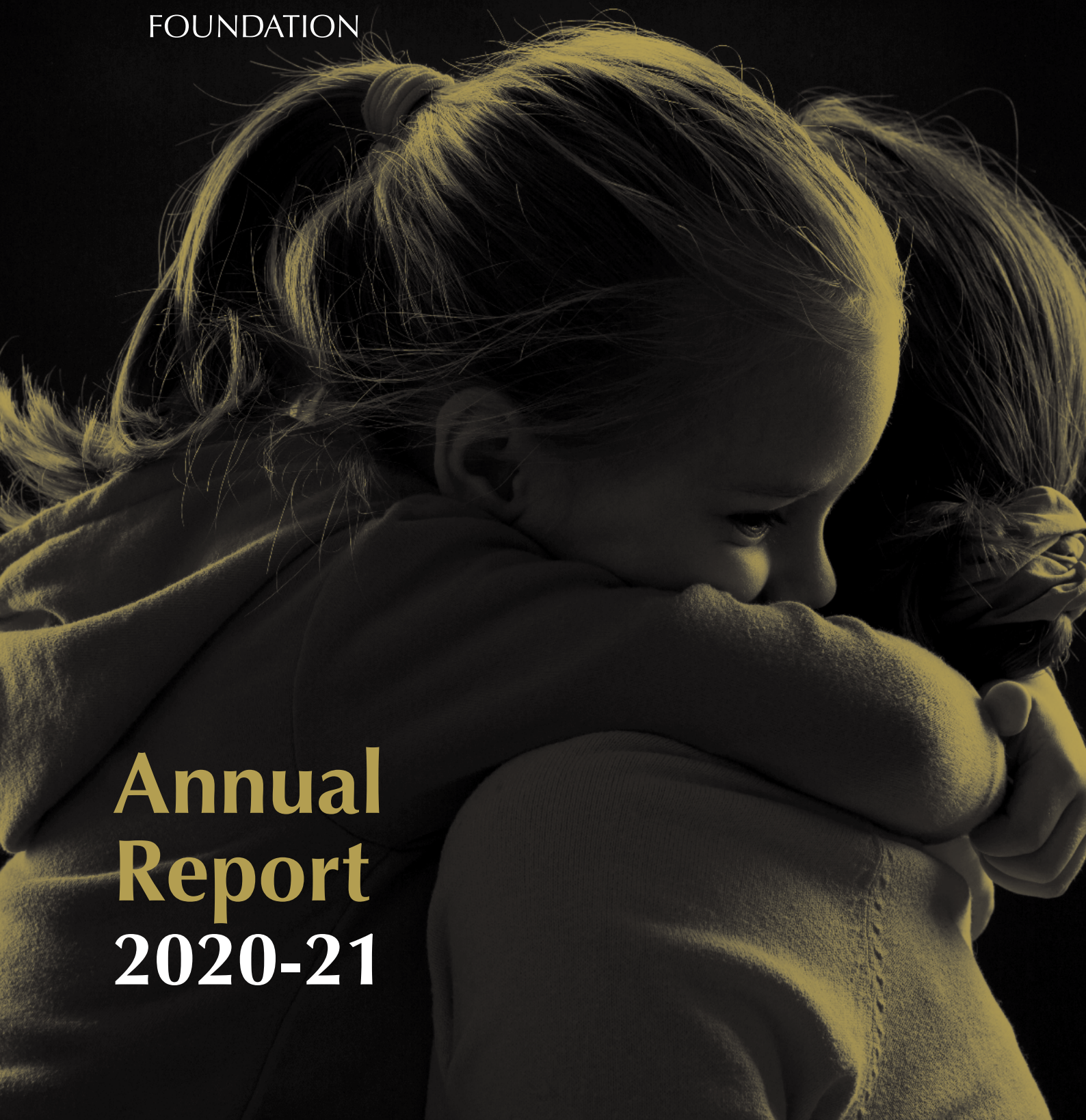




FINANCIAL
COUNSELLING
FOUNDATION

Annual Report 2020-21



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From the Chair

In 2020-21 impacts of the COVID-19 pandemic continued to shape our lives. Everyone has been affected in some way but the lives of some groups in the community have been changed much more than others. Young people, people in casual employment, people in hospitality, tourism and the arts and those running small businesses have been amongst those whose livelihoods have been most profoundly impacted.

