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tenants union of victoria  
annual report  
2006-2007



TENANTS UNION  
of Victoria Ltd





**Tenants Union of Victoria**  
Annual Report 2006-2007

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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 2006/07

## Advocacy

- > **17,286** clients overall
- > **1,411** clients assisted with advocacy
- > **636** VCAT (Residential Tenancies List) representations

## Social Change

- > State and Commonwealth Governments commit to the regulation of residential tenancy databases
- > State Government commits to improvements in private rooming house regulation and monitoring
- > State Government commits to extend legal protection to student accommodation
- > **110+** articles or appearances in statewide and local media
- > Formal submissions and presentations to:
  - > Equal Opportunity Commission of Victoria, Equal Opportunity Bill Issue Paper
  - > Australian Fair Pay Commission, Setting the Minimum Wage Public Consultations
  - > Essential Services Commission, Small Scale Supplier Licensing Review
  - > VCOSS Social Policy Congress, Improving Commonwealth Rent Assistance presentation
  - > Australian Energy Market Commission, Statement of Approach
  - > Department of Infrastructure, Victorian Energy Efficiency Target Scheme Issues Paper
- > Research papers about:
 

<ul style="list-style-type: none"> <li>&gt; Rental Housing Standards</li> <li>&gt; Caravan Park Management</li> <li>&gt; Bond Assistance Scheme</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Student Accommodation</li> <li>&gt; Rooming House Standards</li> <li>&gt; Regulation of Long Term Accommodation</li> </ul>
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## Education

- > Review and publication of:
  - > **28** fact sheets on common residential tenancy and rooming houses problems
  - > Handbooks for tenants or residents in private rental, public housing, caravan parks, rooming houses and transitional housing
  - > 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
- > Distribution of:
  - > More than **160,000** fact sheets
  - > More than **20,000** handbooks
  - > **3,000** copies of *Tenant News* **per edition**
- > **145,000+** visits to the TU website
  - > Downloads of more than **100,000** 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 2006/07. 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.

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 remained at historic lows making access to reasonable housing even more difficult for many tenants. The tight market has encouraged the continuation of exploitative practices such as rental bidding.

We have also seen rents increasing at greater than CPI for the last two years. Most of the affordable rental housing is now well outside even the middle ring suburbs of metropolitan Melbourne. This seemingly prolonged tension in the rental sector should be the clarion call for all levels of Government to improve the protections and services available to residential tenants.

Despite the deterioration of the market environment for many tenants, we remain 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 secured significant commitments to improve legislative protection for rooming house and caravan park residents and for students of privately operated residential accommodation.

We have continued our work to defend and extend our income. This will be achieved through the development of new services for members which will be implemented in the forthcoming year.

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 and households to solve their 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 all 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 organisation has been confronted with all the manifestations of a failing rental sector in Victoria.

We have endeavoured to assist tenants in the private market struggling with higher rents and tight vacancy rates. These market conditions have enabled the continuation of sharp and exploitative practices and are unfortunately the conditions that generally dissuade tenants from exercising the limited rights they have. With limited access to the social housing sector, highly disadvantaged tenants are being increasingly forced into substandard rooming houses and caravan parks.

The overall number of tenants we have assisted has declined over the last few years due to a reduction in our funding and resources. We have, however, continued to provide a very significant level of advocacy assistance, primarily targetted at vulnerable and disadvantaged renters. We successfully resolved more than 65% of advocacy matters through negotiation, nevertheless we still undertook more than 630 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 further extension of the resource materials available on 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. Through our communications strategy we have continued to maintain a high profile in the media and in policy debate. After considerable lobbying from the Tenants Union and others the State Government committed a much needed and record Budget allocation of \$500 million to the social housing sector.

Whilst we have experienced a further 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, Department of Justice
- > Office of Housing, Department of Human Services
- > Victoria Legal Aid (Community Legal Services Program)
- > Commonwealth Department of Family and Community Services  
(Community Legal Services Program)

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 staff are a credit to their commitment and skills and they should be commended for another excellent year's work.



