



FINANCIAL
COUNSELLING
FOUNDATION

ANNUAL REPORT

2018



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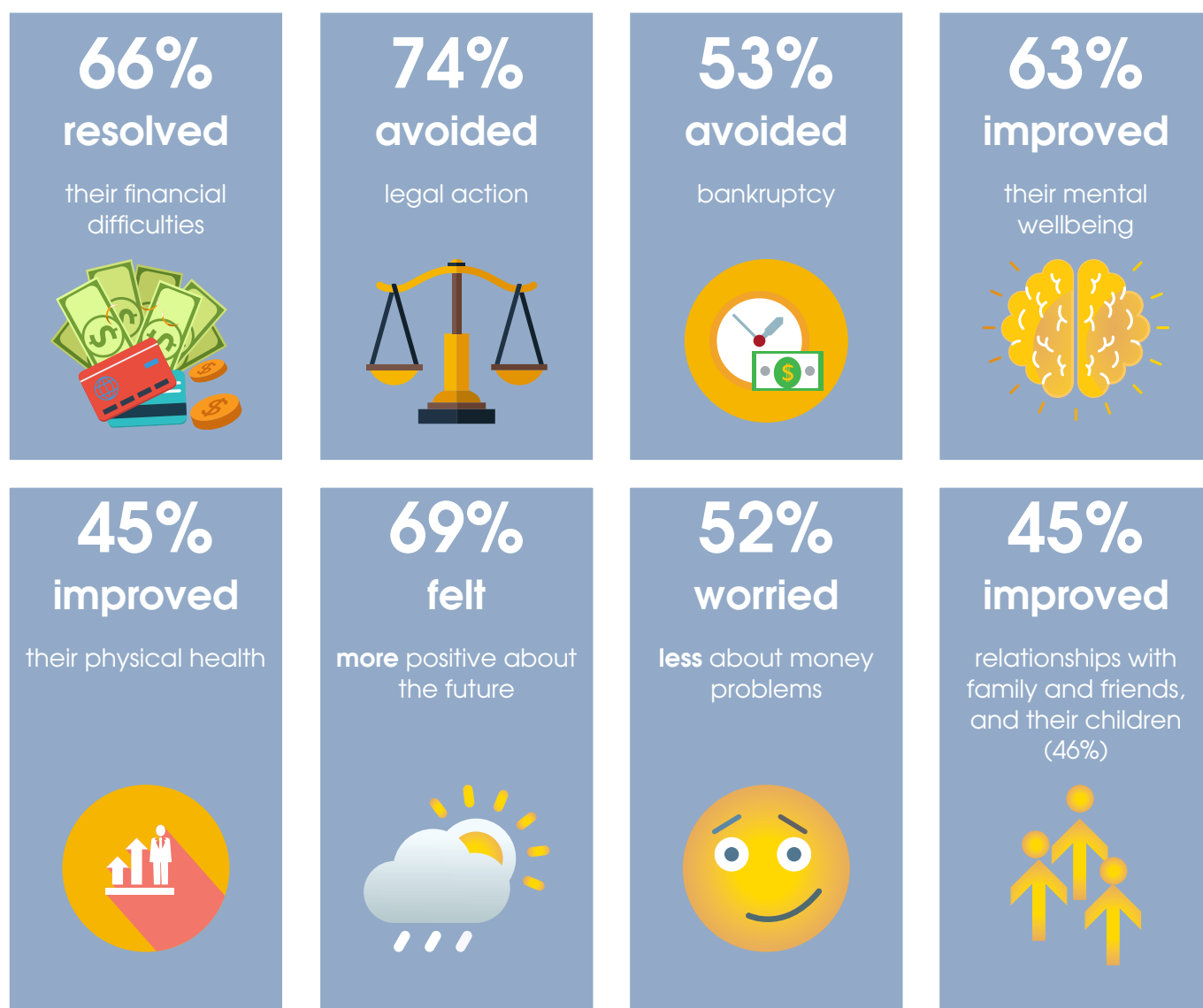
Introduction

Financial counsellors provide advice to people with money and debt issues. Working in community organisations, their services are free, confidential and independent. Financial counsellors need an in-depth knowledge of credit law, bankruptcy law, debt collection law and practices, industry hardship processes and government concession frameworks.

There are about 800 financial counsellors in Australia, and we estimate this translates into around 500 full time positions.

People can access financial counselling through either face-to-face services or by ringing the phone financial counselling service, the National Debt Helpline on 1800 007 007. We estimate that face to face financial counsellors assist around 125,000 people each year. In 2017, the National Debt Helpline received almost 170,000 calls, an increase of 12% on the previous year.

