast also drove demand for financial counselling.

In an environment of continuing inflationary pressures, rising interest rates and natural disasters that have become more frequent and severe due to climate change, free and independent financial counselling advice will be needed to support vulnerable Australians to get their lives back on track.



## Foundation Grants 2021-22

**More than \$1 million  
was committed for  
grants in 2021-22.**

Details about individual grants are on the following pages.

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## **Financial Counsellor Wellbeing**

### **September 2021**

A grant of \$25,000 was made to Financial Counselling Australia (FCA) on behalf of the State and Territory financial counselling associations, to engage not-for-profit employee assistance provider, Access EAP to support the wellbeing of financial counsellors across Australia. Financial counsellors respond to clients experiencing trauma due to financial stress and are themselves subject to stress and at risk of vicarious trauma. In addition, many financial counsellors had to work from home due to COVID-19, so were without the in-person social interaction and peer support that their usual workplaces would provide. The opportunities for financial counsellors to connect and receive support vary greatly depending on their circumstances. Access EAP provides an additional support for the wellbeing of financial counsellors during a time of increased stress.

Funding for the grant came from a donation from ANZ Banking Group.

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## **Financial Counselling in Remote Indigenous Communities**

### **November 2021**

A grant of \$658,000 was made to the Earth Garden Foundation to fund financial counselling in 12 remote Indigenous communities in the Pilbara region in Western Australia. Working with local Ranger groups, the financial counselling service will be delivered face-to-face by Broome-based Bush Money Mob for two and a half years from March 2022.

The area to be covered takes in parts of the Gibb River area, Fitzroy River Valley and the Great Sandy Desert. Communities that will be visited have either very limited access or no access to face-to-face financial counselling due to their very remote locations. 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 key to resolving debt and money issues take longer.

Part of the funding will be used to evaluate the social impacts of the financial counselling service.

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## **Self-represented Debtors**

### **March 2022**

A grant of \$234,000 over three years to the Financial Rights Legal Centre will fund financial counselling three days a week for people facing bankruptcy proceedings without legal representation in the Federal Court, and in the Federal Circuit and Family Court of Australia in Sydney. The financial counselling service will assist self-represented debtors to understand bankruptcy proceedings so they are better able to determine their rights and make good decisions in presenting their cases.

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## **Domestic and Family Violence Financial Counsellor Grant for Micah Projects**

### **June 2022**

A grant of \$260,000 to Micah Projects will fund financial counselling to clients of the Brisbane Domestic Violence Service. The grant will enable the service to women who have experienced DFV to continue for another two years once current funding ends on 30 June 2022. Two years will also allow Micah Projects time to find another source of funding.

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## **Social Impact Evaluation Domestic and Family Violence Financial Counsellor Grants**

### **June 2022**

A grant of \$72,273 to the Social Policy Research Centre at the University of NSW will fund a social impact evaluation of the specialist Domestic and Family Violence financial counselling services established in five agencies (four of which provide legal services) around Australia with grants from the Financial Counselling Foundation. The evaluation will assess the impacts of the financial counselling service on clients' financial stability and wellbeing, whether clients benefitted from working with other professionals such as lawyers within the service and the impacts on the organisation of including financial counselling services.

Funding comprises a \$60,000 grant from the Ecstra Foundation and \$12,273 from the Financial Counselling Foundation.

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## **Social Impact Evaluation Financial Counselling for Vulnerable Private Tenants**

### **June 2022**

A grant of \$64,500 will fund a social impact evaluation of the financial counselling services established in Tenants Victoria, Tenants Queensland and VERTO with grants from the Financial Counselling Foundation.



## Grant Impacts

Improved financial wellbeing gives people hope and a more positive outlook on life. This benefits the individuals, those around them and ultimately the communities in which they live.

The case studies that follow show how the community organisations with Foundation funded financial counselling services have made a difference in their clients' lives. (In the case of Catholic Care Wilcannia-Forbes, the grant was used to help cover the costs of the financial counselling outreach service.)