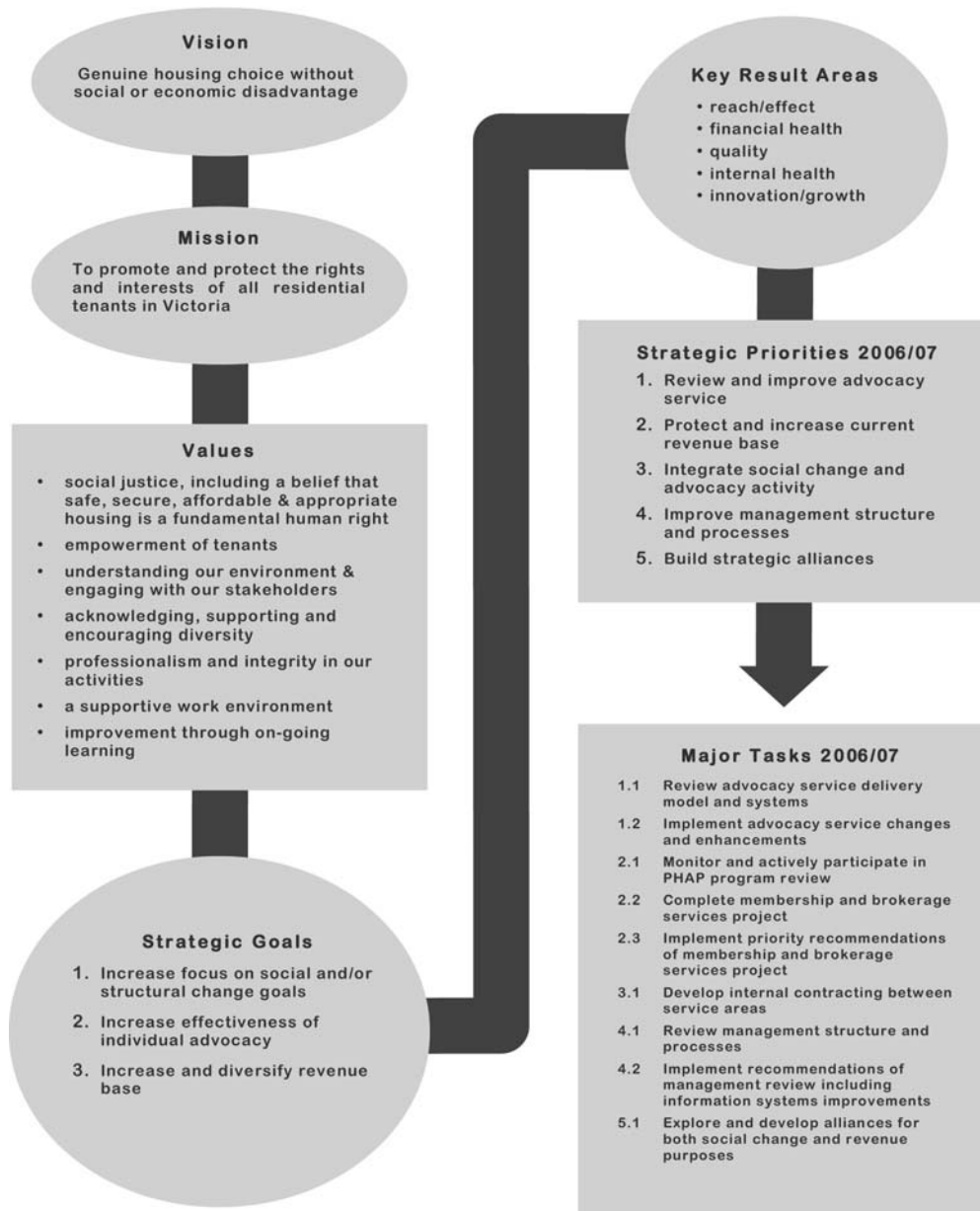
Mark O'Brien

**Chief Executive Officer**

# Strategic Direction

The current Strategic Plan is outlined below. A status report against the Key Result Areas for the organisation for 2006/07 follows.

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



## Tenants Union of Victoria, Key Result Areas 2006/07

	Key Result Area	Annual Target	YTD Actual	Variance	Notes
	<b>Reach/Effect</b>				
	<b>Advocacy</b>				
1	No. of clients overall	20,500	17,286	83.9%	1
2	No. of phone clients	18,000	14,053	77.3%	2
3	No. of drop in clients	2,000	2,093	>100%	
4	No. of e-mail clients	500	1,120	>100%	
5	No. of caravan park/rooming house clients	400	1,593	>100%	
6	No. of public housing clients	750	1,058	>100%	
7	No. of organisational clients	1,000	1,214	>100%	
8	No. of new casework files	600	770	>100%	
9	No. of active casework files	1,200	1,411	>100%	
10	No. of metro advocacy clients	800	816	>100%	
	<b>Education</b>				
11	No. of leaflets distributed	80,000	166,347	>100%	
12	No. of handbooks distributed	20,000	29,689	>100%	
13	No. of Tenant News distributed	20,000	11,265	56.3%	3
14	No. of web site sessions	80,000	144,179	>100%	
15	No. of leaflet page views	20,000	96,798	>100%	
16	No. of multilingual page views	5,000	15,850	>100%	
17	No. of outreach visits	64	65	>100%	
18	No. of tenant group training sessions	24	12	50.0%	4
19	No. of CAV training sessions	4	4	100.0%	
20	No. of SHASP training sessions	4	4	100.0%	
21	No. of training assessments	50	0	0.0%	5
	<b>Social Change</b>				
22	No. of media releases	12	14	>100%	
23	No. of media articles	12	110	>100%	
24	No. of research papers/submissions	2	6	>100%	
25	No. of alliances	2	3	>100%	
	<b>Corporate</b>				
26	No. of members	>150	163	>100%	
27	No. of new members	>50	16	32.0%	6
28	No. of AGM attendees	>8	11	>100%	
	<b>Quality</b>				
	<b>Advocacy</b>				
29	Abandoned call rate	<20%	19.9%	No	
30	Service guidelines exceptions	None	0	No	
31	No. of complaints	None	5	Yes	7
32	Client satisfaction rate	85%	95%	>100%	
	<b>Education</b>				
33	Training participant satisfaction rate	85%	95%	>100%	
34	Publications vetting exceptions	None	0	No	
35	Publications satisfaction rate	85%	95%	>100%	
	<b>Social Change</b>				
36	Project completion exceptions	None	1	Yes	8
37	Adoption of recommendations		2	Yes	
	<b>Corporate</b>				
38	Proportion of membership renewals	50%	29%	(20.6%)	9
	<b>Finance</b>				
39	Expenditure variance from Budget	0%	(0.8%)	No	10
40	Expenditure variance from programs	0%	(1.0%)	No	11
41	Proportion of discretionary income	1%	2%	1.0%	
42	Reporting compliance exceptions	None	1	Yes	12
	<b>Internal Health</b>				
43	Rate of absenteeism	3%	3.6%	(0.6%)	13
44	Rate of staff turnover	5%	23.3%	(18.3%)	14
45	Staff satisfaction rate	75%	80%	>100%	
46	Staff development exceptions	None	0	No	
47	EO & OHS compliance exceptions	None	0	No	
	<b>Innovation/Growth</b>				
48	No. of new projects	No target	0	No	
49	No. of new services	No target	0	No	
50	No. of new alliances	No target	1	>100%	

