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tenants union of victoria  
annual report  
2005-2006



TENANTS UNION  
of Victoria Ltd





**Tenants Union of Victoria**  
Annual Report 2005-2006

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## **Vision**

Genuine housing choice without social or economic disadvantage

## **Mission**

To promote and protect the rights and interests of all residential tenants in Victoria



## Major Achievements 2005/06

- > **18,863** clients overall
  - > **1,041** caravan park and rooming house clients
  - > **1,000** organisational clients
  - > **995** public housing clients
- > **2,425** clients assisted with advocacy
- > **785** VCAT (Residential Tenancies List) representations
- > legal protection for residents in shared rooms and caravan park residents after 60 days
- > State Government announcement to develop an integrated state housing framework as part of *A Fairer Victoria* (Stage 2)
- > formal submissions and presentations to:
  - > Department of Infrastructure, Utility Hardship Inquiry (July 2005)
  - > Consumer Affairs Victoria, Consumer Credit Review (August 2005)
  - > Department of Justice, Humans Rights Charter, Discussion Paper (August 2005)
  - > VCOSS Social Policy Congress (October 2005)
  - > National Housing Conference (October 2005)
  - > Commonwealth Government, Senate Inquiry into Work Choices Bill (November 2005)
  - > Department of Human Services, Disability Bill Exposure Draft (December 2005)
  - > Estate Agents Council, Licensing Review (March 2006)
  - > Consumer Affairs Victoria, Owners Corporation Bill Exposure Draft (March 2006)
  - > Consumer Affairs Victoria, Estate Agent Rules of Professional Conduct (April 2006)
  - > Consumer Affairs Victoria, Unfair Contract Terms in Residential Tenancies (May 2006)
- > **90+** articles or appearances in statewide and local media
- > review and publication of:
  - > **28** fact sheets on common residential tenancy and rooming houses problems (distribution of more than **120,000** fact sheets)
  - > handbooks for tenants or residents in private rental, public housing, caravan parks, rooming houses and transitional housing (distribution of more than **20,000** handbooks)
  - > multilingual information in more than 10 community languages for residential tenants and people trying to access public housing
  - > *Tenant News*, a newsletter for Victorian tenants (distributed to more than **3,000** households **per edition**)
- > **160,000+** visits to the TU website
  - > downloads of more than **80,000** information resources
- > delivery of training to tenancy and housing workers across the state

## Chairperson's Report

On behalf of the Board of the Tenants Union of Victoria I take great pleasure in presenting the Annual Report for 2005/06. The Annual Report documents the work of the organisation throughout the year and highlights the vital role the Tenants Union plays in promoting the rights and interests of residential tenants in Victoria.

The further significant funding program and service changes implemented by the State Government continue to confirm the risks identified in our statement of strategic intent and the underlying relevance of our strategic direction.

Importantly, there remain strong indications of deteriorating affordability and appropriateness for private renters, particularly those on limited and low incomes. Over the last twelve months the vacancy rate for the private rental sector has dropped to historic lows making access to reasonable housing even more difficult for many tenants. We have also seen the emergence of poor and exploitative practices such as rental bidding.

Given the high state of flux with our principal funding, State Government grants, we have again expended a lot of organisational energy defending our current income base. Unfortunately this has meant we haven't progressed our work to diversify our income sources as far as we would have liked. We have continued the next phase of income diversification with some critical market research to inform our membership and brokerage services project.

We are very pleased with the continuing implementation of our social change agenda and action plan. This year we have again made important contributions to government reviews and have made significant progress with legislative protection for rooming house residents in shared rooms, caravan park residents and people with disabilities in community residential accommodation.

Whilst we focus on our strategic direction we should not forget the important work undertaken on a day-to-day basis to assist so many individual tenants to solve their everyday problems. The management and staff of the organisation are to be commended on their continuing efforts to improve our services and for their many individual successes. Despite the funding and service changes occurring we are continuing to investigate ways to reach out to tenants with our services.

I would like to thank my fellow Board members for the substantial commitment and effort they have given throughout this year. We continue to have a fine range of interests and skills on our Board. It has been another difficult but effective year for the Tenants Union.



Ross Ferris

**Chairperson**



## Chief Executive Officer's Report

Over the last twelve months the staff of the organisation have again had to deal with the significant uncertainty created by changes in our funding and service agreements. These changes ultimately resulted in the closure of our Western region service in December 2005.

Changes to funding and service agreements by the Office of Housing and Consumer Affairs Victoria over the last two years have dramatically reduced our operating capacity. Regrettably, they have also reduced the accessibility of broad based advocacy services for tenants.

Whilst the overall number of tenants we have assisted has declined due to the reduction in funding and resources we are providing more advocacy assistance than we ever have. Last year we negotiated for more than 2,400 tenants. Despite our excellent record of successfully resolving more than two-thirds of these negotiations we also undertook more than 780 representations of tenants at VCAT.

Consistent with empowering tenants through information, we have continued to refocus our education activities and better align them with our social change agenda. This year we successfully undertook a major redesign of our website. Our overall site visits have continued to increase and we are seeing unprecedented downloads of our publications and resources, which is greatly enhancing the reach already achieved by our printed materials.

We have also continued to effectively implement our social change agenda through the implementation of our action plan. In particular, through our communications strategy we have continued to maintain a high profile in the media and in policy debate. After more than 5 years of lobbying we were also able to celebrate the achievement of legal protection for residents in shared rooms in rooming houses, a small but very vulnerable group of Victorian tenants.

Whilst we have experienced a significant reduction in overall funding this year we wish to acknowledge the contribution of the following funding bodies in enabling the Tenants Union to work towards its objectives:

- > Consumer Affairs Victoria (Community Program)
- > Office of Housing (Public Housing Advocacy Program)
- > Victoria Legal Aid (Community Legal Services Program)
- > Commonwealth Department of Family and Community Services (Community Legal Services Program)

Although our internal benchmarks for staff satisfaction and retention have suffered this year due to the funding and service uncertainty, the Annual Report makes evident that the staff of the Tenants Union continue to deliver highly professional and effective services to Victorian tenants and a wide range of organisations that work with tenants. The details of the range and complexity of activities undertaken by the Union are a credit to the commitment and skills of all staff who should be commended for another excellent year's work. I would particularly like to thank the staff of our Western region service who wound up their activities in a highly professional and dignified manner.