The Foundation continued to respond to the areas of demonstrable and growing need for financial counselling services that are not funded by governments. Many people who rent privately struggled to pay their rent once temporary protections against eviction and rent increases for those impacted by COVID-19 ended. Access to financial counselling for these people will be improved by grants to agencies that provide free legal advice to tenants, enabling in-house provision of financial counselling.

In total, more than \$1.29 million was committed for grants in 2019-20, bringing the total amount the Foundation has paid and earmarked for grants since it was established in December 2017 to over \$11.69 million. Detailed information about new grants is contained in this report.

Also in this report, we document how earlier grants from the Foundation have enabled financial counselling services to be introduced successfully in areas of significant and growing need that did not have other funding. For example, knowmore Legal Service, which provides legal and financial counselling advice to survivors of institutional child sexual abuse under the National Redress Scheme used a grant from the Foundation in late 2018 to establish a specialised financial counselling service for its highly vulnerable clients. The positive impact of that financial counselling service has now been recognised and significant funding from the Australian Government will ensure it continues.

In 2020-21, funding for grants came mostly from Community Benefit Payments made as a result of ASIC Enforceable Undertakings arising from corporate misconduct. In addition, a donation from ANZ Banking Group was used to fund a grant to support financial counsellor wellbeing. On behalf of the Board, I sincerely thank all those individuals and companies who donated to the Foundation. Thanks also to the Foundation's CEO and staff for their high quality advice and professionalism.

Community Benefit Payments have been the main source of funding for the Foundation since it was established to address the funding gaps due to years of chronic under-funding of the financial counselling sector. Although ASIC has indicated it will continue to use Enforceable Undertakings as well as litigation in the courts to address corporate misconduct, whether Community Benefit Payments will be a future source of funding for the Foundation's work is highly uncertain. While the sector struggles to secure sustainable funding and gaps are evident, there remains a case for use of Community Benefit Payments to fund those gaps for the benefit of people in challenging circumstances aiming for financial stability and independence.



George Brouwer



From the CEO

In 2020-21 the Foundation worked with 46 organisations that had received grants. They have generally adapted well to the challenges and limitations presented by working through the COVID-19 pandemic. Some outreach to remote Indigenous communities by the 21 organisations with Foundation grants was delayed as bio-restrictions prevented access to those communities but will resume once it's permitted.

During 2020-21 the six Women's Legal Services and a community legal service funded to provide financial counselling services for the first time worked hard to establish the new service. Integration takes time and effort. The Central Australian Women's Legal Service performed the important role of running a Foundation-funded community of practice to support funded organisations to share experiences and knowledge about challenges and solutions. Having financial counselling in-house for women suffering the stress and trauma of domestic violence and financial abuse is an effective approach and we will see the benefits over the next few years.

Similarly, the Foundation committed over \$1 million in grants to three organisations that provide tenancy support services: Tenants Victoria, Tenants Queensland and VERTO in NSW. After just six months of having that service available the evidence is that it complements the legal services, provides better, more convenient access to financial counselling and has helped some clients at risk of homelessness avoid that outcome.

In March 2021, Thriving Communities Partnership delivered a report on the first phase of the 'Fostering Financial Stability for People in Prison' Project. The aim of the project is to understand current approaches to supporting prisoners with financial issues, including what works and to provide recommendations about approaches that could enable people to leave prison in a more financially stable position. The phase one report, available on the Foundation's website, identified five short-term interventions to improve the financial stability of people in prisons. The Project is due to be completed in 2022.

These are some of the key highlights of 2020-21. I am proud of the progress made by the organisations the Foundation has worked with over the past year, particularly given the prevailing environment. A heartfelt thank you to the Foundation's Board and my colleagues at the Foundation for all their support and hard work.


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, innovative approaches.