### Notes:

- Overall client numbers are below target due to lower phone advice clients.
- Phone advice client numbers remain below target due to a number of factors including declining overall demand, variable service response due to staff turnover and complexity of enquiries.
- Distribution was below target due to one foregone edition and less than expected distribution through the phone advice service.
- Sessions were below target due to insufficient capacity of tenant groups to attend planned sessions.
- Assessments were below target due to limited number of registrants and no registrants requesting assessment.
- The number of new members is consistent with a long term decline in new member applicants which is being addressed through new services.
- Most complaints received in the first quarter and resolved with staff counselling.
- Delays with completion of CAV Long Term Accommodation project.
- Below target but consistent with historical level of membership renewal.
- Expenditure was under Budget but financial performance was affected by less than anticipated income.
- As above Note 10.
- Delay with completion of VLA requirements for annual reporting in October 2006.
- Actual result reduced over the course of the year. Target is probably too ambitious.
- High turnover in the first two quarters. No further turnover.

## 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 poor financial situation of many tenants, particularly in the private rental sector

**appropriateness:** to address the poor standard and location of rental housing, poor management practices and the 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 2006/07 were:

### Legitimacy

- > Promoted tenancy issues in both local and statewide media with more than **110** articles or interviews in print or on radio including more than 60 appearances in statewide media.
- > Lobbied the Victorian Government to implement its Integrated Housing Strategy to improve the various forms of housing assistance provided by government.
- > Lobbied the Victorian Government to undertake a comprehensive residential tenancies strategy culminating in the release of a discussion paper by Consumer Affairs Victoria (June 2007)
- > Played an important leadership role in the development of a broad based community sector alliance to campaign for affordable housing
- > Presented to the VCOSS Social Policy Congress (August 2006) on the important issue of Commonwealth Rent Assistance
- > Met with relevant State Government Ministers to provide a broad overview of the work of the Tenants Union and our policy reform agenda
- > 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

- > Submission to the Equal Opportunity Commission of Victoria, Equal Opportunity Bill Issue Paper (July 2006)
- > Provided feedback to the Federal Attorney General's Department on proposed amendments to the Federal Privacy Guidelines relating to residential tenancies databases
- > Development of a number of education projects targeting particular groups of tenants affected by discrimination in the private rental market including newly arrived migrants, single parents and students.

## Affordability

- > Released a second national Rental Housing Affordability Bulletin (September 2006) reported in a number of capital city and national media.
- > Submission to the Australian Fair Pay Commission, Setting the Minimum Wage Public Consultations (July 2006) on the importance of maintaining real minimum wage levels to support rental housing affordability
- > Presentation on Improving Commonwealth Rent Assistance to the VCOSS Social Policy Congress (August 2006)
- > Commenced a Freedom of Information appeal process to secure the release of the Commonwealth Government's internal review of Commonwealth Rent Assistance.

## Appropriateness

- > Commitment from the Victorian Government to improve regulation and monitoring of private rooming houses.
- > Commitment from the Victorian Government to extend residential tenancies legislative protection to student accommodation.
- > Continued to lobby the Victorian Government to implement rental housing standards particularly in response to proposed significant increases in the cost of domestic energy and water
- > Submissions or reports to:
  - > Essential Services Commission, Small Scale Supplier Licensing Review (August 2006, February 2007)
  - > Australian Energy Market Commission, Statement of Approach (April 2007)
  - > Department of Infrastructure, Victorian Energy Efficiency Target Scheme Issues Paper (May 2007)
- > Research Papers delivered on:
 

<ul style="list-style-type: none"> <li>&gt; Rental Housing Standards</li> <li>&gt; Caravan Park Management</li> <li>&gt; Bond Assistance Scheme</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Student Accommodation</li> <li>&gt; Rooming House Standards</li> <li>&gt; Regulation of Long Term Accommodation</li> </ul>
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- > 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 Consumer Affairs Victoria to maintain an overview of residential tenancies services

### **Social Change Case Study: Australians for Affordable Housing**

In late 2006 a number of housing and homeless organisations commenced discussions about the importance of promoting the issue of affordable housing in the lead up to the 2007 Federal Election. The result of this process was the formation of an alliance to raise funds and develop a clear project proposal. The Tenants Union was a significant contributor to the alliance from its inception.