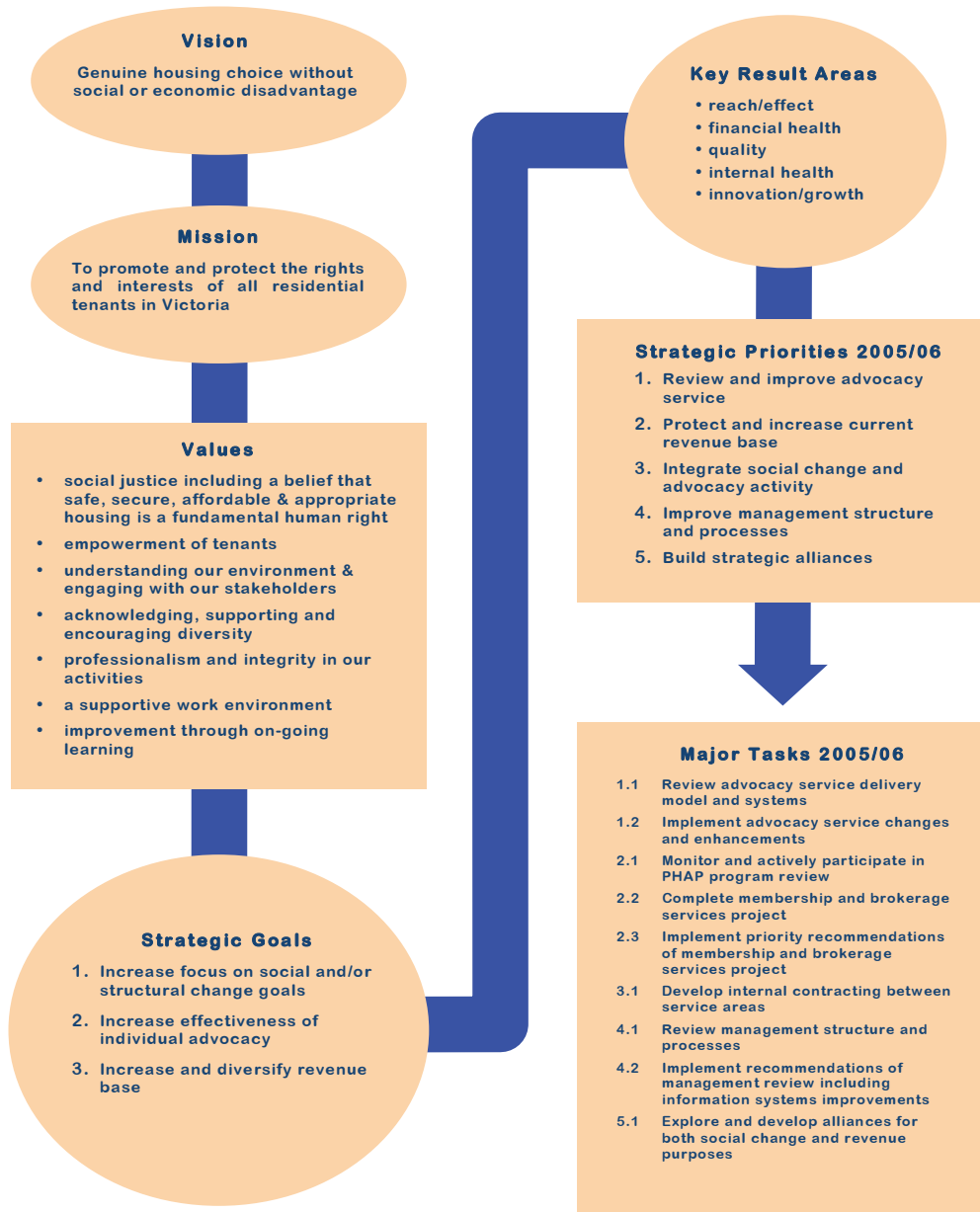
Mark O'Brien

**Chief Executive Officer**

# Strategic Plan

The current Strategic Plan is outlined below. A status report against the Key Result Areas for the organisation for 2005/06 follows.

## Tenants Union of Victoria, Strategic Plan 2005-08



## Tenants Union of Victoria, Key Result Areas 2005/06

Area	Target	Comment			
<b>Reach</b>	1. Report to Board on achievements x 6 monthly	No significant exceptions. Review conducted 23/2/06			✓
	2. Active participation in all relevant reviews	Current participation in the following major policy reviews: 1. Ministerial Housing Council 2. CAV Residential Tenancies Strategy 3. OoH Rental Housing Standards			✓ ✓ ✓
	3. 1 major statewide campaign	Current campaigns: 1. Commonwealth Rent Assistance 2. Victorian Housing Strategy 3. Rental Housing Standards	3		✓
	4. Document joint projects x quarterly	Current participation in the following joint projects: 1. Victorian Housing Strategy [VCOSS, HAV et al] 2. Single Parents Project [CSMC et al]	2		✓
	5. 1 media release per month	Media releases:	14	>100%	✓
	6. Media articles: 1 per month (local) 1 per month (statewide)	<b>Media articles:</b> Local Statewide	# 50 41	% >100% >100%	✓ ✓ ✓
	7. No. of clients: Phone Drop-in E-mail Total Tenants	<b>Clients: (ex West)</b> Phone Drop-in E-mail <b>Total Tenants</b>	# 14,934 2,682 1,247 <b>18,863</b>	% 83.0% >100% >100%	x ✓ ✓ <b>92.0%</b> x
	8. 80% of clients advice and information assist only	% information only:	= 90.5%	10.5%	✓
	9. Research papers per annum	Research papers/presentations: 1. DoJ Utility Hardship Inquiry (June 2005) 2. CAV Consumer Credit Review (August 2005) 3. DoJ Humans Rights Charter, Discussion Paper (August 2005) 4. VCOSS Social Policy Congress (October 2005) 5. National Housing Conference (October 2005) 6. Affordability Bulletin [National] (October 2005) 7. DHS Disability Bill Exposure Draft (December 2005) 8. Senate Inquiry into Work Choices Bill (November 2005) 9. Estate Agents Council, Licensing Review (March 2006) 10. CAV Owners Corporation Bill Exposure Draft (March 2006) 11. CAV Estate Agent Rules of Professional Conduct (April 2006) 12. CAV Unfair Contract Terms in Residential Tenancies (May 2006) Regulation of Long Term Accommodation (in progress)	12	>100%	✓
	10. No. of forums per annum	Education forums:	4	100.0%	✓
	11. Training targets per annum: Days Assessments	<b>Training:</b> Days Assessments	# 12 0	% 40.0% 0.0%	x x x
	12. Distribution targets per annum: Leaflets Handbooks Tenant News Web (visits)	<b>Distribution:</b> Leaflets Handbooks Tenant News Web (visits)	# 127,317 20,310 13,039 173,985	% >100% >100% 65.2% >100%	✓ ✓ x ✓
	13. 20% response rate to client surveys	Response rate	15%	(5%)	x
<b>Financial</b>	14. % increase annually	>\$120K confirmed funding for CAV special projects			✓
	15. >1% additional income	>\$75K additional payments from CAV			✓
	16. >1% discretionary income	3.5% additional discretionary income			✓
	17. <+4% surplus, -0% deficit	1.8% operating surplus (\$39,202)			✓
<b>Quality</b>	18. Service Area reports x quarterly	Quarterly operational reports provided to Board			✓
	19. Average <20%	Average abandoned call rate:	= 19.9%	0.1%	✓
	20. >80% client satisfaction: advocacy	Client Survey results	= 97.0%	17.0%	✓
	21. >90% client satisfaction: training	Jul to Dec 2005:	= 95.0%	5.0%	✓
	22. >90% client satisfaction: resources	Not available			
	23. No exceptions to service guidelines	No exceptions			✓
	24. No client complaints	No complaints			✓
<b>Internal</b>	25. <5% adverse turnover per annum	35% total turnover app. 10% 'adverse'		(30.0%)	x
	26. <3% absenteeism per annum	4.4% absenteeism (281 lost days)		(1.4%)	x
	27. >75% staff satisfaction rate	Survey conducted February 2006:	= 65%	(10.0%)	x
	28. No exceptions to workplace policies	No exceptions			✓
	29. No exceptions to OHS compliance	No exceptions			✓
	30. No exceptions to staff development goals	No exceptions			✓
<b>Innovation</b>	31. Increase strategic alliances	Current alliances: 1. Council to Homeless Persons (since 2003) 2. VCOSS (since 2003)			✓
	32. Effectively implement new services	No new services planned during funding reviews			x
	33. Effective service improvements	Work completed or in progress: 1. On-line training programs (in progress) 2. Website redevelopment (March 2006) 3. Advice & advocacy service review (January 2006)			✓

## Social Change

The Tenants Union undertakes a broad range of social change activities to represent the interests of tenants and to highlight the impact of living in the rental sector. This work includes research, policy formulation, lobbying and media liaison.

