

# Tenants' Union ACT Inc.

Annual Report



*This Centre  
is accredited by*



2010 -  
2011

**Published by the Tenants' Union ACT Inc**

PO Box 8

Civic Square ACT 2608

For information and copies of this publication

(02) 6247 1026

[www.tenantsact.org.au](http://www.tenantsact.org.au)

**Tenants' Advice Service**

(02) 6247 2011

Editor: Deborah Phippen, with thanks to Committee members.

Cover art – **"Homeward Bound"** by Madeleine Dornan, 1<sup>st</sup> Prize ITD Art Competition

**The Tenants' Union acknowledges the financial support and assistance received from members and from the ACT Government (Department of Justice and Community Safety and Department of Disability, Housing and Community Services).**

**Contents**

---

Tenancy in the ACT.....1

TU Mission Statement.....2

Core Values .....2

Committee Membership.....3

Staff members.....4

Funding.....4

**President’s Report**.....5

Executive **Officer’s Report**.....6

TAS Statistics.....7

Other TU Work .....10

**Treasurer’s Report** .....13

Financial Statements .....15

## Tenancy in the ACT

---



Tenancy and housing figures vary in how current they are because different information is gathered at different times by different organisations. Tenancy data is sourced from several Australian **Bureau of Statistics ('ABS')** publications as well as the Real Estate Institute of Australia.

According to the ABS the ACT

population was estimated to be 345,551<sup>1</sup> in 2008. ABS figures also show 133,300 households<sup>2</sup>. Of these, 28.3% (37,700) were rented properties. The average household size in the ACT was 2.5 people. Using this figure we can estimate that there are over 94,250 people in rental accommodation in the ACT, since these are estimates from 2008.

The proportion of rented dwellings reflects the ACT's relatively mobile population, with more renters and hence a greater reliance on rental accommodation than some other states. However, it must be noted that nationally the proportion of renters has increased as people find it more difficult to access affordable homes for purchase.

It has been widely acknowledged that the ACT has a serious problem with housing affordability and that tenants, and in particular private tenants, face an affordability crisis. It must be noted that these figures do not reflect the effect of rent increases on existing tenancies, although agents and landlords (and the ACT Civil And Administrative Tribunal) will consider current market rents when deciding the level of increases.

---

<sup>1</sup> ABS, National Regional Profile: ACT, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8Population/People12004-2008?opendocument&tabname=Summary&prodno=8&issue=2004-2008>

<sup>2</sup> Table 22, 2007- 08 Housing Occupancy and Costs, 2007-08

## TU Mission Statement

---

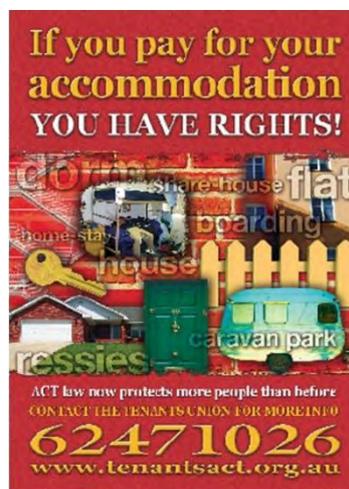
The ACT Tenants' Union is an organisation for tenants by tenants that seeks to enable all tenants to enjoy appropriate, affordable, accessible and secure housing in the ACT.

## Core Values

---

The ACT Tenants' Union is a non-profit community organisation committed to:

- the participatory involvement of tenants to achieve its vision and aims and promoting rental housing which meets the needs of tenants;
- **ensuring tenants' views are recognised and incorporated** into decision making processes;
- educating tenants and other stakeholders about their rights and responsibilities;
- promoting self help mechanisms for tenants seeking dispute resolution;
- fostering effective dispute resolution mechanisms;
- ensuring provision of high quality assistance to tenants through input into effective delivery **of a Tenants' Advice Service (TAS) and other tenancy support services**;
- fostering high morale and work satisfaction, and providing career and development opportunities for TU and TAS staff (as far as possible);
- **the continued use of resources resulting from investment of tenants' bond money to support the rights of tenants, and increasing funds targeted to directly supporting the rights of tenants**;
- supplementing funded resources with effective voluntary resources and coordinating both to ensure the TU ACT is recognised as a well-managed organisation with effective internal and external stakeholder relationships.



## Committee Membership

---

The Tenants' Union (TU) Management Committee is formed each year from volunteer members of the Union who are nominated and elected at the Annual General Meeting. Committee membership consists of three executive positions, four general positions and one staff representative. During 2010/11 the committee membership comprised:

|                  |                  |
|------------------|------------------|
| <b>President</b> | Helen Merritt    |
| <b>Treasurer</b> | Anne Macduff     |
| <b>Secretary</b> | Genevieve Bolton |

|                          |               |
|--------------------------|---------------|
| <b>General Committee</b> | Helen Sexton  |
|                          | Shelagh Keith |
|                          | Peter Elford  |
|                          | Rachel French |

Deborah Phippen (Staff Rep/Public Officer)

The efforts of all committee members are greatly appreciated. Members freely give their valuable time and their contributions are integral to the smooth running of the organisation.



