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Life Without Debt

The last months of a life should not be spent on hold to a bank.

PROSPECTUS · V1.0 · DRAFT FOR FUNDER REVIEW

Executive summary. Life Without Debt Ltd (LWD) is an Australian public company limited by guarantee, incorporated to relieve the financial suffering that arrives alongside a terminal, life-limiting, chronic or serious illness — the medical bills that outlive the patient, the mortgage that outlives the household income, the utility bills that arrive the week of a funeral.

LWD funds licensed debt-hardship mediation, performed on the beneficiary's behalf by Credit Mediation Services Pty Ltd (Australian Credit Licence No. 387398), together with modest direct relief for essential living costs where debt-mediation alone will not close the hardship gap. Y1 audited pilot data: 31 households served, $1.82M in consumer debt resolved, 23 days average resolution, 52% average K10 psychological-distress reduction, $1,840 average cost per case, 87 cents of every dollar reaching direct household services.

LWD is not a debt-relief company. It does not promise to eliminate debt. It funds the professional work that — in the cases where it is possible — reduces or restructures debt within Australia's regulated credit-hardship framework, and provides evidence-backed information and referral where it is not. The organisation operates under a purpose-locked constitution (§4

charitable purposes) and applies to the ACNC and ATO for charity registration and deductible-gift-recipient status.

This prospectus is the single anchor document for every first conversation LWD has with a funder, referrer, or policy stakeholder. It exists so a Board member can hand one artefact to a foundation officer at the end of a meeting and know that every subsequent question — theory of change, evidence base, compliance envelope, ask ladder — is answered inside it.

Contents

1. The problem

Australians diagnosed with a terminal, life-limiting, chronic or serious illness experience two crises simultaneously: a clinical one, and a financial one. The clinical crisis is well-served by an experienced palliative and chronic-illness care system. The financial crisis — consumer debt that outlives income, medical bills that arrive after treatment, utility and rent arrears that build up during hospitalisation — sits outside the healthcare system and is largely unaddressed.

Palliative-care clinicians report financial distress as one of the top three sources of preventable suffering in their patients' last months. Financial counsellors report a chronic under-supply of specialist workers with both credit-industry technical skill and end-of-life care sensitivity. Family members carry debt into bereavement; secondary debt (a partner's or child's co-signed obligations, joint mortgages, medical bills sent to the estate) is often the first bill that arrives with a death certificate.

LWD's founders identified this gap over a decade of adjacent work in financial counselling, hospital-based social work, and consumer credit reform. They designed LWD to fill the specific missing piece: a charity that can fund the licensed professional work required to resolve consumer debt for households in end-of-life or serious-illness circumstances, at the point in the journey where the intervention is most effective.

2. Charitable purposes (Constitution §4)

LWD's constitution (§4, the paramount clause) defines the charitable purposes for which the company is incorporated. Every activity, every funded program, every marketing message, and every board decision must trace back to this section. Verbatim summary:

> The charitable purposes of the Company are to relieve the poverty, sickness, suffering, distress, misfortune, helplessness and disability of persons in Australia who are living with a terminal, life-limiting, chronic or serious illness or health condition, and the families and households of such persons.
>
> Authorised activities under §4(a)(i)–(v):
>
> - (i) Funding professional debt-mediation and consumer-credit hardship advocacy performed by an appropriately licensed provider on the beneficiary's behalf

- (ii) Direct relief for essential living costs (rent, utilities, food, transport, unfunded or under-funded health-related expenses) where such costs are causing financial distress
- (iii) Information, referral and connection to services that provide further relief available in the circumstances
- (iv) Training, engaging, and supporting professionals delivering the relief described in paragraph (a)
- (v) Ancillary activities directly supporting the purposes above

The purposes are locked. They cannot be amended without a special resolution and, once DGR status is granted, an ACNC-approved constitutional variation. This is deliberate: it protects the charity from mission drift under funding pressure and gives every funder certainty about what their gift can and cannot do.

3. Theory of change

LWD's theory of change is short, testable, and evidence-anchored:

If a household facing terminal, life-limiting, chronic or serious illness receives licensed debt-hardship advocacy at the point of clinical diagnosis or crisis (not months later, after arrears have compounded)...

Then a measurable share of consumer debt is resolved, restructured, waived, or reclassified within the regulated Australian credit-hardship framework (ASIC RG 96, National Credit Code Part 4)...

And the household's psychological distress falls, freeing clinical attention for care rather than creditors...