One of our key strategic goals is to ensure an increased focus on our social change work. We have developed a comprehensive social change agenda based on four broad problem areas in the rental sector:

**legitimacy:** to address the often negative portrayal of issues affecting tenants and the rental sector in the public domain and to positively promote our agenda with government and industry decision makers

**accessibility:** to address non-financial barriers to housing in the rental sector including discrimination

**affordability:** to address the parlous financial situation of many tenants, particularly in the private rental sector

**appropriateness:** to address the poor standard and location of rental housing and the essentially limited legislative protections for tenants

We have also established an annual action plan to ensure that within these four broad areas we focus on addressing the problems with the most significant impact and reach.

Across the four broad areas of our social change agenda our major achievements for 2005/06 were:

### Legitimacy

- > promoted tenancy issues in both local and statewide media with more than **90** articles or interviews in print or on radio including more than 40 appearances in statewide media
- > lobbied the State Government to produce a state housing strategy to properly integrate and improve the various forms of housing assistance provided by government
- > played an important leadership role in the development of a broad based community sector alliance to campaign for affordable housing
- > submission to the Department of Justice, Humans Rights Charter, Discussion Paper (August 2005)
- > presentations to the National Housing Conference (October 2005) and the VCOSS Social Policy Congress (October 2005)
- > active participation in the Victorian Ministerial Housing Council
- > active participation in the National Affordable Housing Summit (Canberra, June 2006)
- > lobbied the Federal Government and Opposition to ensure that federal housing policy is responsive to the needs of tenants in the private and public sectors



## Accessibility

- > active participation in the Victorian Law Reform Commission's review and report on residential tenancy databases
- > continued to provide feedback about the improvement of state and federal privacy legislation and its impact on private tenancy databases
- > submissions or reports to:
  - > Department of Human Services, Disability Bill Exposure Draft (December 2005)
  - > Victorian Law Reform Commission, Report on Residential Tenancy Databases (May 2006)
- > development of a number of education projects targeting particular groups of tenants effected by discrimination in the private rental market including newly arrived migrants, single parents and students

## Affordability

- > release of the first National Rental Housing Affordability Bulletin (October 2005) reported in a number of capital city and national media
- > submission to the Commonwealth Government, Senate Inquiry into Work Choices Bill (November 2005) on the importance of maintaining real minimum wage levels to support rental housing affordability
- > commencement of a Freedom of Information process to request the release of the Commonwealth Government's internal review of Commonwealth Rent Assistance

## Appropriateness

- > enactment of amendments to residential tenancies legislation to ensure coverage for shared rooms in rooming houses in December 2005
- > submissions or reports to:
  - > Department of Infrastructure, Utility Hardship Inquiry (July 2005)
  - > Consumer Affairs Victoria, Consumer Credit Review (August 2005)
  - > Estate Agents Council, Licensing Review (March 2006)
  - > Consumer Affairs Victoria, Owners Corporation Bill Exposure Draft (March 2006)
  - > Consumer Affairs Victoria, Estate Agent Rules of Professional Conduct (April 2006)
  - > Consumer Affairs Victoria, Unfair Contract Terms in Residential Tenancies (May 2006)
- > continued to lobby the State Government in regard to amendments to the residential tenancies legislation, including caravan parks and rooming houses
- > continued to lobby the State Government to improve the policies and procedures for social housing

- > actively participated in the Victorian Civil & Administrative Tribunal (VCAT) Residential Tenancies List Users Group to identify systemic problems with VCAT processes and practice
- > actively participated in forums sponsored by the Director of CAV to maintain an overview of residential tenancies services

### **Social Change Case Study: Tenancy Databases**

Particularly given the increased shortage of affordable accommodation in the private rental market, one of the most common fears for tenants is that they might be listed on a tenancy database. Listing on a database can have drastic consequences given that almost all real estate agents use databases when assessing tenants' applications for property. Residential tenancy databases are currently unregulated in Victoria—a situation that has been of long-term concern to the Tenants Union. With no regulation, tenants are frequently listed without being notified, are listed for discriminatory reasons and even for actions that are not in breach of the Residential Tenancies Act. Clients have also found they are denied property by having a similar name to a listed person—leading to severe consequences for doing absolutely nothing wrong.

While we have raised these issues with the State Government before we have seen little progress with the issue caught in between federal and state areas of responsibility. In order to progress this matter we raised the issue in the context of discrimination with the Equal Opportunity Commission in early 2005 and then the Victorian Law Reform Commission (VLRC). The VLRC agreed to undertake this project as their second Community Law Reform Report in mid 2005. Through the generosity of the Victorian Law Foundation two interns were assigned to work on the bulk of the research and writing of the report with one based at the Tenants Union during mid to late 2005. In April 2006 the VLRC released their report with 28 recommendations calling for regulation to protect tenants and to make the system of databases fairer. In a joint media release the Victorian Attorney General Rob Hulls and Minister for Consumer Affairs Marsha Thomson welcomed the report and promised to continue to pressure the Commonwealth Government to agree to address this issue. While we have yet to see legislation protecting tenants we believe that the development of the report and its endorsement by the State Government is an important policy achievement.

The Tenants Union is also continuing to actively work to ensure that tenants are protected by legislation that regulates databases.

## Advocacy & Legal Services

### General Advice Service

The aim of the Advice Service is to provide accessible and effective assistance to residential tenants across Victoria, with a particular focus on metropolitan Melbourne.

The centralised phone service operates with a minimum of two advisers from 9:00am to 4:30pm weekdays (except Wednesday) and from 1:00pm to 8:00pm on Wednesday.

Drop-in services are available at our Fitzroy office from 9:00am to 4:30pm weekdays (except Wednesday) and from 1:00pm to 8:00pm on Wednesday.

The service is structured to facilitate initial contact through our centralised telephone advice line and drop-in service. Where necessary, referrals are made to our drop-in service or to public and private tenant services across the state.

The structure of the service enables clients with simple issues to be efficiently assisted with basic advice and information. Clients with more complex issues or those with problems requiring documents to be sighted can be referred to in-person services for follow-up assistance.

More than 80% of all clients are assisted with basic advice and information.

During 2005/06, through the general tenant's advice service we achieved a total of **18,863** clients comprising:

- > 14,934 telephone contacts
- > 2,682 in-person contacts
- > 1,247 mail contacts (largely through our e-mail service)

During 2005/06 we assisted tenants with a vast range of tenancy issues and problems. The five most common specific issues were:

> repairs	13,729 enquiries
> notice to vacate	10,408 enquiries
> bond recovery/retention	6,011 enquiries
> lease breaking	5,849 enquiries
> compensation	4,682 enquiries

### Advocacy & Casework

Casework services are provided to those clients who require more than basic advice and information.

Casework services include negotiation with landlords and agents, drafting of letters or documents, preparation of submissions and where required, representation or support of clients at VCAT.

Casework services are provided by paralegal advocates and supervised by legally qualified staff.

**Advocacy Case Study: Maintenance Charges (MCAT)**

After 12 years of residing in a public housing property and having repeated requests for maintenance refused, the tenant vacates the property. The tenant has painted the lounge room and hallway and installed new blinds but as can be expected with 4 children in residence, the property shows a significant amount of fair wear and tear.

Three months after vacating the property the tenant receives an MCAT (maintenance charge) from the Director of Housing of \$10,911. Among other items, the claim includes the cost of re-hanging a gate that is more than 10 years old, checking the entire electrical installation, servicing the hot water system, reconnecting the stove to gas supply, repainting the property and replacing the carpets.