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




The Need for Financial Counselling

2020-21 was an unusual year for financial counselling. A raft of temporary support measures for individuals and businesses impacted by COVID-19, played a critical role in supporting millions of Australians to stay afloat financially.

The support measures, especially the short-term lift in the amount of the JobSeeker payment and the introduction of JobKeeper, led to subdued overall demand for financial counselling. The increased amount of the JobSeeker payment (previously called Newstart) meant that many people unable to find employment were able to make ends meet financially – for some living on Newstart (renamed JobSeeker) this was the first time in years.

By the end of March 2021, JobKeeper had finished and the JobSeeker amount had been stepped down substantially. Following that, calls to the financial counsellors at the National Debt Helpline (NDH) rose in the June quarter of 2021 and on average have since tracked higher than a year ago. Throughout the entire period the NDH was a trusted source of information and visits to the website were more than 20 percent higher in 2020-21 than the previous year.

From mid-2021, COVID-19 outbreaks led to lockdowns in Australia's Eastern States that lasted several months in NSW and Victoria. Premiers closed State borders and Australia's international border already closed, remained closed. New, more targeted measures were introduced by Australian and State Governments to support individuals and businesses in States that experienced lockdowns. That support has been significant. Australian Government income support ('COVID-19 Disaster Payments') to individuals who have lost work due to COVID-19 is at the time of writing around \$1 billion a week to individuals in NSW, Victoria and the ACT. There are also a range of State Government measures such as a moratorium on evictions in NSW, support for landlords who negotiate rental reductions for tenants affected by the pandemic and payments to affected small businesses. As with earlier, broader based measures, the support was designed to be temporary. Its end is to coincide with the lifting of lockdowns once target levels of Australians in a



State or Territory are fully vaccinated against COVID-19. COVID-19 Disaster Payments will reduce in the first week after the target vaccination percentage has been reached and a week after that, it will be brought into line with the JobSeeker unemployment payment.

As Australia reopens Governments are relying on jobs returning and returning quickly. Earlier in the pandemic the unemployment rate rose sharply during lockdowns and then dropped sharply afterwards as economic and social life resumed. It's good that employment has recovered much more quickly than was widely expected a year ago. At the same time, it's clear that not everyone has been able to return to work. The low unemployment rates mask the fact that a large number of people assessed that their prospects of finding a job were so poor that they left the labour market and so have not been counted as unemployed.

Everyone has been affected in some way by the COVID-19 pandemic, but the lives and livelihoods of certain groups have been more profoundly affected than others. Among the hardest hit are people who were in casual employment, many of whom are young people, those in the hospitality, tourism and arts sectors, vulnerable people living in private rental properties, women at risk of and experiencing domestic violence and people running small businesses that have struggled to survive multiple lockdowns.

Those groups will continue to face challenges as temporary support measures end and Australia moves to 'living with COVID'. Financial counsellors have an important role to play in providing free and impartial advice to people trying to recover their livelihoods and regain financial stability following the largest health and economic shock unprecedented in modern Australia.

“ Financial counsellors have an important role to play in providing free and impartial advice to people trying to recover their livelihoods and regain financial stability following the largest health and economic shock unprecedented in modern Australia.”



**More than \$1 million
was committed for
grants in 2020-21.**

Details about individual grants are on the following pages.

Zahra Foundation September 2020

A grant of \$100,000 was made to the Zahra Foundation to provide financial counselling to women impacted by Domestic Family Violence (DFV) for the next two years. The grant will supplement other funding to ensure the Zahra Foundation can continue to provide a financial counselling service. Eighty percent of the Zahra Foundation's budget is received through fundraising, but fundraising was curtailed due to the impacts of the South Australian bushfires and COVID-19.

The grant to the Zahra Foundation follows the funding in 2019-20 of 10 full-time specialist DFV financial counsellor positions around Australia for three years. The total amount in grants made for this purpose is over \$4 million. Funding for the 10 specialist DFV financial counsellor positions included donations from ANZ Banking Group and Great Southern Bank (formerly Credit Union Australia).

Financial Counsellor Wellbeing September 2020

A grant of \$19,580 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 have had to work from home due to COVID-19, so are 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.