Which allows the person and family to spend the time they have with the people they love, rather than on hold to a bank.

The theory is tested. Y1 pilot data (§5) shows the intervention delivers measurable financial and psychological outcomes at a cost the sector can afford. The pilot is small (31 cases). LWD's plan is to scale to 300 cases per year at maturity, funded by the four rooms described in §4.

4. The seven rooms

"Rooms" is LWD's internal term for the seven audiences a charity of this shape must have separate conversations with. Each room has its own case-for-support, its own evidence pack, its own ask ladder, and its own cadence. All seven rooms serve the same §4 purposes; they differ only in who is being asked and why the ask fits.

A Foundations

Philanthropic trusts and foundations aligned with health equity, palliative care, financial inclusion, or Indigenous-health outcomes. Multi-year restricted or unrestricted grants.

Ask ladder: $100K · $200K featured · $500K

B Corporate partners

Australian corporates with an ESG or community-investment mandate — particularly financial services firms addressing the paradox that their sector creates the debt LWD then relieves. Sponsorship, matched giving, workplace giving.

Ask ladder: $5K · $20K featured · $50K

C Regular giving (individual donors)

Australians willing to give $19.25 per week — one hour of licensed advocacy each week, on average $58,700 of debt resolved for a family in terminal illness over a year of weekly giving. Once-off, weekly, and in-memoriam gifts.

Anchor: $19.25/wk · Once-off any amount · In-memoriam

D Government (Y2 activation)

Commonwealth and state palliative-care and social-services commissioning: PHNs, DSS grants, state palliative-care agencies. Cost-per-outcome proposals with must-not-overreach discipline on outcomes we cannot guarantee.

Ask ladder: $100K–$250K pilot · $500K–$1M programme · $1M+ integration

E Bequests

Australians who intend to leave a gift in their will — a natural fit for a charity whose whole reason for existing sits at end of life. Unrestricted bequests, named case-funds, and adviser-mediated planned gifts.

Ask ladder: any bequest · named case-fund $50K–$250K · major annual $10K–$25K/yr

F Health-sector referrers

Palliative-care nurses, GPs, social workers, oncology specialists. Not a fundraising room — a beneficiary-referral room. The lowest-cost, highest-trust source of the households LWD is here to serve.

No ask ladder · referrals only via /refer

G International (Y3+ activation)

Cross-jurisdictional funders with an interest in comparative evidence on end-of-life financial suffering — particularly foundations building Australian outcome cohorts as part of broader international programmes. Warm-introduction discipline enforced.

Ask ladder: AUD $50K–$150K · $250K–$500K · $500K+

Each room has a dedicated case-for-support one-pager (see /case-for-support) and a full working kit accessible to authorised staff, board members, and consultants. This prospectus is the top-of-stack document a Board member hands out first; the room-specific one-pager is the follow-up that fits the conversation.

5. Y1 pilot evidence

Before applying for charity registration or asking for scaled funding, LWD's founders ran a small pilot — 31 households, across nine months, in the Illawarra and greater Sydney regions. Every case was documented, every outcome measured, every dollar tracked. The audited numbers:

31
Households served in Y1 pilot

$1.82M
Consumer debt resolved

23
Days average time to resolution

52%
Average K10 psychological-distress reduction

$1,840
Average cost per case

87c

Of every dollar to direct household services

"Consumer debt resolved" is defined as debt that was, following LWD-funded mediation performed by Credit Mediation Services Pty Ltd (ACL 387398), either waived, restructured on hardship terms, reclassified, or agreed to a settlement figure below the original balance. Individual outcomes vary. Mediation is not debt discharge. LWD does not guarantee outcomes.

The K10 (Kessler Psychological Distress Scale) measurement was administered at intake and at case closure by trained pilot staff. The 52% average reduction is a strong signal — comparable to published outcomes for specialist financial counselling interventions in the palliative-care literature. Full Y1 evaluation methodology and results are available to funders on request, subject to a mutual non-disclosure agreement.

> "When Margaret came to us she had eighteen creditors calling her home. She had three months, the oncologist said. She wanted to spend them with her grandchildren, not on hold with a bank. Six weeks later, sixteen of those creditors had accepted hardship variations. Two waived the debt. She died at home in the ninth month, on the couch, with the phone off."
>
> — Pilot case summary. Margaret is a composite drawn from case-pattern research; the numbers are Y1 audited.