The tenant contacts the Director of Housing but they refuse to discuss the claim, saying only that they will see her at VCAT. The tenant then contacts her nearest SHASP agency but is told that because she is no longer a public tenant they are unable to assist. She then contacts the Tenants Union and our advocate arranges a meeting with the tenant and the Director of Housing prior to the VCAT hearing. After some negotiations, the tenant agrees to pay \$866 and \$1801 is left in dispute to be resolved at the VCAT hearing.

At VCAT the member asks the parties to negotiate further. The tenant offers settlement of \$1000 and after some more discussion, the Director of Housing accepts.

The Tenants Union regularly deals with such claims and has now taken up this issue as a systemic problem.

During 2005/06 we assisted more than **2,425 new** clients with general advocacy services. Of these, legal casework was provided to **1,533 new** clients.

The table (below) shows a comparison of our legal casework activity for the last two financial years.

**Table 1: Comparison of Legal Casework Activity, 2005/06 vs 2004/05**

	<b>2004/05</b>	<b>2005/06</b>
> No. files open at 1 July 04/05	81	158
> No. of new files	419	934
> No. of closed files	342	600
> No. of files open at 30 June 05/06	158	492

*(Source: CLSIS, CMR1.1)*

We have experienced a significant increase in our legal casework activity over the past twelve months. We have continued to refine our casework assistance guidelines and administrative processes. The service guidelines have assisted us to target our assistance to those clients most in need.



## Rooming House Service

The purpose of the Rooming House Service is to provide effective assistance to rooming house residents across Victoria. The service operates during normal business hours and provides both basic advice and information and casework services as required.

In 2005/06 we assisted **534 new** rooming house clients. In summary the service:

- > provided telephone advice to 262 residents
- > provided drop-in advice to 265 residents
- > provided casework assistance to **161** residents
- > undertook **111** representations of rooming house residents at VCAT

We have developed and implemented an outreach and community education program focused on basic resident rights and working with agencies providing services to residents including local government. This year we undertook **26** visits to rooming houses and more than 90 visits to community service organisations.

### Rooming House Case Study: Notice to Leave

A couple are renting a room at a privately run rooming house in the outer eastern suburbs of Melbourne. They receive advice from the Tenants Union regarding privacy and access notices as the rooming house owner often knocks and then walks into their room without permission.

One evening the couple have an argument with the owner about their privacy. The owner calls up some 'friends' for 'support'. The couple are intimidated by the owner's friends who say they must leave the rooming house immediately. The couple phone the police and by the time they arrive, the owner has issued a Notice to Leave to the residents. The owner waves a copy of the notice in front of the police saying that he has a legal right to order the couple from the property and suspend their residency.

The police remain at the house for a couple of hours making phone calls to find somewhere for the couple to stay for a few nights, even though the owner has not made a complaint about them and is obviously not in danger from the couple. The police have a copy of the Residential Tenancies Act and try to figure a way for the couple to stay but realise they must advise them to leave due to the notice.

The rooming house owner makes an application to VCAT to have the residency terminated and the Tenants Union acts on behalf of the residents. We subpoena one of the police officers as a witness. During the hearing the officer states that the call came from the residents as they were fearful for their safety. The officer also states that the rooming house owner has issued the same notice on several previous occasions without making a complaint or a statement to the police.

The VCAT member dismisses the Notice to Leave and the residents receive a compensation payment for costs while the residency was suspended and are able to resume their residency. Following their experience, the couple vacate the rooming house shortly afterwards.

## Caravan Park Service

The purpose of the Caravan Park Service is to provide effective assistance to rooming house residents across Victoria. The service operates during normal business hours and provides both basic advice and information and casework services as required.

In 2005/06 we assisted **507** caravan park clients. In summary the service:

- > provided telephone advice to 123 residents
- > provided drop-in advice to 380 residents
- > provided casework assistance to **348** residents
- > undertook **45** representations at VCAT including two major class actions

We have developed and implemented an outreach and community education program focused on basic resident rights and working with agencies providing services to residents including local government. This year we undertook **77** visits to caravan parks and more than 90 visits to community service organisations.

### Caravan Park Case Study: Willow Lodge Caravan Park

Residents at Willow Lodge caravan park refuse to pay excess water charges issued by the caravan park manager.

In response, the manager takes a resident to VCAT in July 2005. The Tribunal member orders that the charges are illegal due to meters being installed by the manager and not approved by relevant authority. Residents who have previously paid charges apply to the manager for a refund, which is returned. Management then issues all residents a notice for a \$10 per week rent increase effective from the end of October 2005. We attend a residents meeting with 220 residents present and advise all residents of the procedure to challenge the rent increase. 205 residents join the action.

The Tenants Union contacts an inspector at Consumer Affairs Victoria (CAV) and a preliminary report is completed. Following some negotiation, the manager reduces the rent increase from \$10 a week to \$4.75 a week. Based on the CAV preliminary report the residents accept the offer. The residents believe the manager has increased the rent due to being unable to charge for excess water and they continue to be issued excess water bills (the last bill received by a client was in February 2006).

The Tenants Union then assists one client to write to CAV in December 2005 requesting investigation and action against the manager for issuing misleading and potentially illegal bills. However the water meters continue to be read by the manager. A response from CAV is received in May 2006. The issue is finally resolved and the manager agrees that the residents will not be charged for excess water.

## Specialist Legal Work

The Tenants Union also provides specialist legal services including:

- > organisational assistance to a wide range of government and non-government agencies across the state
- > specialist representation and public interest legal work in higher jurisdictions such as the County Court and the Supreme Court
- > legal research on tenancy and related matters

During 2005/06 we assisted with **1,000** organisational enquiries from a wide range of agencies and services. This was a slight decline on the previous year.

We also distributed a number of memos to tenancy workers across the state addressing complex legal issues or refinements in interpretation of the residential tenancies legislation.

Research into areas of legal ambiguity occurs regularly. Liaison with senior members of VCAT, particularly through participation in the VCAT Residential Tenancies List Users Group, has also assisted with clarification of some issues and improvements in the practice of the Residential Tenancies List.

### Specialist Legal Case Study: Condor Apartments and Arkley Towers, Docklands

The residents of Condor Apartments and Arkley Towers at in the Dockland precinct have been receiving accounts for water bills since some time in late 2002.

The premises in both buildings are separately metered for cold water provision but some of the charges on the accounts relate to the cost of providing hot water to the premises.

The hot water is provided through a central boiler that is heated by gas. While the volume of hot water consumed is separately metered the amount of gas required to heat the water is obviously not. The cold water rate is \$1.53/kl but the hot water rate is \$10.00/kl.

The supply of utilities is controlled by the body corporate who employs a billing agent to render accounts to occupants. In some instances, tenants in the respective blocks have been asked to sign a separate agreement with the body corporate or the billing agent.

Due to the nature of the supply, the pricing, billing and metering arrangements are exempt from the regulations binding other utility providers. We successfully achieved refunds in every case we have represented in relation to these accounts.

However, we remain very concerned that a number of residents have previously paid such accounts and are unaware that they could now seek a refund from the body corporate.

# Community Education

## Special Projects

To assist linguistically and culturally diverse tenants to better access residential tenancies services, including the Tenants Union, we initiated and participated in special projects targeting specific groups of disadvantaged tenants.