## TU Staff

|                               |                         |
|-------------------------------|-------------------------|
| Executive Officer:            | Deborah Phippen         |
| Principal Solicitor:          | Sandra Alonso           |
| TAS line advice workers:      |                         |
| Advice & project (full-time): | Heather Taplin          |
| Advice (part-time):           | Chris Meaney (pictured) |
|                               | Louisa Bartlett         |
| Office Administrator:         | Izzy Hockley            |



### Farewelled:

Sandra Alonso resigned in May, moving to the Commonwealth. Sandra was our first Principal Solicitor and set a very high standard for those who will follow her.

Chris Meaney left us in October due to health problems. He maintained contact with the TU and hoped to return to work when his health improved. Sadly for all Chris was not able to return and passed away in August 2011. His passing is a great loss and he is missed by all of us.

## Funding

The Tenants' Union receives funding through the ACT Department of Justice and Community Safety. Funds are sourced from interest on bonds lodged with the Office of Rental Bonds and held in the Bond Trust Account. This interest also funds the administration and operation of the Office of Rental Bonds and the Residential Tenancies Tribunal (and the residential tenancies component of the ACAT). It is important to **note that tenants' money** contributes to the operation of the tenancy Tribunals; there is no similar contribution from landlords. There was no readily available breakdown of the distribution of these funds.

The table below show bond figures over the past four years.

|                             | 10 - 11 | 09 - 10 | 08 - 09 | 07-08  |                              | 10 -11     | 09 - 10    | 08-09      | 07- 08     |
|-----------------------------|---------|---------|---------|--------|------------------------------|------------|------------|------------|------------|
| No. of bonds lodged         | 15,201  | 14,487  | 14, 256 | 14,066 | Value of bonds lodged (\$)   | 27,333,347 | 24,587,593 | 23,256,705 | 21,513,847 |
| No. of bonds refunded       | 13,933  | 13,616  | 13,097  | 13,041 | Value of bonds refunded (\$) | 19,754,804 | 18,394,505 | 16,825,411 | 15,318,701 |
| Average value of bonds (\$) | 1,798   | 1,697   | 1,420   | 1,320  | Value of bonds 30 June (\$)  | 47,443,293 | 43,729,923 | 38,900,537 | 34,653,986 |

This funding enables the Tenants' Union to provide high quality services for tenants throughout the ACT. During the previous year the TU received a minimal amount of additional funds from members. The increase in funds held in the Bond Trust Account clearly reflects the increase in rents across the ACT.

This year the TU received the third **year's funding** for four years for the ACT Government's Affordable Housing initiatives. These funds have been used to cover most of the costs for our supervising solicitor, which has meant that we can provide limited case-work and representation. We also received event funding through Housing ACT for the art show.



## President's Report

---

Once again, and probably unsurprisingly, the year 2010-2011 has proven to be a challenging one **for Tenants' Union (ACT) (TU), but one which** has been met with strength and determination by the Executive Officer, Deb Pippen, and her valued staff.

The year started badly in July when the so-called **"slum landlords" issue hit the forefront of media** stories. TU became closely involved, along with the Territory Government and associated government and community agencies. Over 100 tenants were evicted from sub-standard rental accommodation and the length of residence at the properties ranged from 3 days to 3 years. The workload of TU during this period was very high and it was ascertained that a number of vulnerable people required ongoing assistance.

This period again highlighted the issue of Affordable Housing in the ACT, and one which is an ongoing issue for both tenants and TU.

In May the Principal Solicitor, Sandra Alonso, departed TU in order to further her career and this began a year fraught with staffing issues. TU has been an advocate for better pay conditions for community workers for a number of years and 2011 has highlighted this important issue. It is to be hoped that the coming financial year will see this important area of staff retention within the Community Sector finally addressed.

It was with sadness that we received the news of the passing of a valued TU staff member, Chris Meaney, who had resigned due to ill-health in October. Chris was a particularly active member of staff and attended Management Committee meetings as Staff Representative. The Committee acknowledges his valued contributions to TU and extend our sympathies to his family.

**On a lighter note, the Fourth Annual Tenants' Art Show was celebrated in October 2010 under the banner "Rent or Own It's Still My Home". The Exhibition was held over two weeks coinciding with International Tenants' Day and is proving to be a highly anticipated annual event for ACT tenants and their families and friends.**

**Whilst TU welcomed alterations to it's accommodation in the previous year, space has continued** to be a problem this year. Hopefully, this will be addressed in the coming year. Lack of space is a major cause of problems with recruitment of adequate staffing levels. It is to their credit that TU has continued to be able to respond efficiently and expeditiously to the needs of tenants, despite the difficulties of both accommodation and salaries.

The update of the TU website was completed during the year and, with increasing numbers of **"hits" on the site, has proven itself to be an excellent source of information for tenants.**

Of course, it would be remiss of me not to note all the numerous meetings and conferences that are attended by the Executive Officer and staff of TU, both within the ACT and interstate. TU input to these meetings ensures that tenants within the ACT are very ably represented on a variety of topics relating to tenancies.

Finally, I again gratefully acknowledge and thank my colleagues on the Management Committee without whose knowledge and support my role would be made incredibly difficult.

Helen Merritt

## Executive Officer's Report

---

Reviewing **the year and looking at last year's report I see how things have changed, and how** many have stayed the same. The same problems for tenants, the same unrelenting demand for assistance, the same pressures on staff. Yet we also have seen the growth of our legal practice, the production of new resources and the development of new procedures to go some way to alleviate the frustration that people have always expressed at trying to contact our service.