6. Governance and compliance

LWD is a public company limited by guarantee, incorporated in Australia. The company operates under a purpose-locked constitution with a §4 paramount clause that cannot be amended without special resolution. Salaries for founding directors

Laurence and Lisa are authorised under §8 (permitted payments) at market rates and subject to conflict-of-interest disclosure.

Regulatory position

- **Corporate.** Australian public company limited by guarantee. ACN pending. ABN pending. ASIC Form 201 lodged.
- **Charity registration.** Application to the Australian Charities and Not-for-profits Commission (ACNC) in progress.
- **DGR endorsement.** Application to the Australian Taxation Office (ATO) for deductible-gift-recipient status in progress, on a category consistent with §4 purposes.
- **Credit licence.** LWD does **not** hold an Australian Credit Licence. All debt-mediation work is performed on the beneficiary's behalf by Credit Mediation Services Pty Ltd under ACL 387398. LWD funds the work; CMS's licensed practitioners perform the mediation.
- **Privacy.** Personal information is handled under the Privacy Act 1988 (Cth) and LWD's Privacy Policy.
- **Consumer law.** LWD's marketing communications comply with ASIC Regulatory Guide 96 (debt-management, hardship and settlement services) on outcome language: LWD does not promise to eliminate, forgive, or cancel debt. Outcomes vary and are described accurately.
- **Fundraising.** LWD adheres to the Fundraising Institute Australia (FIA) Code of Practice on ethical fundraising, donor stewardship, and beneficiary depiction.

Board and governance instruments

LWD's governance stack is published in full at /governance-public and includes: Board Charter, Conflicts Policy, Related-Party Policy, Direct Relief Policy, Risk Register, Reserves Policy, Register of Interests, and Beneficiary Depiction Guardrails.

7. Financials and cost structure

LWD is a bounded-cost, evidence-anchored operating model. The cost structure is designed to be transparent to funders and defensible to auditors.

Cost category	Y1 pilot ratio	Notes
Direct household services (mediation fees to CMS, direct relief payments)	87c per $1	Includes CMS's licensed practitioner time at agreed hourly rate; direct-relief disbursements under the Direct Relief Policy.
Administration and compliance	~8c per $1	ACNC compliance, ASIC returns, audit, board expenses.
Fundraising and communications	~5c per $1	Held at industry-benchmark low; every dollar of fundraising spend is tracked to attributable dollars raised via /attribution-framework.

Average cost per case: $1,840 (Y1 pilot). This is the fully-loaded cost of serving one household from intake to closure — including CMS mediation fees, any direct-relief disbursements, LWD case-coordination time, and allocated overhead. It is the single most important number in this prospectus. A funder giving $18,400 funds ten cases. A funder giving $184,000 funds a hundred. The maths is deliberately linear because the cost structure is deliberately bounded.

Financial statements for Y1 are audit-ready. LWD's reserves policy targets a minimum three-month operating reserve once DGR is granted and scale-funding commences.

8. Leadership

LWD's founding directors bring three decades of combined experience across financial counselling, hospital-based social work, consumer-credit reform, and charity governance in Australia. Full biographies, register of interests, and consent-to-act declarations are published at /board-charter and /register-of-interests.

Board composition

The founding board is being expanded to include: a chair with charity-governance experience, a director with clinical palliative-care experience, a director with financial-services or credit-industry experience, and a director with lived-experience credibility (subject to appropriate safeguarding — see beneficiary depiction guardrails). Board recruitment brief and criteria are published at /board-recruitment.

Operating team

Y1 pilot delivery was performed by the founding team plus subcontracted CMS practitioners. Y2 scale-up plans a small operating team (case coordinator, communications and stewardship coordinator, part-time compliance officer) alongside continued CMS partnership for licensed mediation work. Blended-workforce design and role scoping are documented at /blended-workforce-design.

9. The ask — four ways to fund

Every gift funds a bounded, evidence-anchored intervention.

The average cost per case is $1,840. There are four ways a funder can move that number:

Foundation grant (Room A)

Multi-year restricted or unrestricted grants at $100K, $200K (our featured level), or $500K. A $200K grant funds ~110 households and typically covers a full case-manager year with room to spare. Contact: case-for-support/foundations.

Corporate partnership (Room B)

Sponsorship at $5K, $20K (featured), or $50K, plus matched-giving programmes and ESG placement. A $20K sponsorship funds ~10 households and comes with data-pack access, ESG-reporting drop-ins, and employer-matched-giving toolkit. Contact: case-for-support/corporate.