Our major achievements for 2005/06 were:

- > commencement of the Somali Women's Community Leadership Project to work with a group of self-employed Somali women living in public housing. The purpose of the project is to improve community knowledge of Australian systems and promote community leadership
- > development of a collaborative project with a range of community organisations including the Council for Single Mothers and their Children addressing the problems experienced by single parents in the private rental market
- > development of a collaborative project with Melbourne City Mission, AMES Settlement, New Hope Foundation and the North West Migrant Resource Centre addressing the problems experienced by the South Sudanese community in the private rental market
- > development of a collaborative project with the Equal Opportunity Commission and the Victorian Aboriginal Legal Service to identify the issues faced by indigenous people in private rental
- > development of a project to produce a web-based resource specifically for post-secondary students and first time renters in consultation with the Student Housing Officers Association in Victoria
- > development of a project to produce a multilingual DVD-based resource for first time users of the Victorian Civil and Administrative Tribunal, Residential Tenancies List. We are now seeking funding for this project
- > development of a step-by-step guide to applying for private rental to address the information needs of young people, newly arrived migrants and people exiting public housing
- > provision of 10 information sessions involving a total of 657 participants

## Publications

The Tenants Union Publications Program produces a range of publications and resources for tenants, rooming house and caravan park residents, as well as tenancy workers.

Print publications are distributed through our telephone and drop-in services, our community education program and other relevant services. Publications are available to interested organisations by order.

All publications are regularly reviewed and vetted by the Tenants Union solicitors to ensure legal currency and accuracy.



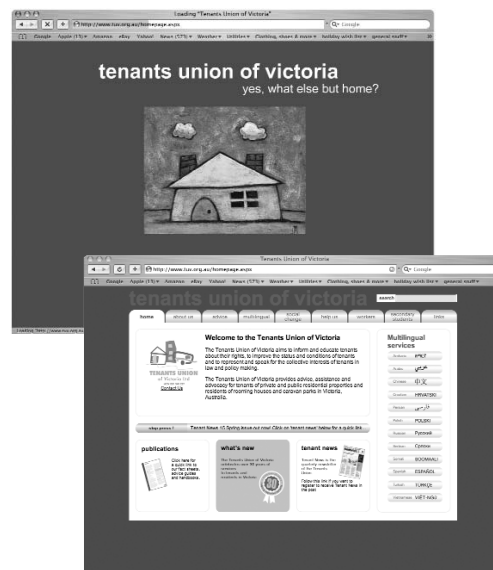
Some of the print publications distributed in 2005/06 include:

- > more than **120,000** fact sheets covering 28 common residential tenancy problems
- > more than **20,000** handbooks for public tenants and residents of rooming houses, caravan parks and transitional housing
- > **3** issues of *Tenant News*, a quarterly newsletter for tenants with more than **3,000** readers each edition

In addition, there were more than **130,000** individual user sessions on the TU website including more than 10,000 downloads of our multilingual information. Other publications downloaded from our website included:

- > more than **40,000** fact sheets
- > more than **6,500** advice flow charts (from April 2006)
- > more than **10,000** handbooks
- > about **6,000** copies of *Tenant News*

This year we completed a major redesign of our website. The entry page features the 'full house' image used in our postcard campaign. New sections outlining our social change work have been added and all publications are posted to the website.



We have also redrafted and redesigned our Tenants Handbook. This handbook provides general information for residential tenants. As with all our publications it is legally vetted prior to publication to ensure accuracy and currency.

## Training

The Tenants Union's Training Program is designed to provide initial and ongoing training to tenancy and housing workers.

We are a Registered Training Organisation and we currently provide one accredited course, Introduction to Tenancy Law, which includes training in rooming house and caravan park law and VCAT. Successful completion of the course and its assessment activities result in participants gaining a statement of attainment in 'Course in Residential Tenancy Law (Victoria)'.

A Tenancy Training Committee comprising industry representatives meets three times per year to assist us to develop and deliver effective training in line with the National Training Framework.

Delivery of the Training Program this year has been seriously hampered by the uncertainty surrounding the funding for both private and public tenancy services.

The following training was offered in 2005/06:

- > Introductory Tenancy Law
- > Intermediate Tenancy Law
- > Advanced Tenancy Law
- > Introductory Office of Housing Policies & Procedures
- > Intermediate Office of Housing Policies & Procedures
- > VCAT Advocacy
- > CAV Advocate Training
- > SHASP Advocate Training

Based on feedback and evaluation following each workshop, the Training Program has consistently achieved high participant satisfaction, with **more than 90%** of participants rating the workshops **good or excellent**.

We have continued to work on accreditation of other Tenants Union training courses and the development of more flexible training approaches such as online delivery.

## Administration Services

Administration services are fundamental to facilitate the effective work of the Tenants Union.

In 2005/06 Administration Services:

- > provided effective financial reporting and accountability to the Board, funding bodies and the Australian Securities and Investment Commission (ASIC)
- > maintained the Tenants Union's information technology network with 50 work stations across 16 sites (to end December 2005)
- > maintained the Tenants Union library and other information resources with over 1800 catalogued items
- > provided effective reception services for the central office of the Tenants Union handling an average of 150 enquiries per day (excluding advice service calls)
- > handled **638** orders for publications with **84%** of all orders filled and returned within 7 days of receipt

# Personnel

## Staff

Staff members as at 30 June 2006 were:

Mark O'Brien	Chief Executive Officer
Andrew McMillan	Specialist Advocate (Caravan Parks)
Anita Spitzer	Solicitor
Anne Smith	Administration Worker
Bill Darling	Tenant Advocate
Brigitte Bailey	Tenant Advocate
Cassandra Laybourne	Tenant Advocate
Christina Andrews	Specialist Advocate (maternity leave)
Colleen Power	Phone Adviser
David Imber	Policy and Liaison Worker
Dee Bohan	Solicitor (Training)
Erin Pobje	Phone Adviser
Frank Heyes	Phone Adviser
Graham Rowe	Principal Solicitor
Greg Quinn	Solicitor
Guy Rule	Tenant Advocate
Jan-Maree Fraser	Phone Adviser/Project Worker
Jenny Draffin	Librarian
John Morgan	Finance & Administration Manager
Karen Bijkersma	Resources Worker
Lee Hansen	Project Worker
Marisol Bombal	Bookkeeper
Mary Garson	Solicitor (Casework)
Maya Narayan	Phone Adviser
Melinda Tew	Community Education Worker
Morgan Waters	Phone Adviser
Neil Farren	Phone Adviser
Pannie Yiu	Phone Adviser
Pasanna Mutha-Merennege	Phone Adviser
Rebecca Harrison	Research Worker
Robyn Lethlean	Specialist Advocate (Rooming House)
Sheila Narayan	Operations Manager
Ursula Dutkiewicz	Administration Worker

We would also like to gratefully acknowledge the assistance and support of our volunteers:

Alexandra Santamaria	Michael Gomm
David Cantanese	Trent McGregor
Jenny Black	Vishal Devjaj
Kate Townsend	Natasha Stojanovich
Megan Deacon	

The Tenants Union would like to express its thanks to its entire paid and unpaid staff for their consistent hard work and dedication.

Our thanks also go to the following staff who left the organisation in 2005/06 for their commitment and work during their employment with the Tenants Union:

Ann Jorgensen	Solicitor
Anna Forsyth	Solicitor
Annabelle O'Regan	Tenant Advocate
Deborah Di Natale	Principal Solicitor
Fonda Gazis	Solicitor
Hamish Locke	Solicitor
Loren Polzot	Training Worker
Lynda Viney	Legal Assistant
Mary McDevitt	Tenant Advocate
Maxina Martellotta	Phone Adviser
Neil Plueckhahn	Resources Worker

We especially thank the staff of our Western region service which was wound up in December 2005 for their inspirational approach to the difficult circumstances of closing a service:

Anne Donovan	Western Region Manager
Angelica Varas	Tenant Worker
Claudia Alvear	Tenant Worker
Cuong Tran	Tenant Worker
James McCarthy	Tenant Worker
Joanne Hjorth	Tenant Worker
Rachel Browne	Administration Worker
Ray Martinez	Tenant Worker
Simon Eramo	Community Facilities Worker
Virginia Ramraj	Administration Worker
Yvonne Tran	Tenant Worker

# Financial Statements

## Directors' Report

### Tenants Union of Victoria Ltd ACN 081 348 227

Your directors present their report on the company for the financial year ended 30 June 2006.