A link exists between a person's financial wellbeing and their overall wellbeing, including their mental and physical health, social connection and satisfaction with their lives.

Supporting and enabling people to navigate adverse circumstances effectively and get their lives back on track often requires professionals with a range of expertise: lawyers, social workers and financial counsellors working together. Social impact evaluations due to be completed in 2023 will provide detailed assessments of financial counselling services offered alongside legal and social services to women who have experienced family and domestic violence and to people living in private rental properties who have struggled to pay their rent and in some cases been at risk of homelessness.

## Case Study

# Keeping a roof over the family

## Tenants Victoria

Doreen\*, her partner and two children had been living in their private rental property for seven years. She and her partner lost employment due to COVID-19 impacts and fell behind on their rent payments.

Doreen received a Notice to Vacate the property which alleged rent arrears of close to \$7,000. The landlord then lodged an application for a Possession Order at the Magistrate's Court. Doreen sought legal representation from a Tenants Victoria solicitor at the Court hearing. During this time, Doreen and her partner had obtained full-time employment and wished to enter a payment arrangement for the rental arrears and were referred to the financial counsellor.

The in-house financial counsellor assessed the family's financial situation and determined they had capacity to pay an additional \$400 a month towards the rental arrears while meeting regular rent payments and other living expenses. To make the additional payments sustainably, the financial counsellor assisted Doreen to reduce payments on utilities debts that arose following the employment loss.

At the Court hearing, the application for a Possession Order was struck out due to the landlord failing to provide sufficient evidence of rental arrears. It was important for Doreen to maintain regular rent and rent arrears payments and the financial counsellor continued to provide short-term support to Doreen to manage the family finances effectively.

When the financial counsellor contacted Doreen three months later, the family was still living in the same property and had been able to maintain the payment plan. They were looking for a new rental property due to the rental provider not having undertaken repairs. Looking for a new property had become possible as they were up to date with their rent.

**“ The financial counsellor assisted Doreen to reduce repayments on utilities debts following the employment loss.”**

## Case Study

# Getting on track to financial wellbeing

## Women's Legal Service Queensland (WLSQ)

Maria\* contacted WLSQ through their Helpline. She disclosed domestic violence, financial and emotional abuse by her former husband, both during their marriage and afterwards. Since their separation over ten years ago, Maria had received no financial contribution from her former husband to support their two children or herself as their full-time carer. She had struggled emotionally and financially over many years, using credit to pay for basic needs, unable to buy Christmas and birthday presents or pay for family holidays.

The Helpline referred Maria to the WLSQ Social Work Team as she was very distressed. The Social Work Team provided much needed emotional support and attended an appointment with one of the WLSQ's solicitors with Maria. The solicitor provided some basic legal advice and identified that Maria's distress was related to her financial circumstances and debt. The Social Work Team then referred Maria to the Financial Abuse Prevention Unit to see the financial counsellor.



*Financial Counsellor Daniela*

The financial counsellor contacted creditors to explain Maria's circumstances and provide documents. Debt waivers of just over \$11,000 across five creditors were granted, leaving two manageable \$25 fortnightly payment arrangements. After all expenses, Maria's budget showed a fortnightly surplus of \$75 and she should soon be debt free.

Maria said: "I was unable to repay both the interest and the principle. Even though this was not a large amount, without this assistance I knew I was going to be in lifelong debt. One of the long-term effects of living with a controlling partner is that the compliant partner is conditioned to slowly lose self-confidence along with their executive functioning skills. It was reassuring to know all the service professionals I needed were available within the one organisation."