Financial Counselling for Vulnerable Private Renters February 2021

Three grants of \$390,000 each (totalling \$1.17 million) were made to Tenants Victoria, Tenants Queensland and VERTO in New South Wales to fund in-house financial counselling services for three years. With temporary government income and rental support measures ending in December 2020 or March 2021 and sectors including tourism, hospitality and the arts severely affected and yet to recover from COVID-19 impacts, the Financial Counselling Foundation identified increased need for financial counselling services for vulnerable private renters.

Indigenous Cultural Awareness Training for Financial Counsellors June 2021

Twenty-two small grants totalling \$5,562 have been made or earmarked to financial counselling agencies around Australia for Indigenous Cultural Awareness Training by local, suitably qualified providers. Training improves Financial Counsellors' capabilities to support Indigenous clients and so improves access for those clients.



Grant Impacts

Grants from the Foundation have enabled financial counselling services to be introduced in areas of significant and growing need that did not have other funding.

The stories and case studies below show how some community organisations have used their grants from the Foundation to establish financial counselling services and the positive outcomes those organisations have achieved for their clients and their clients' families.

One organisation, knowmore, has in 2021 secured \$4.5m funding over three years from the Australian Government to continue the financial counselling service to its highly vulnerable clients. Another organisation, Bravery Trust, is funding its financial counselling service following a Foundation funded trial which demonstrated clear benefits for its clients from the Australian Defence Forces.

Bravery Trust

Financial counselling is now part of the service available through the Bravery Trust to serving and ex-serving members of the Australian Defence Force who have an injury or illness as a result of their service. This follows a trial of a financial counselling service funded by the Financial Counselling Foundation. An independent evaluation of that trial found those who received financial counselling:

- ◆ saw an immediate benefit from engaging with financial counselling and that benefit remained 3 to 6 months after the initial service
- ◆ felt less stressed and more in control of their finances after financial counselling
- ◆ felt better able to navigate their finances themselves and look for areas in their budgets where their money could work better for them.

The evaluation also found that assisting veterans ahead of the reduction in COVID-19 Government support payments enabled them to plan ahead and reduce some impending stressors.

Bravery Trust CEO Belinda Wilson said, “We’ve seen promising results, with 97% of those who received financial counselling able to sustain financial independence.”

Case Study – early withdrawal of superannuation avoided

Tom*, ex-navy, and his wife were in a precarious financial position which took a drastic turn for the worse when Tom’s wife lost her job due to the COVID-19 pandemic. When Tom and his wife contacted Bravery Trust, they had significant credit card debt, were at risk of eviction into homelessness and were both about to withdraw funds from their superannuation funds to survive.

The financial counsellor assisted them to understand their best options. They negotiated with the landlord to remain in their home, consolidated their credit card debts at a lower interest rate, achieved some utility bill waivers and developed a money plan to assist them achieve ongoing financial stability. Tom and his wife avoided having to make early withdrawal of their superannuation savings.

*Name changed to protect privacy

“ We’ve seen promising results, with 97% of those who received financial counselling able to sustain financial independence.”

Belinda Wilson
Bravery Trust CEO

knowmore

Financial counselling is now an integral part of the service offered across Australia by knowmore to survivors of institutional child sexual abuse engaging with the National Redress Scheme (NRS). The Foundation's grant enabled knowmore to build the financial counselling service and compile a persuasive body of evidence about the benefits to clients and need for ongoing funding of trauma-informed, expert, culturally safe financial counselling services.

knowmore's CEO, Warren Strange, said, "We are delighted to confirm that these needs have been recognised with the Australian Government, through the Department of Social Services, providing knowmore with total funding of \$4.5m over the next three years to provide financial counselling services to people participating in the NRS".

knowmore's Key Achievements

- ◆ Assisted 1,331 clients over two and a half years.
- ◆ Thirty nine percent of all financial counselling clients identified as Aboriginal and/or Torres Strait Islander descent (compared with 31% of knowmore clients generally).
- ◆ 39 training and community education sessions provided to more than 3,950 attendees.
- ◆ Successful 'reach' of the service nationally, despite travel limitations due to the COVID-19 pandemic, from 2020.
- ◆ Critical successes in systemic advocacy and law reform, including contributions to Joint Select Committee two-year review of the NRS, and targeted advocacy on issues such as aged care and assets testing, and social housing.
- ◆ Secured additional and ongoing funding to support the expansion and continuation of the work of the financial counselling team, beyond the life of the Financial Counselling Foundation project.