#### Directors

The names of directors in office at any time during or since the end of the year are:

Andrew Sprague	Appointed 16/4/2005
Graham Barrington	Appointed 11/11/2004
Heather Holst	Appointed 14/11/2002. Leave of absence from 12/12/2005
Jaqueline Robinson	Appointed 23/6/2005
Kelli Cheales	Appointed 30/10/2003
Natasha Leigh	Appointed 21/6/2005
Ross Ferris	Appointed 14/11/2002
Maree Arnason	Appointed 14/11/2002. Retired 21/9/2005

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal Activities

The principal activities of the economic entity during the financial year were:

- > to represent tenants and speak for the collective interests of tenants
- > to work towards the improvement of the status and rights of tenants and to promote alternatives to the present forms of rental housing
- > to work towards more just and equitable systems of regulating both rental housing and the rights of tenants
- > to act with individual tenants and tenants as a group in order to ensure better conditions in rental housing, fairer leases and conditions of tenancy, a more equitable supply of rental housing and the prevention of deceitful, oppressive or unjust practices in the rental market
- > to promote the establishment of resource centres, advice and coordination services for tenants and to promote, as far as possible, autonomous local and regional groups of tenants, affiliated with the Tenants Union of Victoria Ltd
- > to inform and educate tenants as widely as possible as to their existing rights and of conditions in the rental market, and to conduct research about such conditions and about the specific needs and problems of tenants
- > to encourage participation by members and tenants groups in all activities concerning tenants and in the activities of the Tenants Union of Victoria Ltd
- > to ensure representation by, and participation of tenants as far as possible in law and policy making as it affects tenants or housing



- > to promote the provision of rental housing that is safe, convenient and available to all people regardless of gender, age, religious or political beliefs, marital status and family composition, disability or sexual preference
- > to take all reasonable steps to provide equitable and accessible services to individuals from socially, culturally and linguistically diverse backgrounds and situations

There were no other significant changes in the nature of the company's principal activities during the financial year.

### **Operating Results**

The surplus of the company for the year amounted to \$39,202.

### **Review of Operations**

Having reviewed the operations of the company the Board notes as follows:

- > service reach remains strong, particularly in the key strategic area of social change activity, although there has been some decline in client demand over the current financial year
- > financial health remains strong with all projects in surplus and achievement of most funding and service agreement targets
- > service quality remains strong with consistently high client satisfaction levels and no significant exceptions in service audit processes
- > internal health is adequate. Higher turnover than expected due to future funding and service uncertainty

### **Dividends**

The Constitution of the company specifically prohibits the payment of any dividends.

### **Capital**

The company is a company limited by guarantee and does not have share capital.

### **Significant Changes in State of Affairs**

There were no significant changes in the affairs of the company during this financial year.

### **Adoption of Australian Equivalents to IFRS**

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those AIFRS standards as contained in Note 1 to this report.

### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the economic entity in future financial years.

### Future Developments

The likely developments in the operations of the company and the expected results of those operations in future financial years are as follows:

- > work is continuing on income diversification strategies that will deliver additional discretionary income to the company
- > Consumer Affairs Victoria has implemented significant program changes that have affected the level of grants and the process for service agreement and delivery
- > Office of Housing has initiated significant program changes that have affected the level of grants and the process for service agreement and delivery

The Board expects that the income diversification work will better position the company for future challenges and the delivery of its strategic goals.

### Environmental Issues

The company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth of a state or territory.

### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 30 June 2006 has been received and forms part of the directors’ report.

### Information on Directors

<b>Ross Ferris</b>	Chairperson (Non-executive)
Qualifications	BEC, Grad Dip (Applied Finance), MBA
Experience	Senior health sector manager. Board member since 2002
Special Responsibilities	Member of the Finance Committee
<b>Andrew Sprague</b>	Director
Qualifications	B Eng (Hons), MBA (in progress)
Experience	Senior manager in telecommunications. Business development responsibilities
Special Responsibilities	Member of the Strategy Committee
<b>Graham Barrington</b>	Director
Qualifications	MB BS, MBA, MPH, M App Sc, BA, BSc, Grad Dip Hum AFCHSE
Experience	Health sector management
Special Responsibilities	Member of the Strategy Committee

**Heather Holst** Director (on leave of absence)  
 Qualifications BA, Grad Dip (Education), PhD (in progress)  
 Experience Community worker. Board member since 2002  
 Special Responsibilities Member of the Policy Committee

**Jacqueline Robinson** Director  
 Qualifications BA  
 Experience Arts and community development worker.  
 Organisational and training consultant  
 Special Responsibilities Member of the Governance Committee

**Kelli Cheales** Director  
 Qualifications BA (Public Relations), MA (Marketing), MBA (in progress)  
 Experience Board member since 2003  
 Special Responsibilities Member of the Governance Committee

**Natasha Leigh** Director  
 Qualifications LLB, BA (Psychology)  
 Experience Admitted to legal practice in 2000, senior policy and  
 projects solicitor with consumer specialisation  
 Special Responsibilities Member of the Policy Committee

### Information on Company Secretary

The following person held the position of company secretary at the end of the financial year:

**Mark O'Brien**  
 Qualifications BA  
 Experience Commenced at Tenants Union of Victoria in 1991,  
 appointed Chief Executive Officer in 1998

## Meetings of Directors

During the financial year, 21 meetings of directors (including committees of directors) were held. Attendances by each director during the year were:

	Directors' Meetings		Committee Meetings								
			Finance Committee		Governance Committee		Policy Committee		Strategy Committee		
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	
Andrew Sprague	4	3								5	4
Graham Barrington	4	3								5	5
Heather Holst	4	1			(Leave of absence)						
Jaqueline Robinson	4	3			3	3					
Kelli Cheales	4	3			3	3					
Maree Amason	1	-			1	1					
Natasha Leigh	4	4					3	3			
Ross Ferris	4	4	5	5							

## Indemnifying Officers or Auditor

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- > Directors and officers insurance is held with Victorian Managed Insurance Authority, through the Department of Human Services. Liability is limited to \$20,000,000 for any one claim and \$20,000,000 in the aggregate per organisation subject to non-accumulation. This insurance indemnifies Director(s) and/or executive officer(s) against third party claims for wrongful acts which includes actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty of authority or other act wrongfully committed. No premium is payable by the Tenants Union of Victoria Ltd in respect of this policy.
- > Fidelity Guarantee insurance is held with CGU Insurance Ltd. Liability is limited to \$100,000 for any one claim and \$100,000 in the aggregate subject to non-accumulation. This insurance indemnifies the Tenants Union of Victoria Ltd for loss of money, securities or other property due to acts of fraud or dishonesty by its employees. A premium of \$2,045 per annum is payable for this policy.

Signed in accordance with a resolution of the Board of Directors.



Ross Ferris

**Chairperson**

Dated this 28th day of August 2006 at Melbourne

**Auditor's Independence Declaration**  
**Under s.307C of the Corporations Act 2001**  
**to the Directors of the Tenants Union of Victoria Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b. no contravention of any applicable code of professional conduct in relation to the audit.