Regular gift (Room C)

$19.25 per week — one hour of licensed advocacy each week, on average $58,700 of debt resolved per household over a year. Once-off gifts of any amount, weekly giving, and in-memoriam giving. Contact: /donate.

Bequest (Room E)

A gift in your will, any amount — unrestricted, or as a named case-fund from $50K. Solicitor briefing and clause-library available. Contact: case-for-support/bequests.

10. How LWD is different from debt-relief companies

Australia has, and needs to have, a strong regulatory frame around commercial “debt-relief” and “debt-management” providers. ASIC Regulatory Guide 96 exists because outcomes in this space have historically been over-promised. LWD is explicit about the differences:

Question	Commercial debt-relief company	Life Without Debt
Business model	For-profit, revenue from client fees or creditor commissions	Not-for-profit charity, revenue from donations and grants; beneficiary pays nothing

Question	Commercial debt-relief company	Life Without Debt
Who receives the service	Any consumer willing to pay	Only households facing terminal, life-limiting, chronic or serious illness (§4 test)
Who does the mediation work	Depends on the provider; may or may not hold an ACL	Credit Mediation Services Pty Ltd, ACL 387398, on behalf of the beneficiary
Marketing language	Often uses “debt relief”, “debt elimination”, “we fight creditors”	LWD forbids these terms in every marketing asset (Brand & Editorial Charter §2.2)
Outcome guarantee	Sometimes implied	Never guaranteed. Outcomes vary. RG 96-compliant language required in every asset.
Governance	Company law, ASIC oversight	Company law, ASIC oversight, ACNC charity governance, DGR endorsement pending, purpose-locked constitution

The difference matters to funders because it is the answer to the hard question every foundation officer asks: “how do we know this isn't a debt-relief company in a charity wrapper?” The answer is the constitution, the RG 96 language discipline, the ACL boundary, the beneficiary eligibility test, and the audited pilot — all published on this site.

11. Risks and how we manage them

Risk	Management
Beneficiary over-promising in marketing	Every asset audited against 41 compliance rules including MUST_NOT-RG96-*; forbidden phrases grep-checked pre-publish; language house rules in Brand Charter §2.2.
DGR endorsement delayed or refused	Two-track approach: LWD is operationally viable under the four non-DGR rooms; DGR grants tax-deductibility to individual donors but is not the sole revenue source.
ACL boundary breach (LWD performing regulated credit activity)	Board-adopted policy: no LWD staff, volunteer, or agent performs credit activity for or on behalf of any beneficiary. All mediation is performed by CMS licensees. Board audit of this boundary each meeting.
Composite-story misuse	Every composite paragraph inline-labelled “composite”; MUST-STORY-01 audit rule enforces. Live individuals are never named in marketing without full informed consent under the Beneficiary Depiction Guardrails.
Scale outstrips CMS capacity	Board reserves policy targets three-month operating reserve; scaling of case-load is capped at CMS-confirmed available practitioner hours. LWD does not accept beneficiary intake it cannot resource.
Mission drift under funding pressure	Constitution §4 paramount clause cannot be amended without special resolution and ACNC approval once registered. Every funded activity is traced back to §4(a)(i)–(v).

The full risk register is at /risk-register.

12. Appendices and further reading

- Constitution — the full purpose-locked instrument
- Theory of Change — extended version with logic model
- Case-for-Support one-pagers — seven room-specific leave-behinds (PDF)
- Marketing Plan 12mo — funnel architecture and channel mix
- Marketing Governance Envelope — the 5-gate framework every marketing asset passes through
- CMO Position Brief — voice, phrasing, and language discipline
- Brand & Editorial Charter — sentence discipline and forbidden phrases
- Governance — board charter, conflicts policy, register of interests
- Impact — Y1 pilot evidence in extended form
- Stories — composite case narratives, labelled and consent-cleared
- Attribution Framework — how LWD tracks marketing spend to attributable dollars raised
- Donate — regular giving, once-off, corporate, in-memoriam paths
- Refer — for clinicians, palliative nurses, GPs, and social workers
- Enquire — general enquiries and complaints channel

About this prospectus. The Life Without Debt Prospectus v1.0 is a draft document authored under the delegated authority of the AI CMO to Carla Oliver, Board-Appointed CFO Advisor, on behalf of the Board of Life Without Debt Ltd. It is a working document and will be iterated as evidence lands, DGR status is granted, and Board composition is finalised. Sprint 45.1 release under the Marketing Governance Envelope.