After receiving some initial contributions from its members the alliance was able to secure Essential Media Communications to assist with the development of a project proposal. This proposal was presented to a broader range of community sector CEO's and managers along with a request for further contributions to enable the full project to be implemented.

As an indication of the significance of the issue, contributions from members were both generous and numerous enabling the project to be implemented in early 2007. One of the key features of the implementation of the project was the formalisation of the alliance as "Australians for Affordable Housing". A key feature of the alliance was to articulate the broad significance of affordable housing beyond concerns about interest rate movements and to establish a voice for low and middle income households as an alternative to the industry dominated public debate. An important part of the alliances media strategy was the secondment of the Tenants Union's Policy and Liaison Worker, David Imber, to the role of media spokesperson.

Australians for Affordable Housing have developed a comprehensive five-point plan to improve housing affordability for low and middle income households and have been engaging continuously with national and statewide media.

We are currently the auspice for the alliance and our policy and research staff have made a major contribution to its work. The Tenants Union is proud to have been one of the founding members and key contributors to this important community sector initiative. It is wonderful example of collaboration towards a key social change objective.

For more information see: [www.affordablehousing.net.au](http://www.affordablehousing.net.au)

# Advocacy & Legal Services

## Advice Service

The aim of the general 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 when services operate between 1:00pm to 8:00pm.

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

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 2006/07, through the general tenant's advice service we achieved a total of **17,286** clients comprising:

- > 14,053 telephone contacts
- > 2,093 in-person contacts
- > 1,140 mail contacts (98% through our e-mail service)

During 2006/07 we assisted tenants with a vast range of tenancy issues and problems. The five most common specific problem enquiries were:

> repairs	10,370 enquiries
> notices to vacate	10,037 enquiries
> bond recovery/retention	6,160 enquiries
> lease breaking	4,259 enquiries
> compensation	3,915 enquiries

## Advocacy

Advocacy assistance is provided to those clients who require more than basic advice and information.

Advocacy assistance includes negotiation with landlords and agents, drafting of letters or documents, preparation of submissions and where required, representation or support of clients at VCAT.

Advocacy assistance is provided by paralegal advocates or legally qualified staff.

**Advocacy Case Study: Dubious Notice to Vacate**

Unfortunately the current private rental market conditions have lead to an increase in sharp practices by some landlords and real estate agents.

Ms B is a new mother and a student.

Ms B requested repairs in January 2007 and sent a request for a Consumer Affairs inspection in February 2007. On the same day her landlord issued a Notice to Vacate on the grounds of extensive repairs or renovation.

Ms B moved out in March 2007. Due to an increase in rents she was forced to relocate to higher priced housing in a different part of the city. This created problems with her child care arrangements and she was unable to complete her course.

Ms B discovered that her former premises had been readvertised for rental in mid May 2007 (2 months after she vacated and 5 weeks after the termination date on her Notice to Vacate). New tenants moved into the premises in early June.

As it appeared the landlord had not acted genuinely, we assisted Ms B to apply to VCAT for compensation. VCAT awarded compensation of \$1,480. The VCAT member found that the landlord did not serve the notice to vacate in good faith. Ms B was compensated for moving and house hunting costs and the non-refundable part of her course fees.

During 2006/07 we assisted more than **1,300 new** clients with general advocacy services.

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

**Table 1: Comparison of Casework Activity, 2006/07 v 2005/06**

	<b>2005/06</b>	<b>2006/07</b>
> No. files open at 1 July 05/06	158	492
> No. of new files	934	797
> No. of closed files	600	1,079
> No. of files open at 30 June 06/07	492	210

*(Source: CLSIS, CMR1.1)*

The continued refinement of our casework assistance guidelines and administrative processes has resulted in a slight overall decline in our legal casework activity over the past twelve months. 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 2006/07 we assisted **536 new** rooming house clients. In summary the service:

- > provided telephone advice to **363** residents
- > provided drop-in advice to **159** residents
- > provided casework assistance to **105** residents
- > undertook **78** representations of rooming house residents at VCAT

We have developed and implemented an outreach and community education program focused on increasing awareness of basic resident rights amongst both rooming house residents and agencies which provide services to residents, including local government. This year we undertook more than 30 visits to rooming houses and more than 50 visits to community service organisations.

### Rooming House Case Study: Student Housing Practices

Unfortunately tight rental market conditions have not only affected the mainstream market. Students are finding it increasingly difficult to access affordable housing in reasonable proximity to educational institutions. This has led to a growth in more marginal forms of housing provision.

A number of students all residing in the same premises in the Western metropolitan region sought our assistance due to an impending eviction. The students had responded to various advertisements to share rooms in a large suburban house. There were six students occupying four rooms with common access to the living areas, kitchen and bathrooms. Each student had a written agreement but none with fixed terms.