C.W. Stirling & Co  
Chartered Accountants



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John A. Phillips

**Partner**

Dated this 28th day of August 2006 at Melbourne

## Income Statement

Tenants Union of Victoria Ltd ACN 081 348 227

for the year ended 30 June 2006

	Note	2006 \$	2005 \$
Revenue		2,241,264	2,648,465
Employee benefits expense		(1,570,220)	(1,925,093)
Occupancy expense		(120,435)	(152,991)
Depreciation expense		(27,148)	(37,914)
Printing and publications		(110,840)	(133,251)
Capital equipment	1(b)	(35,497)	(41,320)
Consultancy		(47,239)	(78,419)
Special projects		(17,407)	(5,774)
Other expenses		(273,276)	(263,188)
Surplus before income tax	2	39,202	10,515
Income tax expense	1(a)	-	-
<b>Net surplus</b>		<b>39,202</b>	<b>10,515</b>

The accompanying notes form part of these financial statements



## Balance Sheet

Tenants Union of Victoria Ltd ACN 081 348 227

as at 30 June 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	3	421,974	708,286
Trade and other receivables	4	35,748	8,280
TOTAL CURRENT ASSETS		457,722	716,566
NON-CURRENT ASSETS			
Trade and other receivables	4	4,610	5,443
Plant and equipment	5	24,204	56,130
TOTAL NON-CURRENT ASSETS		28,814	61,573
TOTAL ASSETS		486,536	778,139
CURRENT LIABILITIES			
Trade and other payables	6	47,402	212,384
Current tax liabilities	7	65,736	84,919
Short-term provisions	8	86,208	110,432
Other current liabilities	9	102,113	212,379
TOTAL CURRENT LIABILITIES		301,459	620,114
NON-CURRENT LIABILITIES			
Long-term provisions	8	9,200	21,350
TOTAL NON-CURRENT LIABILITIES		9,200	21,350
TOTAL LIABILITIES		310,659	641,464
<b>NET ASSETS</b>		<b>175,877</b>	<b>136,675</b>
EQUITY			
Capital reserve		24,204	56,130
Accumulated surplus	10	151,673	80,545
<b>TOTAL EQUITY</b>		<b>175,877</b>	<b>136,675</b>

The accompanying notes form part of these financial statements

**Statement of Changes in Equity**  
**Tenants Union of Victoria Ltd ACN 081 348 227**  
**for the year ended 30 June 2006**

	<b>Accumulated Surplus</b>	<b>Capital Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2004</b>	45,837	80,323	126,160
Surplus for the year	10,515	-	10,515
Transfers to and from reserves	24,193	(24,193)	-
<b>Balance as at 30 June 2005</b>	<b>80,545</b>	<b>56,130</b>	<b>136,675</b>
Surplus for the year	39,202	-	39,202
Transfers to and from reserves	31,926	(31,926)	-
<b>Balance as at 30 June 2006</b>	<b>151,673</b>	<b>24,204</b>	<b>175,877</b>

The accompanying notes form part of these financial statements

## Statement of Cash Flows

Tenants Union of Victoria Ltd ACN 081 348 227

for the year ended 30 June 2006

	Note	2006 \$	2005 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from government and other sources		2,086,801	2,548,206
Payments to suppliers and employees		(2,394,128)	(2,520,600)
Interest received		17,562	23,911
Net cash provided by/ (used in) operating activities	13	(289,765)	51,517
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of plant and equipment		5,091	-
Payment for plant and equipment		(1,638)	(13,721)
Net cash provided by/ (used in) investing activities		3,453	(13,721)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash provided by/ (used in) financing activities		-	-
Net increase (decrease) in cash held		(286,312)	37,796
Cash at beginning of year		708,286	670,490
Cash at end of year		421,974	708,286

The accompanying notes form part of these financial statements

## **Notes to the Financial Statements**

**Tenants Union of Victoria Ltd ACN 081 348 227**

**for the year ended 30 June 2006**

### **Note 1: Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

Tenants Union of Victoria Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

#### **Basis of Preparation**

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110: Events after the Balance Sheet Date

AASB 117: Leases

AASB 1031: Materiality

AASB 1048: Interpretation and Application of Standards

No other Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

#### **Reporting Basis and Conventions**

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

## **Accounting Policies**

### **a. Income Tax**

The company is exempt from income tax.

### **b. Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### **Depreciation**

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. All assets with a cost base of under \$1,000 are expensed on acquisition.

The depreciation rates used for plant and equipment range from 20% to 33%.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

### **c. Financial Assets**

#### **Recognition**

Financial assets are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### **Available-for-Sale Financial Assets**

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless the fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### **Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**d. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**e. Grants Received in Advance and Project Balances**

The company receives government funding for its recurrent operations and for defined projects under signed agreements. The funding agreements require the company to spend these funds in accordance with the agreement. Surplus funds remain the property of the funding source until incurred. Consistent with the terms of the funding agreements, grant and project funds not spent at balance date are recognised as a liability and are not brought to account as income.

**f. Cash and Cash Equivalents**

Cash and cash equivalents includes 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 short-term borrowings in current liabilities on the balance sheet.

**g. Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

**h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**i. Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.



	Note	2006 \$	2005 \$
<b>Note 2: Surplus From Ordinary Activities</b>			
Surplus from ordinary activities before income tax expense has been determined after:			
a. Expenses		27,148	37,914
Depreciation of plant and equipment			
Remuneration of auditor			
audit		7,500	7,500
other services		1,240	1,500
Net loss on disposal of plant and equipment		1,325	-
Rental expense on operating leases		77,408	97,509
<b>Note 3: Cash and Cash Equivalents</b>			
Cash on hand		600	1,150
Cash at bank		421,374	707,136
		421,974	708,286
<b>Note 4: Trade and Other Receivables</b>			
CURRENT			
Sundry debtors and prepayments		35,748	8,280
NON-CURRENT			
Security deposits		4,610	5,443
<b>Note 5: Plant And Equipment</b>			
Plant and equipment – at cost		159,591	227,779
Less accumulated depreciation		(135,387)	(171,649)
		24,204	56,130
<b>Note 6: Trade and Other Payables</b>			
Trade creditors		32,158	122,103
Sundry creditors and accrued expenses		15,244	90,281
		47,402	212,384
<b>Note 7: Tax Liabilities</b>			
Net Tax Liabilities – GST and PAYG		65,736	84,919
<b>Note 8: Provisions</b>			
SHORT-TERM			
Employee benefits		86,208	110,432
LONG-TERM			
Employee benefits		9,200	21,350

	<b>Note</b>	<b>2006</b> \$	<b>2005</b> \$
<b>Note 9: Other Liabilities</b>			
Grants received in advance		84,870	67,663
Project Balances:			
Non-recurrent Special Projects		17,243	-
CAV – Specialist Tenancy Service		-	2,127
CAV – Northern Regional		-	40,205
CAV – PHAP Western Regional		-	76,291
CAV – PHAP Advocacy & Legal		-	4,229
CAV – PHAP Private Tenant Education		-	5,753
VLA – Specialist CLC		-	16,111
		102,113	212,379

**Note 10: Reserves**

The capital reserve records funds set aside for return to government agencies in the event of termination of funding agreements. The amount of the reserve is equal to the written down value of plant and equipment held by the company at each balance date. Refer also to Note 12.

**Note 11: Members' Guarantee**

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2006 the number of full members was 31 (2005: 37).

**Note 12: Contingent Liability**

The company operates programs and in return receives funding under agreement with the Victorian and Commonwealth Governments. It is a condition of receipt of these grant funds that in the event of the company ceasing to operate the programs under agreement, or upon voluntary winding up of the company, the company is required to return control of the assets to the Victorian and Commonwealth Governments.