"We are delighted to confirm that these needs have been recognised with the Australian Government, through the Department of Social Services, providing knowmore with total funding of \$4.5m over the next three years to provide financial counselling services to people participating in the NRS"

Warren Strange
knowmore CEO



knowmore's financial counselling team

Case Study – managing the implications of a payment from the NRS

A client who received a maximum payment from the NRS shortly after her divorce settlement had been finalised, deposited both the proceeds of her divorce settlement plus her NRS payment to her bank account with the result that her pension was to be decreased. This is not the intended effect of redress payments.

Although Centrelink had granted her a 12-month exemption from the assets test, she was struggling to purchase a house during a COVID-19 lockdown and was feeling stressed and concerned about how she would support herself and her two disabled sons if her fortnightly income was decreased. The knowmore financial counsellor assisted her to request an extra 12-month extension on the assets test exemption. This meant the client was able to continue receiving her pension and she used the extra time to secure a new home.



Women's Legal Services

Six Women's Legal Services around Australia have now established financial counselling as part of the service they offer in-house to the mostly women who experience domestic violence. Those services join Women's Legal Services Victoria which, thanks to funding from the Victorian Government, has successfully integrated financial counselling into its service for the benefit of its clients for some years. Women in situations of domestic violence frequently suffer financial abuse which prevents them from leaving their partner, or return to violent and abusive relationships as on their own they struggle to establish financial stability and independence.

Case Study – Women's Legal Service Western Australia – recovering from financial abuse

Fiona* experienced domestic violence including financial abuse from her ex-spouse. They had a joint savings account, self-managed superannuation fund and a home loan. Her ex-spouse took out all their savings and Fiona's entire superannuation without her knowledge or consent. Fiona has been paying as much as she can on the home loan, household bills and supporting two young children on her own while her income was reduced due to COVID-19. The home loan fell into arrears.

The financial counsellor assisted Fiona to set up hardship arrangements with her bank, complete hardship relief forms for the council rates, apply for utility grants and referred her to emergency relief services. While there's still a way to go to finalise arrangements between the parties, Fiona has started a new full-time job and hopes to refinance the mortgage in her sole name.

*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 (Chair) is a former Victorian State Ombudsman.



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



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



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

Financial Statements

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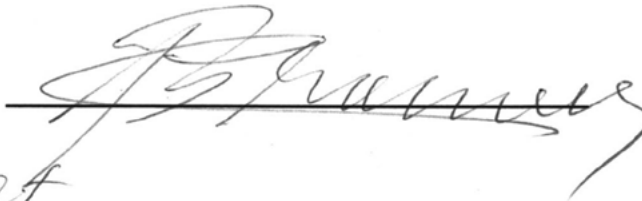
FINANCIAL COUNSELLING FOUNDATION
ABN 85 195 456 873
TRUSTEES' DECLARATION

The Board of Directors of the trustee company, Financial Counselling Foundation Ltd, declares that:

1. the financial statements and notes present fairly the Foundation's financial position as at 30 June 2021 and performance for the year ended on that date in accordance with the Australian Accounting Standards; and
2. in the trustees opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustees:

Trustee

A handwritten signature in black ink, appearing to be 'J. J. J. J.', written over a horizontal line.