Firstly, the advice service – We now ask people to leave contact details and they are called back by the advice workers. This allows us to better monitor demand and provides people with some certainty they will be contacted, however it has also resulted in the need to close the lines to incoming calls when the backlog is too great. TAS activity numbers dropped over the year due to extended staff absences as well as staffing changes.

In terms of advice services the Tuesday Night continued to operate successfully, all thanks to Sandra Alonso, our solicitor who works those Tuesday nights to cover the service. This is in addition to running the legal service – supervising advice work, undertaking minor assistance and case work.

Major work for the year:

- A major issue for the TU was the mass eviction of tenants in overcrowded housing in July; this was a serious issue in terms of assisting those people who lost their housing to access new accommodation as well as compensation from the landlord. The issue aroused a great deal of community outrage against the landlord and resulted in the ACT Government releasing a discussion paper to address the broader issues of marginal tenancies. We submitted a paper and while the ACT Government promises a response, are yet to see one.
- On the information side of our service, a great deal of work was done in the later part of the year developing material for the upgrading of our website, many thanks to Heather Taplin for the many many hours she put in to ensure that we were able to see the new version go live at the start of the new financial year.
- On the administrative and management side, a great deal of work went into preparing for the National Association of Community Legal Centres Accreditation process. The ACT community legal centres were chosen as the first centres to undergo this process. It was very time consuming but very worthwhile in terms of ensuring that our centre has sound management practices.



The loss of Chris Meaney, first as a work colleague when he left because of health problems was sorely felt. His passing in August was devastating to all who knew, respected and loved him.

I would like to thank my TU co-workers for their continual assistance and support. We are a very small team working within a sometimes very challenging environment. The fact that we continue and the TU/TAS is well respected is down to the fabulous staff. It is well known that the work is hard and the rewards are not monetary, but your work is respected and you are valued!

I would also like to take the opportunity to thank the TU Management Committee for their ongoing support and work. We all acknowledge and highly value the time that they give freely to the TU and TAS.

Deborah Phippen

### Total TAS Client Activities

| 2010/2011 | 2009/10 | 2008/09 | 2007/08 |
|-----------|---------|---------|---------|
| 3,298     | 4,191   | 3,254   | 2,763   |

### Gender Breakdown

| Gender  | 2010/2011 | 2009/10 | 2008/09 | 2007/08 |
|---------|-----------|---------|---------|---------|
| Females | 60%       | 62%     | 68%     | 65.5%   |
| Males   | 40%       | 38%     | 32%     | 34.5%   |

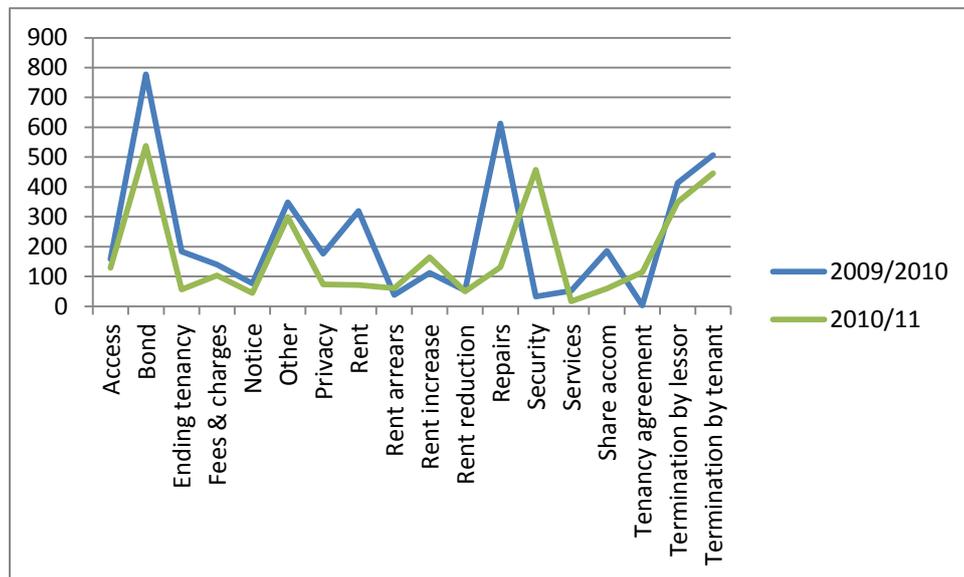
### Tenure Types

| Tenure Types       | 10/11 | 09/10 | 08/09 | 07/08 |
|--------------------|-------|-------|-------|-------|
| Private Tenancy    | 93.3% | 94.1% | 96.3% | 96.5% |
| Public Tenancy     | 0.2%  | 0.6%  | 0.2%  | 0.4%  |
| Community Housing  | 0.3%  | 0.9%  | 0.6%  | 0.6%  |
| Occupants & others | 4.1%  | 4.4%  | 2.9%  | 2.5%  |

Note – TU's funding is sourced from private tenants (interest on bond). The TU does not receive any funding to provide assistance to people in other types of tenancies. The ACT Government funds Welfare Rights & Legal Centre to target assistance to people in public and other types of housing