**"Due to the support I received I feel confident that if I am following the financial guidance provided, I will become and remain debt free."**

**Maria**  
financial counselling client

## Case Study

# Getting on track to financial wellbeing

## Bush Money Mob (Grant to Earth Garden Foundation)

Bush Money Mob's staff, Alan Gray - an experienced financial counsellor - and Judith Gray, completed a challenging outreach trip to remote Aboriginal communities in the Western Australia's East Pilbara. To reach the communities they travelled the Gary Highway, which runs through the Gibson Desert and the great Sandy Desert and the Talawanna Track which runs from the Gary Highway to Newman in the Pilbara on the edge of the Western Desert. These are rough desert tracks that required up to 14 hours per day of driving in second gear, at 20 kilometres an hour in a high range 4WD.

At two Martu-language communities, 16 new financial counselling cases were identified, including cases involving mis-selling to Aboriginal people by Telstra. Mis-selling by Telstra has been the subject of a Federal Court case in May 2021 that resulted in an Undertaking by Telstra, including a fine of \$50 million. Bush Money Mob expects to deliver refunds and remediation to any people affected by mis-selling as they have for people in Pandanus Park.

Pandanus Park is a small community in the Kimberley where more than 20 of the 30 adults received remediation from Telstra, in some cases of many thousands of dollars. The cases included times when Telstra had applied adverse credit listings after wrongfully selling phone contracts to vulnerable residents. Bad credit ratings prevented people from being able to get a small loan to buy basic items such as a fridge or a secondhand car so they could drive 50 km to the nearest supermarket.

At the most remote of the communities the financial counsellor sat in the red dirt with women who had financial counselling matters that needed attention (see photo).



*Alan Gray from Bush Money Mob taking case notes with a lady from Parngurr in the Western Desert*

## Case Study

# A gradual turnaround

## Catholic Care Wilcannia-Forbes

On an outreach visit to a small town more than 1,000 kilometres west of Sydney, the financial counsellor met Kent\*. Kent was receiving ongoing treatment for mental health issues and lived alone on a Disability Support Pension. Kent had been targeted by a predatory lender and sold an unsuitable \$6000 bed which he was unable to afford. He had unpaid fines that put his driving licence at risk of suspension and although he was paying his rent, was behind with his electricity bills and had only \$70 a fortnight for food after other expenses. Kent often went days without eating, was frail, depressed, anxious and had attempted to take his own life.

The financial counsellor worked with Kent over 12 months. The unsuitable bed loan was disputed and cancelled. Kent completed a Work and Development Order to pay off his fines. A No Interest Loan was obtained to allow the car to be serviced and the registration renewed. A debt waiver for part of the electricity bill and a smaller ongoing repayment amount have allowed ongoing bills to be paid.

Kent was interested in doing catalogue distribution work but needed a cart and suitable shoes. Catholic Care covered the cost of the shoes and following a call to the NDIS, the cost of a cart was covered. Kent has been doing catalogue distribution for several months. He has \$300 a fortnight to cover food.

**“ Today Kent is fitter, has put on weight, is happy and says he feels the best he has in years ”**

Financial counsellor

## 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 (Chair) is a former Victorian State Ombudsman.

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Carolyn Bond AO is a consumer advocate and former co-CEO of the Consumer Action Law Centre.

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Greg Tanzer was most recently a Commissioner at the Australian Securities and Investments Commission. Greg is also a board member of Financial Counselling Australia.

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Dr Betty Weule AM is a well known financial counsellor and founder of the first financial counselling service in NSW.

# Financial Reports

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FINANCIAL COUNSELLING FOUNDATION  
ABN 85 195 456 873  
TRUSTEES' DECLARATION

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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 2022 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 George Browner