We know that financial counselling works. A survey conducted by Swinburne University of past clients of a large financial counselling agency found that:

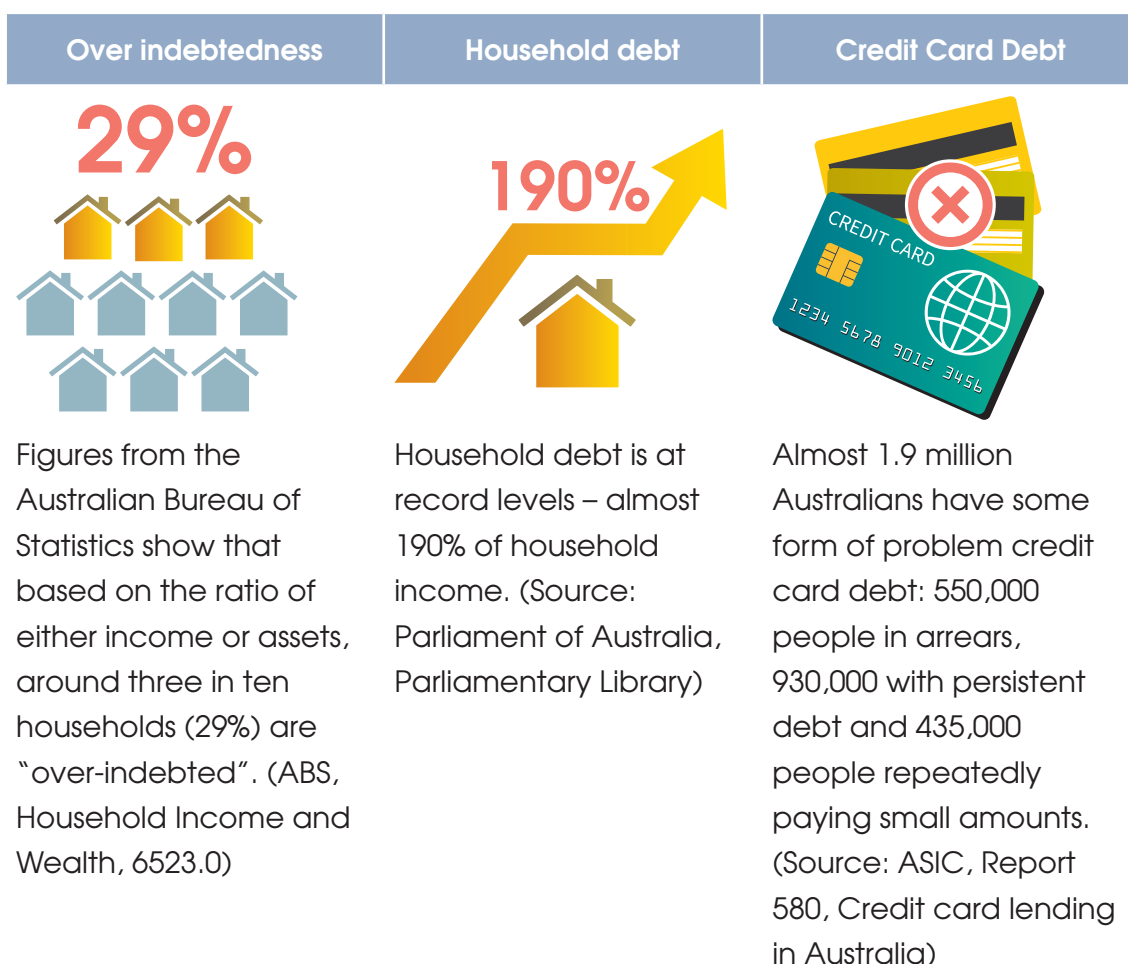


1. Overview of the Financial Counselling Foundation

Launched in December 2017, the Financial Counselling Foundation is a charitable trust set up to provide grants for financial counselling casework and to help build the capacity of the financial counselling sector, for example through training or investments in technology. The Foundation's website is www.financialcounsellingfoundation.org

2. Why we need the Financial Counselling Foundation

Demand for financial counselling is at unprecedented levels. Face to face financial counselling services have long waiting lists, while calls to the National Debt Helpline increased by 12% last year. Financial counselling is chronically underfunded. The Federal Government investment of \$20 million and State Government contributions of \$30 million is inadequate for the rising number of Australians needing help each year.



3. How the Foundation operates

Since its launch, the Foundation has received funds from donations, including from The Barefoot Investor Scott Pape and from Community Benefit Payments as part of ASIC enforceable undertakings. The Foundation has developed a set of funding principles about how it will operate which are available on the Foundation's website.

4. What has the Foundation done so far?

The Foundation is in the process of allocating most of the funds to hand. The first grants have gone to *knowmore legal service* (\$1,080,000 to be spent over two years) and to various rural financial counselling services (\$520,000 over 12 months).

Knowmore provides support and legal services to people who were victims of child sexual abuse. People who were affected are receiving compensation payments under the National Redress Scheme. The government recognised that this group of people, estimated at 60,000, would benefit from financial counselling but did not provide additional funding. This grant will allow knowmore to employ four financial counsellors.

The grant to rural financial counselling services is being shared among five rural financial counselling services in drought-affected areas. It will allow these services to provide financial counselling to small businesses in drought-affected areas. Small business currently fall through the gaps in funding.

5. Organisational Structure, Governance and Administration

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, which acts as trustee of the charitable trust, 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

All directors are unpaid. The sole member of Financial Counselling Foundation Ltd is Financial Counselling Australia (FCA).

Administration

The Foundation has minimal operating costs as administrative assistance is currently provided by Financial Counselling Australia (accounting, board support, grant management and so on). The Foundation therefore is only incurring direct costs such as those for board members to attend meetings. Costs to date are less than 0.5% of funds held. The interest on funds managed will therefore more than cover costs.

The Foundation's audited accounts are available on the [website](#).