### TAS Top 4 - most common problems for tenants

|   | 2010/2011                                      | 2009/10                 | 2008/09               | 2007/08               |
|---|--|-------------------------|-----------------------|-----------------------|
| 1 | Bond   | Bond                    | Bond                  | Rent                  |
| 2 | Rent issues (arrears, increases, payments etc) | Repairs                 | Termination by tenant | Termination by tenant |
| 3 | Repairs  | Termination by tenant   | Repairs               | Bond                  |
| 4 | Termination by tenant                          | Termination by landlord | Rent                  | Repairs               |



### Minor assistance

Work included:

- Assisting tenant to recover money paid in respect of 'tenancy' where 'landlord' had no interest in the premises – ie 'landlord' does not have title to the premises;
- Challenged \$585 water bill where leak reported by tenant, persuaded agent to authorise ACTEW re-reading and an error was discovered. Usage was actually approximately \$85 for the quarter;
- Letter written to private lessor who sought to unlawfully keep bond, after not having lodged it with ORB, as 'break lease' compensation in a period tenancy. Minor assistance granted on public interest grounds so as to educate lessor re tenancy law. Tenant's bond returned in full;
- Wrote to lessor in response to communications 1. unlawfully threatening eviction of tenants who did not commence paying rent electronically and 2. incorrectly alleging lessor not bound by *Residential Tenancies Act*.
- Wrote to head-tenant, advising of sub-tenant's rights, in circumstances where head-tenant alleging sub-tenant merely a boarder and thus not entitled to notice to vacate time periods required to be given to tenants, and where tenant unable to find alternative accommodation in time given;
- Wrote to real estate agent where agent's dealings with tenant appeared to be unprofessional and misleading in respect of what tenant needed to pay in a break lease situation and where agent sought to take break lease compensation/fee from bond. Agent returned Tenant's bond in full.
- Wrote to real estate agent on behalf of tenant with limited English skills, where agent appears to have taken advantage of tenant in claiming professional cleaning costs from tenant's bond. Amount of bond not in dispute returned to tenant within days of TAS becoming involved and amount in dispute referred to ACAT.
- Assisted tenant in drafting ACAT application, where Lessor failed to lodge bond with ORB, repairs not conducted during tenancy, and lessor repeatedly accessed premises without tenant's consent;
- Wrote letter on behalf of tenant seeking an agreement for mutual termination and compensation in a case where the LL refused to undertake necessary repairs to the bathroom because he claimed he could not afford to;



- Extensively advised tenant who was in proceedings at the tribunal for compensation for lessor failing to identify and repair gas leak leading to tenant having to vacate the premises.
- Extensively advised tenant who was facing retaliatory eviction due to challenging a rent **increase. Reviewed tenants' submissions to the tribunal.**
- Extensively advised tenant who had paid \$4,000 in an unlawful second bond, where the lessor was making excessive claims for compensation for marks on the walls of the premises.
- Wrote to a grantor who gave his occupant a 24 hour notice to vacate saying that he had received legal advice and if they weren't out by 10am the following day he'd call the police. Letter was written partly for the occupants to persuade the grantor to provide more time and partly to explain the situation to police if necessary.
- Wrote to grantor/head-tenant re: forged receipts and documents, invalid eviction, breaches of quiet enjoyment, failure to return bond.

### **Casework**

This work comprised 19 cases including:

- Notice to Vacate on grounds of major renovations (no particulars provided) where tenant was on priority for public housing. Matter resolved as tenant was allocated a house;
- **Tenant's ability to pay where payment plan regarding arrears was proposed and accepted prior to hearing;**
- Failure to maintain premises – unlawful termination – interference with quiet enjoyment and unlawful rent increase;
- Representing respondent tenants in an application for leave to appeal out of time. TAS had previously represented tenants in 2008 in a successful unlawful termination claim. Lessor sought to appeal the decision almost two years out of time;
- **Primacy of "comparable premises" in reviewing a rent increase.** \$120 week was proposed amount, negotiated \$20/week at conference;
- Retaliatory/invalid eviction on grounds of sale appeared valid at conference and negotiated 3 week extension of date of vacation;
- Excessive rent increase matter where lessor sought to increase the rent by \$120 per week after this amount was suggested to the landlord by an ACAT member during another matter. A lesser amount was successfully negotiated at conference;
- Represented tenants, with limited English skills, at ACAT where private lessor sought to terminate tenancy in absence of valid notice and seemingly in retaliation for tenants seeking to enforce rights, in respect of urgent repairs, including lights not working in kitchen for about 2 months, and tenants refusing to pay lessor a third bond in respect of the premises;
- Represented tenant in dealings with real estate agent regarding premises which may have been contaminated with asbestos, including seeking compensation;
- Represented respondent tenants in an application for leave to appeal out of time where lessor almost two years out of time. Application for leave to appeal out of time dismissed;
- Represented tenant at ACAT hearing in respect of **tenant's inability to increase fortnightly amount paid to Lessor.** No increase ordered;
- Represented tenant at ACAT where a private landlord, represented by a solicitor, sought unconventional break-lease compensation, including the real estate agent's fees of 8% of the rent as 'lost rent'. Compensation was ordered for rent while the premises were vacant and 1 week's rent for advertising and reletting, but the unconventional amounts weren't awarded. ACAT stated that it was standard practice to reimburse the application fee to successful applicants, which we now advise.