Dated this 18th day of October 2022

# FINANCIAL COUNSELLING FOUNDATION

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>CURRENT ASSETS</b>		
Cash at bank	488,243	394,810
Cash on term deposits	4,660,810	6,054,276
Cash on hand	100	100
Accounts receivables	-	-
Interest receivable	715	1,185
Other receivables	-	1,092
GST refundable	3,896	5,717
<b>TOTAL CURRENT ASSETS</b>	<b>5,153,764</b>	<b>6,457,180</b>
<b>TOTAL ASSETS</b>	<b>5,153,764</b>	<b>6,457,180</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	14,269	13,702
PAYGW payable	1,944	5,628
Sundry payables	3,621	1,910
Provision for annual leave	5,963	6,056
<b>TOTAL CURRENT LIABILITIES</b>	<b>25,797</b>	<b>27,296</b>
<b>TOTAL LIABILITIES</b>	<b>25,797</b>	<b>27,296</b>
<b>NET ASSETS</b>	<b>5,127,967</b>	<b>6,429,884</b>
<b>EQUITY</b>		
Settled sum	100	100
Accumulated funds	5,127,867	6,429,784
<b>TOTAL MEMBERS' FUNDS</b>	<b>5,127,967</b>	<b>6,429,884</b>

*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 2022

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	SETTLED SUM \$	ACCUMULATED FUNDS \$	TOTAL \$
Balance as at 1 July 2020	100	9,843,210	9,843,310
Surplus/(Deficit) attributable to the Foundation	-	(3,413,426)	(3,413,426)
<b>Balance as at 30 June 2021</b>	<b>100</b>	<b>6,429,784</b>	<b>6,429,884</b>
Surplus/(Deficit) attributable to the Foundation	-	(1,301,917)	(1,301,917)
<b>Balance as at 30 June 2022</b>	<b>100</b>	<b>5,127,867</b>	<b>5,127,967</b>

*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 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and donors		920,914	308,468
Payments to suppliers and community partners		(2,228,246)	(3,778,331)
Interest received		7,299	29,896
<b>Net cash generated from/(used in) operating activities</b>	<b>(i)</b>	<b>(1,300,033)</b>	<b>(3,439,967)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Settled sum received		-	-
<b>Net cash (used in)/provided by investing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held		(1,300,033)	(3,439,967)
Cash and cash equivalents at beginning of financial year		6,449,186	9,889,153
<b>Cash and cash equivalents at end of financial year</b>	<b>(ii)</b>	<b>5,149,153</b>	<b>6,449,186</b>
<b>Note (i). Net cash generated from/(used in) operating activities</b>			
Surplus attributable to the Foundation		(1,301,917)	(3,413,426)
Increase in accounts and GST receivables		2,291	8,754
Increase in other receivables		1,092	(908)
Increase in accounts and other payables		(1,499)	(34,387)
		<b>(1,300,033)</b>	<b>(3,439,967)</b>
<b>Note (ii) Cash and cash equivalents at end of financial year</b>			
Cash on hand		100	100
Cash on term deposits		4,660,810	6,054,276
Cash in bank		488,243	394,810
		<b>5,149,153</b>	<b>6,449,186</b>

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**

### 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 2022.

#### *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.

#### **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/>
	<b>\$85,000</b>

#### **Over the 2020-2021 financial year, the Foundation paid the following grants to FCA:**

Contribution towards the operation of the National Debt Helpline	\$100,000
Annual fee for an Employee Assistance Program for Financial Counsellors	\$19,580
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	\$67,000
	<hr/>
	<b>\$206,580</b>



**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 2022, 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 2022 and of its performance and cash flows for the year ended on 30 June 2022; 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:

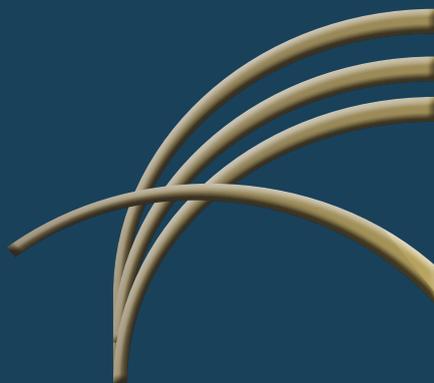
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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**  
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**FOOTSCRAY VIC 3011**

**Dated this 19th day of October 2022**



FINANCIAL  
COUNSELLING  
FOUNDATION