The students had been advised that their landlord was about to be evicted for non-payment of rent and that they would consequently also be evicted. None of the students were behind in their rent or in breach of any of their obligations. Whilst the students had been diligently paying their rent to the "landlord", that landlord or "head tenant" had not been passing on the rent payments to the property owner.

Given the nature of the premises and the means by which the agreements had been entered into we were of the view that the premises was a rooming house, as defined by the Victorian law, and that each of the students had a rooming house residency right.

Unfortunately, due to a shortcoming in the current law, there is a right for sub-tenants to become tenants if a head tenancy ceases under such circumstances but there is no equivalent right for rooming house residents. We advised the residents about the action they could take against the "head tenant" and assisted them to negotiate directly with the property owner.

A number of similar cases lead us to lobby the State Government to improve the regulation of private providers of student housing who often advertise at or claim affiliation with educational institutions.

## 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 2006/07 we assisted **1,057** caravan park clients. In summary the service:

- > provided telephone advice to **903** residents
- > provided drop-in advice to **149** residents
- > provided casework assistance to **279** residents
- > undertook **54** representations at VCAT including two major class actions

We have developed and implemented an outreach and community education program focused on increasing awareness of basic resident rights amongst both caravan park residents and agencies which provide services to residents, including local government. This year we undertook more than 35 visits to caravan parks and a large number of visits to community service organisations.

### Caravan Park Case Study: Summerhill Residential Park

We have been assisting many of the residents of Summerhill Residential Park for a number of years with a wide range of issues with their park manager, Ellerton Lodge Pty Ltd.

We had previously assisted a number of residents with notices of rent increase which they successfully challenged at VCAT. The challenge however was quite complex and involved lengthy litigation to establish whether the current Victorian law applied to this caravan park and whether the proposed rent increases were excessive. We successfully concluded this litigation and were awarded costs.

However, in late 2006 a number of the residents received further Notices of Rent Increase which they sought to have assessed by Consumer Affairs. The reports from Consumer Affairs Victoria stated that the rent was excessive giving consideration to a number of the factors outlined in the law. We assisted the residents to apply to VACT for an order that the rent increases be declared excessive.

At the time of the VCAT Hearing, the Caravan Park Owner raised a number of objections regarding the Consumer Affairs reports including identifying some technical shortcomings in the structure of the report and some deficiencies in the delegated authority of the Consumer Affairs inspectors.

Due to the complex arguments the VCAT Member reserved his decision and we anticipate that the decision, including reasons, will be handed down in late 2007.

It is very important for residents of caravan parks to have access to suitably skilled advocates even for what appear to be relatively minor disputes. These disputes can quickly escalate to complex areas of law and intransigence. The difficulties that the Summerhill residents have had invoking a relatively simple right, however point to the need for further law reform to protect these vulnerable consumers.

## 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 2006/07 we received **1,214 organisational** enquiries from a wide range of agencies and services. This was a significant increase on the previous year.

We also distributed a number of practice notes 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: Ms C v Director of Housing

Ms C attended our service to request assistance to stay in a premises owned by the Director of Housing that she had been residing in as her principal place of residence for a number of months. Ms C has a history of unstable housing.

Amongst other issues, we sought to have VCAT create a tenancy between Ms C and the Director of Housing under s.232 of the Residential Tenancies Act 1997. The Act indicates that VCAT should consider a number of issues when hearing applications under s.232 including the relative hardship of the landlord and the prospective tenant.

The matter was heard by VCAT in February 2007 and the application was dismissed.

At the time the VCAT Member hearing the application indicated that she had considered the hardship of other applicants and the proper administration of the public housing waiting list. The Member did not appear to consider the specific hardship to Ms C. In essence, we believed that VCAT had considered irrelevant matters and not considered relevant matters.

We have previously made a number of similar applications for other clients with mixed success and believed that this was an important issue to test. We sought the assistance of PILCH to provide us with pro bono counsel and application was made to the Supreme Court in April 2007.

Following an initial hearing, submissions are being prepared and we anticipate that the matter will be heard by the Supreme Court in late 2007.

# Community Education

## Special Projects

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

Our major achievements for 2006/07 were:

- > Completed 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 was to improve community knowledge of Australian systems and promote community leadership.
- > Completed the CAV Refugee Education Program. The complete education program provided to CAV comprised two training programs; a 2 day training program for 'Community Trainers' and a 3 hour training session for 'Community Educators'.
- > Completed a project to produce a multilingual DVD based resource for first time users of the Victorian Civil and Administrative Tribunal, Residential Tenancies List. The project will include a plain English written guide to VCAT called "A Day at the Bench"
- > Participation in the development of the Refugee Private Rental Project (South Sudanese Pilot Project). The focus of the education program is to improve knowledge of tenancy rights and responsibilities and provide practical information about living in Australian housing.
- > Participation in a number of working groups and project steering committees. All projects have some focus in residential tenants.
- > Delivery of more than **16** regional education activities at significant community events

## 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 2006/07 include:

- > More than **166,000** fact sheets covering 30 common residential tenancy problems now including some rooming house issues
- > 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





## 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 on 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 as required 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 continuing uncertainty surrounding training requirements for both private and public tenancy services.