**Website Statistics:**

|                        | 2010/11 | 2009/10 | 2008/09 | 2007/08 |
|------------------------|---------|---------|---------|---------|
| Total hits             | 34,349  | 29,686  | 22,822  | 22,775  |
| Total unique hits      | 27,144  | 21,741  | 18,519  | 16,915  |
| Average hits per month | 2,862   | 2,473   | 1,901   | 1,898   |

**COMMUNITY LEGAL EDUCATION:**

Workshops / presentations – 18  
Information stalls – 8

Tenancy kits distributed – 562  
Occupancy kits distributed- 318  
"Crowded House" share house publication – 395

**PUBLICATIONS, ARTICLES & MEDIA:**

This work has included the production of Tenant News newsletter and updating the DV and Tenancy manual. Information is continually updated on the website (stats for the site are in the TAS stats section). Articles were produced for national "Parity" journal on rent increases and homelessness. Article for Global Tenant on ACT and Australian tenancy issues. Newsletter (articles on greens amendment, heating, ITD TU news, ACT stats, marginal tenancies).



Media coverage in Canberra Times and local TV and radio, seven instances on a range of issues including – "slum landlord issue", tenancy issues and services, "Better Lease on Life" report; International Tenants' Day event, rental standards, ACT rents, demand for public housing, affordable housing.

**ADVOCACY AND LAW REFORM**

Issues covered by the TU and meetings attended during the year included:

National Association of Tenants' Organisations, TU Tasmania and other stakeholders regarding development of bond authority and other tenancy issues, ACT CLCs re mass eviction, ACT Liberal senator regarding ACT housing issues, ACT Govt reps re mass eviction, National Shelter National Indigenous Housing Forum, Chief Minister Roundtable on Affordable housing, ACT Greens senate candidate, ACT Shelter election forum, HACT re slum landlord issues, community legal centre accreditation, ACAT stakeholders, marginal tenancies research project, DHCA housing affordability update, ORB issues, National Association of Community Legal Centres conference, International Human Rights Day Forum, Healthy Network meeting, National Association of Tenants' Organisations, ASIC and tenancy and credit programs, National consumer peak re NBN and tenancy issues, Vicki Dunne MLA, Water and Energy Savings in the Territory (WEST) program,



RTA review and issues, Homelessness Aust re databases and blacklisting, YWCA sustaining tenancies program, DV and tenancy workshop planning, mandatory CPD units, ACT legal aid common referral form, National Association of tenants Organisation update, meeting with Senator Arbib re national tenancy issues, Shane Rattenbury re rental standards, President of Law Society re CLC issues and space, issues re the future of public housing, ACT pro bono and human rights stakeholders, Youth Housing and Homelessness forum, ORS, UC law School, meetings regarding accommodation needs, Legal Needs research

Issues worked on:

Student accommodation; energy efficiency assistance for tenants; updating ACT information for the International Union of Tenants; ACAT issues, unit titles, condition reports and preparing for ACAT, ACT tenancy statistics, bad occupancy agreements, use of inconsistent terms, Research re **out of time appeals, smoke alarms and washers; query from Inner Sydney Tenants' Advice & Advocacy Service** re ACT law on share housing/occupancy/boarders & lodgers; Consultation Paper on boarding style accommodation in the ACT; national project on marginal tenancies, Research re national project on marginal tenancies, rental auctions, DV and tenancy materials, rental standards and RTA amendment, tenancy databases, rental standards, marginal tenancies, tenancy law reform, role of the private rental market in housing stress, tenancy issues/marginal tenancies, accommodation needs of students in the ACT, separate metering, sub-tenancies

### **Regular community forums**

Other regular community forums and meetings that the TU has participated in include: Monthly ACT Shelter forums, monthly ACT Shelter meetings, monthly legal issues meetings (WRLC), ACT Free Legal Advice **Forum, International Tenants' Day** coordinating committee, ACT Community Legal Centres, National Shelter, Youth Law Centre Steering committee, the ACT Shelter Executive Committee, Welfare Rights Board of Management and the ACT Legal Assistance Forum.

### **MEMBERSHIPS**

We maintained memberships of related bodies, locally, nationally and internationally. We have had regular contact with the International Union of Tenants, the National Association **of Tenants'** Organisations, the National Association of Community Legal Centres, National Shelter, ACT Shelter and ACT Community Legal Centres.

Through these memberships we share resources and have access to a wide range of knowledge of tenancy, housing and legal issues. We also gain access to services such as the community legal centre national email bulletin board, Professional Indemnity Insurance a range of training and support mechanisms.

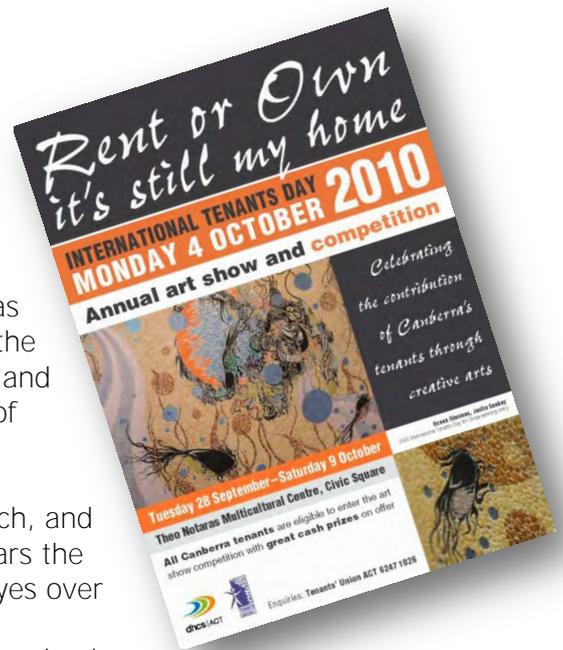
## International Tenants' Day:

Our annual art show continues to grow, celebrating the achievements and creativity of people renting their homes in the ACT as part of International Tenants' Day celebrations.