Dated this

21st

day of October 2021

FINANCIAL COUNSELLING FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
INCOME	330,518	6,879,390
Donations received	50,017	1,632,921
Enforceable Undertaking Payment - Aioi Nissay Insurance Company Pty Ltd		15,000
Enforceable Undertaking Payment - Malouf Enterprises	250,605	500,000
Enforceable Undertaking Payment - Swann Insurance	-	2,141,604
Enforceable Undertaking Payment - Thorn Australia	-	2,425,140
Enforceable Undertaking Payment - Youi Insurance	-	79,553
Interest received	29,896	84,172
EXPENDITURE	3,743,944	2,108,020
Administrative Expenses	57,983	91,602
Employee Benefit Expenses	64,597	8,760
Grant Payments	3,621,364	2,007,658
Net surplus/(deficit) for the year for the year	3,413,426	4,770,370
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE FOUNDATION	3,413,426	4,770,370

The Statement of Comprehensive Income 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 2021

	2021 \$	2020 \$
CURRENT ASSETS		
Cash at bank	394,810	3,089,789
Cash on term deposits	6,054,276	6,799,264
Cash on hand	100	100
Accounts receivables	-	-
Interest receivable	1,185	8,755
Other receivables	1,092	184
GST refundable	5,717	6,901
TOTAL CURRENT ASSETS	6,457,180	9,904,993
TOTAL ASSETS	6,457,180	9,904,993
CURRENT LIABILITIES		
Accounts payable	13,702	55,019
PAYGW payable	5,628	-
Sundry payables	1,910	6,664
TOTAL CURRENT LIABILITIES	27,296	61,683
TOTAL LIABILITIES	27,296	61,683
NET ASSETS	6,429,884	9,843,310
EQUITY		
Settled sum	100	100
Accumulated funds	6,429,784	9,843,210
TOTAL MEMBERS' FUNDS	6,429,884	9,843,310

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 2021

	SETTLED SUM \$	ACCUMULATED FUNDS \$	TOTAL \$
Balance as at 1 July 2019	100	5,072,840	5,072,940
Surplus/(Deficit) attributable to the Foundation	-	4,770,370	4,770,370
Balance as at 30 June 2020	100	9,843,210	9,843,310
Surplus/(Deficit) attributable to the Foundation	-	(3,413,427)	(3,413,426)
Balance as at 30 June 2021	100	6,429,784	6,429,884

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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and donors		308,468	7,015,247
Payments to suppliers and community partners		(3,778,331)	(2,057,605)
Interest received		29,896	84,172
Net cash generated from/(used in) operating activities	(i)	(3,439,967)	5,041,814
CASH FLOWS FROM FINANCING ACTIVITIES			
Settled sum received		-	-
Net cash (used in)/provided by investing activities		-	-
Net increase/(decrease) in cash held		(3,439,967)	5,041,814
Cash and cash equivalents at beginning of financial year		9,889,154	4,847,339
Cash and cash equivalents at end of financial year	(ii)	6,449,186	9,889,153
Note (i). Net cash generated from/(used in) operating activities			
Surplus attributable to the Foundation		(3,413,426)	4,770,370
Increase in accounts and GST receivables		8,754	221,029
Increase in other receivables		(908)	-
Increase in accounts and other payables		(34,387)	50,415
		(3,439,967)	5,041,814
Note (ii) Cash and cash equivalents at end of financial year			
Cash on hand		100	100
Cash on term deposits		6,054,276	6,799,264
Cash in bank		394,810	3,089,789
		6,449,186	9,889,153

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 statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

All revenue is stated net of the amount of goods and services tax (GST). The Foundation is a not for profit organisation and as such is exempt from paying income tax. 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.

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 2021.

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 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/>
	\$206,580



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**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 2021, 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 2021 and of its performance and cash flows for the year ended on 30 June 2021; 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:

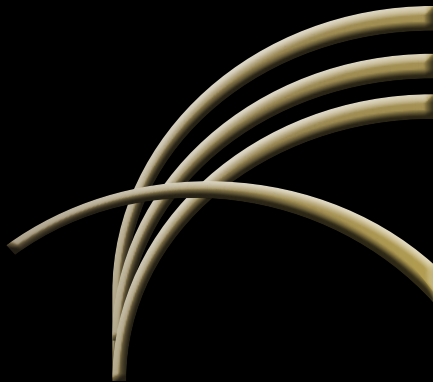
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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 21st day of October 2021



FINANCIAL
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