The following training was offered in 2006/07:

- > Introductory Tenancy Law
- > Advanced Tenancy Law
- > Introductory 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. **More than 90%** of participants rated 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 2006/07 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
- > Maintained the Tenants Union library and other information resources with about 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 **more than 620** orders for publications with **84%** of orders filled and returned within 7 days of receipt

# Personnel

## Staff

Staff members as at 30th June 2007 were:

Mark O'Brien	Chief Executive Officer
Alex Santamaria	Phone Adviser
Alison Cook	Finance & Administration Manager
Anne Smith	Administration Worker
Bill Darling	Tenant Advocate
Cassandra Laybourne	Tenant Advocate
Chris Povey	Solicitor
Christina Andrews	Rooming House Advocate
Colleen Power	Phone Adviser
Damian Stock	Tenant Advocate
David Imber	Policy & Liaison Worker
Deb Connell	Tenant Advocate
Helen Munro	Training Worker
Jenny Draffin	Librarian
Karen Bijkersma	Resources Worker
Marian Hopkins	Solicitor
Marisol Bombal	Bookkeeper
Maya Narayan	Phone Adviser
Melinda Tew	Community Education Worker
Michelle Barnett	Tenant Adviser
Miles Browne	Tenant Advocate
Morgan Waters	Tenant Adviser
Neil Farren	Phone Adviser
Oiza Ekong	Phone Adviser
Paul Keating	Caravan Park Advocate
Raili Sjmolki	Phone Adviser
Rebecca Harrison	Research & Policy Worker
Sheila Narayan	Operations Manager
Ursula Dutkiewicz	Administration Worker
Vanessa Simpson	Project Worker

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



Our thanks also go to the following staff who left the organisation in 2006/07 for their commitment and work during their employment with the Tenants Union:

Andrew McMillan	Specialist Advocate (Caravan Parks)
Anita Spitzer	Solicitor
Brigitte Bailey	Tenant Advocate
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
John Morgan	Finance & Administration Manager
Lee Hansen	Project Worker
Mariam Mohammed	Somali Women's Project Worker
Mary Garson	Solicitor
Pannie Yiu	Phone Adviser
Pasanna Mutha-Merrennege	Phone Adviser
Robyn Lethlean	Specialist Advocate (Rooming House)

# 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 2007.

#### Directors

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

Anthony Wing	Appointed 20/11/2006
Dat Nguyen	Appointed 20/11/2006
Graham Barrington	Appointed 11/11/2004
Jacqueline Robinson	Appointed 23/6/2005
Natasha Leigh	Appointed 21/6/2005
Patricia Loake	Appointed 20/11/2006
Ross Ferris	Appointed 14/11/2002
Shannon Walker	Appointed 18/12/2006
Andrew Sprague	Appointed 16/4/2005. Retired 23/04/2007
Heather Holst	Appointed 14/11/2002. Retired 20/11/2006
Kelli Cheales	Appointed 30/10/2003. Retired 18/12/2006

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 \$53,477 (2006: \$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.

### **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.

## Information on Directors

<b>Anthony Wing</b>	Director
Qualifications	LLB
Experience	Senior manager in Commonwealth regulator. Substantial experience as a government policy advisor, regulator and lawyer.
Special Responsibilities	Finance Committee
<b>Dat Nguyen</b>	Director
Qualifications	MBA
Experience	IT project manager.
Special Responsibilities	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	Strategy Committee.
<b>Jacqueline Robinson</b>	Director
Qualifications	BA
Experience	Arts and community development worker. Organisational and training consultant
Special Responsibilities	Governance Committee
<b>Natasha Leigh</b>	Director
Qualifications	LLB, BA (Psychology)
Experience	Admitted to legal practice in 2000, senior policy and projects solicitor with consumer specialisation
Special Responsibilities	Policy Committee

**Patricia Roake** Director  
 Qualifications MA (Public Relations)  
 Experience Communications, public relations and marketing.  
 Currently senior advisor in Victorian public sector.  
 Special Responsibilities Governance Committee

**Ross Ferris** 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.

**Shannon Walker** Director  
 Qualifications BA (Journalism & Public Relations)  
 Experience Communications consultant  
 Special Responsibilities 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.

### 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 2007 has been received and forms part of the directors' report.

## Meetings of Directors

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were:

	Committee Meetings									
	Directors' 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
Anthony Wing	3	3	2	2						
Dat Nguyen	3	2							1	1
Graham Barrington	5	3							3	3
Jacqueline Robinson	5	4			2	2				
Natasha Leigh	5	3					1	1		
Patricia Loake	3	3			1	1				
Ross Ferris	5	4	4	4						
Shannon Walker	3	3								
Andrew Sprague	4	-							1	1
Heather Holst	2	-								
Kelli Cheales	2	-			1	1				

## 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.

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



Ross Ferris

**Chairperson**

Dated this 17th day of September 2007.  
Melbourne.



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

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 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 contraventions 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 17th day of September 2007.  
Melbourne.