Tenants' Union ACT hosted the event at the Theo Notaras Multicultural Centre in Civic. This was made possible by the essential contributions from Housing ACT, both financial and staff resources. We had 49 entrants with a wide range of styles and media represented.

The show was launched by ACT Housing Minister, Joy Burch, and prizes awarded by Mary Porter, MLA. As in previous years the volunteer judges gave their valuable time to cast their eyes over the wide range of art works, showcasing a vast range of mediums, methods, and messages. Many thanks to all involved.

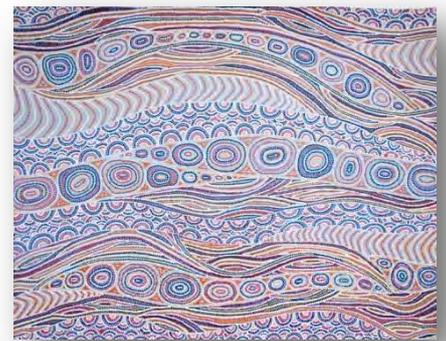
This year we responded to requests and introduced a People's Choice prize, this and the raffle for voters was also a great success.



1st prize: Madeleine Dornan – "Homeward Bound"



2nd prize:  
Belinda McDowell – "Mother Earth Creator Rainbow Serpent".  
Belinda with Mary Porter, MLA



People's Choice Award: Carlsford – "Hans at Home"



3rd prize: Novie Creech – "Mining"



### Income

For the financial year 2010-2011, the Tenant's Union ACT received a total income of \$386, 095.

Of this amount, \$365,564 was received from the ACT Department of Justice and Community Safety (DJACS). This amount includes a specific grant of \$87,413. This grant income relates to a specific 4 year grant from DJACS for additional legal advice services. This grant income has been used to employ a full time solicitor to undertake minor assistance, casework and representation. This payment continues to be separated from the operational grant in the financial statement.

The remainder of the income was generated through International Tenants' Day event funding from the Department of Disability Housing and Community Services, membership fees, donations, and income from a "DV and Tenancy workshop" conducted by the Tenant's Union ACT.

This year's income is slightly greater than the previous financial year by \$19,660. The increase is due to a few different reasons: a regular increase in grant funding due to DJACS applying ACT Government community indexation, slightly more bank interest over the year, and an increase in 'other income' due to an extra amount granted by DJACS to cover rent increase for the TU ACT business premises at Havelock House.

### Operational Expenses

#### *Savings*

- There were operational savings with Legal Practice costs, however not as much as was expected. This was due to the resignation of TAS' Supervising Solicitor and the inability to find a suitable replacement. This has necessitated paying WRLC for legal supervision for part of the year.
- Printing and Stationary costs were down due to the decision to have the Tenant's Union newsletter published through the office rather than at the printers.
- Telephone costs were also down due to switching to plans with mobile services providers.

#### *Increases*

There have been a number of increases in operational expenses that have been accommodated.

- Employee's amenities and recruitment expenses were higher than usual this year due to expenses arising from attempting to recruit a Supervising Solicitor for TAS.
- Project costs were higher because the Committee prioritised an update of its website design and functions this year. The cost of this project was has been absorbed by the surplus from the previous financial years. The new website is now ready and has enhanced the ability of the Tenant's Union ACT to communicate with the community and meet the need for education and advice.
- Sundry Expenses and Locum Provision was larger due to a change in line items. This financial year was the first year that Sundry Expenses was combined with an amount for Locum work.
- With the resignation of our Supervising Solicitor, the organisation paid out her long service leave. This was reflected by the decrease in the TU long service leave provisions.

Increases in other line items were within normal annual fluctuations.



## **The Bottom Line**

There was net surplus for the year of \$3,973. The **previous financial year's deficit of \$1,197 has been recovered.**

## **2010-2011 Financial statement**

In the auditor's opinion the Tenants' Union's obligations under the auditing provisions for the 2010-2011 financial year have been satisfied.

## **The Financial Year 2011-2012: The opportunities and challenges ahead**

Overall, while there has been an increase in income compared with previous years, this has not completely kept up with the increases in expenses associated with delivering our services. It is also a challenge to balance books with the late payment of grant instalments by DJACS. The financial health of the TU will continue to be carefully monitored.

It has also been difficult to maintain the high level of quality service provision within existing budget constraints. A significant challenge has been the expenses of recruitment generally, and the ability to offer a salary competes with other legal services and attracts appropriate staff. Appropriate and qualified staff is required in order to maintain the high level of services that the TU has so far been able to provide. In order to be more attractive to new staff, options will continue to be explored. Options that will be explored are to seek DGR status and providing other staff benefits such as salary- sacrificing.