	<b>Note</b>	<b>2006</b> \$	<b>2005</b> \$
<b>Note 13: Cash Flow Information</b>			
Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax:			
Surplus from ordinary activities after income tax		39,202	10,515
Non-cash flows in surplus from ordinary activities:			
Depreciation		27,148	37,914
Loss on disposal of plant and equipment		1,325	-
Changes in assets and liabilities:			
Decrease/(increase) in receivables		(26,635)	(6,310)
Increase/(decrease) in payables		(164,982)	98,201
Increase/(decrease) in provisions		(36,374)	(18,765)
Increase/(decrease) in tax liabilities		(19,183)	-
Increase/(decrease) in other liabilities		(110,266)	(70,038)
Cash flows from operations		<u>(289,765)</u>	<u>51,517</u>

**Note 14: Leasing Commitments**

## Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

## Payable

not longer than 1 year	63,894	63,894
longer than 1 year but not longer than 5 years	35,192	99,086
longer than 5 years	-	-
	<u>63,894</u>	<u>63,894</u>

Details of significant leasing arrangements: The Company's property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the CPI per annum.

**Note 15: Events Subsequent to Reporting Date**

Since the end of the financial year the company has not encountered any significant change to its normal activities.

**Note 16: Company Details**

The registered office and principal place of business of the company is: 55 Johnston Street, Fitzroy, Victoria 3065.

**Note 17: Change in Accounting Policy**

The following Australian Accounting Standards which have been issued or amended and which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

<b>AASB Amendment</b>	<b>AASB Standard Affected</b>	<b>Nature of change in Accounting Policy and Impact</b>	<b>Application Date of the Standard</b>	<b>Application Date for the Company</b>
2004–3	AASB 101: Presentation of Financial Statements	No change, no impact	1 January 2006	1 July 2006
2005–10	AASB 101: Presentation of Financial Statements	No change, no impact	1 January 2007	1 July 2007
	AASB 117: Leases	No change, no impact	1 January 2007	1 July 2007

All other pending Standards issued between the previous financial report and the current reporting date have no application to the company.

<b>AASB Amendment</b>	<b>AASB Standard affected</b>
2004–3	AASB 1: First-time Adoption of AIFRS AASB 124: Related Party Disclosures
2005–1	AASB 139: Financial Instruments: Recognition and Measurement
2005–2	AASB 1023: General Insurance Contracts
2005–4	AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2005–5	AASB 1: First-time Adoption of AIFRS AASB 139: Financial Instruments: Recognition and Measurement
2005–6	AASB 3: Business Combinations
2005–9	AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation

2005–10	AASB 139: Financial Instruments: Recognition and Measurement
	AASB 114: Segment Reporting
	AASB 133: Earnings per Share
	AASB 1: First-time Adoption of AIFRS
	AASB 4: Insurance Contracts
	AASB 1023: General Insurance Contracts
	AASB 1038: Life Insurance Contracts
2006–1	AASB 121: The Effects of Changes in Foreign Exchange Rates
New Standard	AASB 7: Financial Instruments: Disclosure
	AASB 119: Employee Benefits: December 2004

## **Directors' Declaration**

**Tenants Union of Victoria Ltd ACN 081 348 227**

**for the year ended 30 June 2006**

The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001:
  - a. comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
  - b. give a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.



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Ross Ferris

**Chairperson**

Dated this 28th day of August 2006 at Melbourne



## **Independent Audit Report to the Members of Tenants Union of Victoria Limited**

### **Scope**

#### **The Financial Report & Directors' Responsibility**

The financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Tenants Union of Victoria Limited (the company), for the year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumptions of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

#### **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1 are appropriate to the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- > examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- > assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

#### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independent declaration which forms part of the Directors' Report, has not changed as at the date of providing our audit opinion.

#### **Audit Opinion**

In our opinion, the financial report of Tenants Union of Victoria Limited is in accordance with:

- a. the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
  - ii. complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements to the extent described in Note 1.

C.W. Stirling & Co  
Chartered Accountants



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John A. Phillips

**Partner**

Dated this 28th day of August 2006 at Melbourne

## **Compilation Report to the Members of Tenants Union of Victoria Limited**

On the basis of information provided by the Directors of Tenants Union of Victoria Limited, we have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the special purpose financial report of Tenants Union of Victoria Limited for the period ended 30 June 2006 as set out on the following page.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the Directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The Directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

C.W. Stirling & Co  
Chartered Accountants



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John A. Phillips

**Partner**

Dated this 28th day of August 2006 at Melbourne

**Detailed Operating Statement**  
**Tenants Union of Victoria Ltd ACN 081 348 227**  
**for the year ended 30 June 2006**

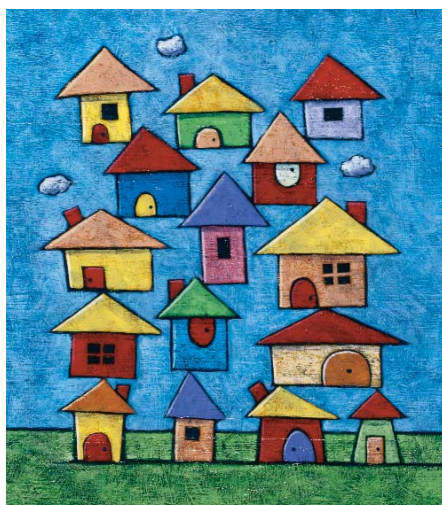
	Note	2006 \$	2005 \$
<b>Income</b>			
Grants – recurrent		2,070,728	2,484,522
Grants – non-recurrent		76,273	98,040
Interest earned		17,562	23,911
Membership fees		1,630	1,985
Hire fees		845	875
Training		-	2,330
Other income		74,226	36,802
<b>Total Income</b>		<b>2,241,264</b>	<b>2,648,465</b>
<b>Less Expenditure</b>			
Accounting fees		9,040	9,460
Bank charges		1,080	1,788
Capital equipment maintenance		2,367	1,497
Capital equipment		35,497	41,320
Cleaning		18,234	19,018
Community facilities		4,983	5,774
Computer software		1,205	4,053
Consultancy		47,239	78,419
Depreciation		27,148	37,914
Disbursements		3,499	8,316
Employment advertisements		8,853	3,878
Gas/electricity		9,006	9,781
Insurances		4,526	6,814
Library		18,766	24,957
Loss on sale of assets		1,325	-
Miscellaneous		306	964
Payroll		1,456,901	1,710,908
Photocopying		2,084	3,185
Planning		79	2,541
Postage and freight		14,403	15,114
Practising certificates		1,341	1,483
Printing		15,531	22,305

	<b>Note</b>	<b>2006</b> \$	<b>2005</b> \$
Publications program		93,225	107,761
Publicity		5,212	11,982
Project surplus return		7,333	-
Rates		665	1,315
Redevelopment Access Worker		-	67,992
Rent		77,408	97,509
Repairs and maintenance		14,224	34,080
Security		1,359	4,460
Special projects		12,424	-
Staff amenities		13,763	20,908
Staff development		17,142	9,685
Stationery		8,662	20,209
Subcontractor costs		68,979	-
Subscriptions & memberships		9,765	4,165
Superannuation (employer)		113,318	146,193
Telephone		32,027	47,575
Training program		1,947	8,182
Travel		35,145	40,112
Volunteer program		-	495
WorkCover		6,051	5,838
<b>Total Expense</b>		<b>2,202,062</b>	<b>2,637,950</b>
<b>SURPLUS</b>		<b>39,202</b>	<b>10,515</b>
Transfers from capital reserve		31,926	24,193
<b>SURPLUS after transfers from reserves</b>		<b>71,128</b>	<b>34,708</b>

The detailed operating statement should be read in conjunction with the attached Compilation Report of C.W. Stirling & Co., Chartered Accountants.







*Yes, what else but home?*

Robert Frost



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Original cover painting by Damian Fitzgerald © 2002