## Income Statement

Tenants Union Of Victoria Ltd ACN 081 348 227

For The Year Ended 30 June 2007

	Note	2007 \$	2006 \$
Revenue		1,779,964	2,241,264
Employee benefits expense		(1,198,240)	(1,570,219)
Occupancy expense		(96,451)	(120,896)
Depreciation expense		(16,142)	(27,148)
Printing, publications, stationery and postage		(117,660)	(133,905)
Capital equipment	1(b)	(23,664)	(35,497)
Consultancy & subcontractor expenses		(122,037)	(116,218)
Special projects		(10,098)	(12,424)
Other expenses		(142,195)	(185,755)
Surplus before income tax	2	53,477	39,202
Income tax expense	1(a)	-	-
Net surplus		53,477	39,202

The accompanying notes form part of these financial statements.

## Balance Sheet

Tenants Union of Victoria Ltd ACN 081 348 227

As At 30 June 2007

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	442,539	421,974
Trade and other receivables	4	67,093	35,748
<b>TOTAL CURRENT ASSETS</b>		<b>509,632</b>	<b>457,722</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4	4,610	4,610
Plant and equipment	5	8,062	24,204
<b>TOTAL NON-CURRENT ASSETS</b>		<b>12,672</b>	<b>28,814</b>
<b>TOTAL ASSETS</b>		<b>522,304</b>	<b>486,536</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	6,950	47,402
Current tax liabilities	7	60,428	65,736
Short-term provisions	8	79,482	86,208
Other current liabilities	9	138,142	102,113
<b>TOTAL CURRENT LIABILITIES</b>		<b>285,002</b>	<b>301,459</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	8	7,948	9,200
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,948</b>	<b>9,200</b>
<b>TOTAL LIABILITIES</b>		<b>292,950</b>	<b>310,659</b>
<b>NET ASSETS</b>		<b>229,354</b>	<b>175,877</b>
<b>EQUITY</b>			
Capital reserve	10	8,062	24,204
Accumulated surplus		221,292	151,673
<b>TOTAL EQUITY</b>		<b>229,354</b>	<b>175,877</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 2007**

	<b>Accumulated Surplus</b>	<b>Capital Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2005	80,545	56,130	136,675
Surplus for the year	39,202	-	39,202
Transfers to and from reserves	31,926	(31,926)	-
Balance as at 30 June 2006	151,673	24,204	175,877
Surplus for the year	53,477	-	53,477
Transfers to and from reserves	16,142	(16,142)	-
Balance as at 30 June 2007	221,292	8,062	229,354

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 2007

	Note	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from government and other sources		1,930,800	2,086,801
Payments to suppliers and employees		(1,925,619)	(2,394,128)
Interest received		14,748	17,562
Net cash provided by/(used in) operating activities	15	19,929	(289,765)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of plant and equipment		636	5,091
Payment for plant and equipment		-	(1,638)
Net cash provided by investing activities		636	3,453
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash held		20,565	(286,312)
Cash at beginning of year		421,974	708,286
Cash at end of year		442,539	421,974

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

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

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

This financial report is a special purpose financial report that has been prepared in accordance with the *Corporations Act 2001*.

The financial report is for Tenants Union of Victoria Limited, a public company limited by guarantee, as an individual entity, 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 Australian Accounting Interpretations:

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 1004: Contributions;

AASB 1031: Materiality; and

AASB 1048: Interpretation and Application of Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

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

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for 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**

No provision for income tax has been raised, as the company is exempt from income tax.

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at fair value of the asset at the date it is acquired.

#### **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.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

### **e. Unexpended Grants**

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

### **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.

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.

### **g. Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

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. Contributions**

When the Company receives non-reciprocal contributions from the Government and other parties for no or a nominal value, these contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

**i. 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.

**j. Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**k. Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>Note 2: Surplus From Ordinary Activities</b>		
Surplus from ordinary activities before income tax expense has been determined after:		
a. Expenses		
Depreciation of plant and equipment	16,142	27,148
Remuneration of auditor		
- audit of the financial report	8,000	7,500
- other audit related services	5,800	1,240
Net (profit)/loss on disposal of plant and equipment	(636)	1,325
Rental expense on operating leases	66,078	77,408
<b>Note 3: Cash and Cash Equivalents</b>		
Cash on hand	600	600
Cash at bank	441,939	421,374
	<u>442,539</u>	<u>421,974</u>
<b>Note 4: Trade and Other Receivables</b>		
CURRENT		
Sundry debtors and prepayments	67,093	35,748
NON-CURRENT		
Security deposits	4,610	4,610
<b>Note 5: Plant And Equipment</b>		
Plant and equipment – at cost	40,584	159,591
Less accumulated depreciation	(32,522)	(135,387)
	<u>8,062</u>	<u>24,204</u>
<b>Note 6: Trade and Other Payables</b>		
Trade creditors	200	32,158
Sundry creditors and accrued expenses	6,750	15,244
	<u>6,950</u>	<u>47,402</u>
<b>Note 7: Tax Liabilities</b>		
Net Tax Liabilities – GST and PAYG	60,428	65,736

**Note 8: Provisions**

## SHORT-TERM

Employee benefits	79,482	86,208
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## LONG TERM

Employee benefits	7,948	9,200
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**Note 9: Other Liabilities**

## CURRENT

Grants received in advance	138,142	84,870
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## Project Balances:

Non – Recurrent Special Projects	-	17,243
	138,142	102,113

**Note 10: Reserves**

The capital reserve records funds set aside for return to government agencies in 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 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 2007 the number of full members was 37 (2006: 31).