A Standard Chart Of Accounts (SCOA) will be introduced next financial year, in July 2012. This is an ACT government requirement that will apply to all not for profit organisations. Over the next **financial year will be necessary to spend some time ensuring that the Tenant's Union accounts are compatible with the new requirements.**

## **Thankyou**

Many thanks to the TU staff for their attentive management of financial records throughout the year. As always, I am particularly grateful to Izzy Hockley and Deb Phippen for accurate and thorough book-keeping practices, and patiently answering all my time consuming questions. **I could not manage the Treasurer's role without them.**

Anne Macduff  
Treasurer



## Financial Statements

---

### **TENANTS' UNION ACT INCORPORATED**

### ***Financial Statements For the Year Ended 30<sup>th</sup> June, 2011***

Houston & Hanna  
Chartered Accountants  
15/11 McKay Gardens  
TURNER ACT 2601

Phone: 02-62498515 Fax: 02-62496792  
Email: kim@khanna.com.au

TENANTS' UNION ACT INC.

STATEMENT BY COMMITTEE MEMBERS

We the undersigned, being two members of the Committee state on behalf of the Committee that:

1. the Committee Members of the Association as at the date of this report are:

|                  |                           |
|------------------|---------------------------|
| Helen Merritt    | President                 |
| Anne Macduff     | Treasurer                 |
| Genevieve Bolton | Secretary                 |
| Heather Roberts  | Committee Member          |
| Helen Sexton     | Committee Member          |
| Peter Eiford     | Committee Member          |
| Deborah Pippen   | Staff Rep/ Public Officer |

2. the principal activity of the Association during the year year ended 30 June 2011 was the provision of a tenants' advisory service.

3. the net surplus/(deficit) for the financial year ended 30 June 2011 was: \$ 3,973

4. in our opinion, the attached financial statements show a true and fair view of the operations and cash flows for the year ended on that date.

This report is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

*Anne Macduff* \_\_\_\_\_  
Signature

*G. Isator* \_\_\_\_\_  
Signature

*Treasurer* \_\_\_\_\_  
Committee Member

*Secretary* \_\_\_\_\_  
Committee Member

Dated this *twenty fifth* day of *October* 2011

TENANTS' UNION ACT INCORPORATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011

|  | 2010<br>\$     | 2011<br>\$     |
|--|----------------|----------------|
| <b>INCOME</b>                          |                |                |
| Grant Income                           | 269,265        | 278,151        |
| - Operational                          | 84,621         | 87,413         |
| - TAS funding                          | 7,439          | 14,578         |
| Other Income                           | 5,110          | 5,953          |
| Interest                               | 366,435        | 386,095        |
| <b>TOTAL INCOME</b>                    | <b>366,435</b> | <b>386,095</b> |
| <b>EXPENSES</b>                        |                |                |
| Audit Fees                             | 1,730          | 1,500          |
| Bank Charges                           | 719            | 549            |
| Cleaning                               | 1,816          | 1,568          |
| Depreciation                           | 1,428          | 1,562          |
| Employees' Amenities & Recruitment     | 939            | 1,701          |
| Insurance                              | 2,906          | 2,479          |
| Legal Practice Costs                   | 2,136          | 1,007          |
| Library/Memberships                    | 2,076          | 2,224          |
| Office Equipment & Furnishings         | 896            | 1,345          |
| Postage                                | 1,131          | 1,228          |
| Printing & Stationery                  | 5,911          | 2,697          |
| Promotion                              | 3,560          | 2,617          |
| Rent                                   | 14,464         | 14,387         |
| Salaries & Wages                       | 262,939        | 290,183        |
| Salaries & Wages                       | 632            | (2,287)        |
| Annual Leave Provision                 | 9,971          | (1,159)        |
| LSL Provision & Payments               | 2,000          | 6,000          |
| Project Expenses                       | 7,689          | 5,331          |
| Staff Training, Conferences & Meetings | 73             | 1,376          |
| Sundry Expenses & Locum Provision      | 23,586         | 26,116         |
| Superannuation                         | 4,345          | 6,152          |
| International Tenancy Day expenses     | 7,462          | 5,546          |
| Telephone                              | 2,828          | 2,307          |
| Website/Internet/ IT Support           | 2,943          | 4,240          |
| Workers Compensation Insurance         | 3,452          | 3,452          |
| WRLC Contribution                      | 367,631        | 382,122        |
| <b>TOTAL EXPENSES</b>                  | <b>(1,197)</b> | <b>3,973</b>   |
| <b>OPERATING SURPLUS/(DEFICIT)</b>     |                |                |

THE ACCOMPANYING NOTES FORM PART OF THE ACCOUNTS.