**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.

**Note 13: 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 14: Company Details**

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

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>Note 15: 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	53,477	39,202
Non-cash flows in surplus from ordinary activities		
Depreciation	16,142	27,148
(Profit)/Loss on disposal of plant and equipment	(636)	1,325
Changes in assets and liabilities		
Decrease/(increase) in receivables	(31,345)	(26,635)
Increase/(decrease) in payables	(40,452)	(164,982)
Increase/(decrease) in provisions	(7,978)	(36,374)
Increase/(decrease) in tax liabilities	(5,308)	(19,183)
Increase/(decrease) in other liabilities	36,029	(110,266)
Cash flows from operations	19,929	(289,765)

**Note 16: Leasing Commitments**

## Operating Lease Commitments

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

Payable		
- not longer than 1 year	33,894	63,894
- longer than 1 year but not longer than 5 years	1,298	35,192
- longer than 5 years	-	-
	35,192	99,086

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 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>Standards affected</b>	<b>Outline of amendment</b>	<b>Application date of the Standard</b>	<b>Application date for the Company</b>
2005-10 Amendments to Aust. Accounting Standards	AASB 101: Presentation of Financial Statements	Disclosure amendments only	1 January 2007	1 July 2007

## **Directors' Declaration**

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

**For The Year Ended 30 June 2007**

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 and the *Corporations Regulations 2001*; and
  - b. give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company.
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 17th day of September 2007

Melbourne



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

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

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Tenants Union of Victoria Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies 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. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Tenants Union of Victoria Limited on 17 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

### **Audit opinion**

In our opinion, the financial report of Tenants Union of Victoria Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

C.W. Stirling & Co  
Chartered Accountants



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John A. Phillips

**Partner**

Dated this 17th day of September 2007.

Melbourne.

## **Compilation Report for the Directors of Tenants Union of Victoria Ltd**

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

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 2007 as set out on the following pages.

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 17th day of September 2007.  
Melbourne.

## Detailed Operating Statement

Tenants Union of Victoria Ltd ACN 081 348 227

For The Year Ended 30 June 2007

	Note	2007 \$	2006 \$
<b>Income</b>			
Grants – recurrent		1,615,847	2,070,728
Grants – non-recurrent		61,258	76,273
Interest earned		14,748	17,562
Membership fees		1,695	1,630
Other income		86,416	75,071
		<b>1,779,964</b>	<b>2,241,264</b>
<b>Less Expenditure</b>			
Accounting fees		13,270	9,040
Bank charges		911	1,080
Capital equipment maintenance		-	2,367
Capital equipment		23,664	35,497
Cleaning		12,730	18,234
Community facilities		-	4,983
Computer software		3,970	1,205
Consultancy		51,133	47,239
Depreciation		16,142	27,148
Disbursements		9,990	3,499
Employment advertisements		7,092	8,853
Gas/electricity		7,101	9,006
Insurances		4,542	4,526
Library		17,951	18,766
(Profit)/Loss on Sale of Assets		(636)	1,325
Miscellaneous		416	385
Payroll		1,100,329	1,456,901
Photocopying		-	2,084
Postage and freight		8,629	14,403
Practising certificates		660	1,341
Printing		10,169	15,531
Publications program		90,985	93,225
Publicity		3,311	5,212
Project Surplus Return		-	7,333

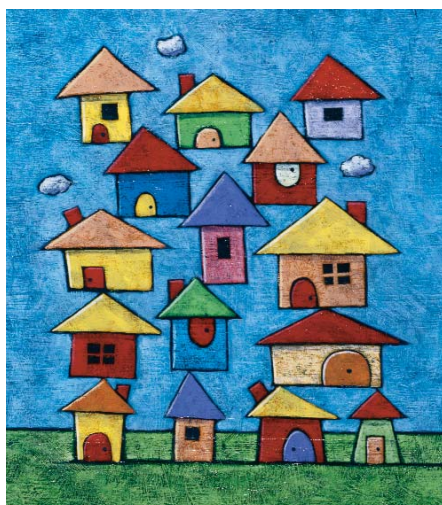
Rates	-	665
Rent	68,243	77,408
Repairs and maintenance	7,869	14,224
Security	508	1,359
Special projects	10,098	12,424
Staff amenities	10,962	13,763
Staff development	6,167	17,142
Stationery	7,877	8,662
Subcontractor Costs	70,904	68,979
Subscriptions & Memberships	10,927	9,765
Superannuation	97,911	113,318
Telephone	21,316	32,027
Training program	2,907	1,947
Travel	26,041	35,145
Workcover	2,398	6,051
Total Expense	1,726,487	2,202,062
<b>SURPLUS</b>	<b>53,477</b>	<b>39,202</b>
Transfers from Capital Reserve	16,142	31,926
<b>Surplus after Transfers from Reserves</b>	<b>69,619</b>	<b>71,128</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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