**TENANTS' UNION ACT INCORPORATED**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011

|   | 2010           | 2011           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                |                |
| Receipts from Members/Grants  | 361,324        | 380,142        |
| Interest Received   | 5,110          | 5,953          |
| Payments to Suppliers and Employees   | (354,753)      | (383,689)      |
| <b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>                         | <b>11,682</b>  | <b>2,406</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                |                |
| Payments for Plant & Equipment  | (1,522)        | -              |
| <b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>                                    | <b>(1,522)</b> | <b>-</b>       |
| Net increase (decrease) in cash held  | 10,160         | 2,406          |
| Cash at the beginning of Year   | 101,604        | 111,763        |
| <b>111,763</b>  | <b>111,763</b> | <b>114,169</b> |
| <b>Represented By:</b>  |                |                |
| Cash on Hand  | 50             | 80             |
| Cash at Bank  | 111,713        | 114,089        |
| <b>111,763</b>  | <b>111,763</b> | <b>114,169</b> |
| <b>RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO OPERATING PROFIT AFTER TAX</b> |                |                |
| Operating Surplus/ (Deficit)  | (1,197)        | 3,973          |
| Non Cash Items in Operating Surplus:  |                |                |
| - Depreciation  | 1,428          | 1,562          |
| Changes in assets and liabilities   |                |                |
| - Increase/ (Decrease) in Creditors & Accruals  | 847            | 2,640          |
| - Increase/ (Decrease) in Provisions  | 10,603         | (5,768)        |
| <b>NET CASH FLOWS RELATING TO/FROM OPERATING ACTIVITIES</b>                           | <b>11,681</b>  | <b>2,406</b>   |

THE ACCOMPANYING NOTES FORM PART OF THE ACCOUNTS.

**TENANTS' UNION ACT INCORPORATED**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011

|   | 2010           | 2011           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                |                |
| Receipts from Members/Grants  | 361,324        | 380,142        |
| Interest Received   | 5,110          | 5,953          |
| Payments to Suppliers and Employees   | (354,753)      | (383,689)      |
| <b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>                         | <b>11,682</b>  | <b>2,406</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                |                |
| Payments for Plant & Equipment  | (1,522)        | -              |
| <b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>                                    | <b>(1,522)</b> | <b>-</b>       |
| Net increase (decrease) in cash held  | 10,160         | 2,406          |
| Cash at the beginning of Year   | 101,604        | 111,763        |
| <b>111,763</b>  | <b>111,763</b> | <b>114,169</b> |
| <b>Represented By:</b>  |                |                |
| Cash on Hand  | 50             | 80             |
| Cash at Bank  | 111,713        | 114,089        |
| <b>111,763</b>  | <b>111,763</b> | <b>114,169</b> |
| <b>RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO OPERATING PROFIT AFTER TAX</b> |                |                |
| Operating Surplus/ (Deficit)  | (1,197)        | 3,973          |
| Non Cash Items in Operating Surplus:  |                |                |
| - Depreciation  | 1,428          | 1,562          |
| Changes in assets and liabilities   |                |                |
| - Increase/ (Decrease) in Creditors & Accruals  | 847            | 2,640          |
| - Increase/ (Decrease) in Provisions  | 10,603         | (5,768)        |
| <b>NET CASH FLOWS RELATING TO/FROM OPERATING ACTIVITIES</b>                           | <b>11,681</b>  | <b>2,406</b>   |

THE ACCOMPANYING NOTES FORM PART OF THE ACCOUNTS.

TENANTS' UNION ACT INC.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 1: Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1991. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act 1991

No other applicable Accounting Standards, urgent issues group interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been 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 material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**a. Income tax**

No provision has been made for income tax as the Company is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997.

**b. Fixed assets**

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**c. 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.

**d. 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 borrowings in current liabilities on the balance sheet.

TENANTS' UNION ACT INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2011

|                                  | 2011           | 2010           |
|----------------------------------|----------------|----------------|
|                                  | \$             | \$             |
| <b>2. CASH</b>                   |                |                |
| Cash on Hand                     | 80             | 50             |
| Cash at Bank                     | 114,089        | 111,713        |
|                                  | <u>114,169</u> | <u>111,763</u> |
| <b>3. FIXED ASSETS</b>           |                |                |
| Plant & Equipment                | 6,410          | 6,410          |
| Less Accumulated Depreciation    | (3,355)        | (1,793)        |
|                                  | <u>3,055</u>   | <u>4,617</u>   |
| <b>4 PROVISIONS</b>              |                |                |
| <i>CURRENT</i>                   |                |                |
| Provision for annual leave       | 22,400         | 24,687         |
| Provision for Relief/Locum       | 4,000          | 2,700          |
|                                  | <u>26,400</u>  | <u>27,387</u>  |
| <i>NON-CURRENT</i>               |                |                |
| Provision for Long Service Leave | 18,670         | 23,451         |
| Maternity Leave Provision        | 11,400         | 11,400         |
| General Provisions/Training      | 4,000          | 4,000          |
|                                  | <u>34,070</u>  | <u>38,851</u>  |

**HOUSTON & HANNA**  
CHARTERED ACCOUNTANT

GPO Box 810, Canberra ACT 2601  
Suite 15, George Turner Offices  
11 McKay Gardens, Turner ACT  
email: [kim@khanna.com.au](mailto:kim@khanna.com.au)

K D Hanna FCA (Principal)  
Telephone: (02) 6249 8515  
(02) 6248 8175  
Facsimile: (02) 6249 6792

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
TENANTS' UNION ACT INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2011**

**Scope.**

I have audited the attached financial statements of the Tenants' Union Incorporated (The Union) for the year ended 30th June 2011. The Committee is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Union.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and Statutory requirements so as to present a view which is consistent with our understanding of the Union's position and the results of its operations.

The audit opinion in this report has been formed on the above basis.

**Audit Opinion.**

In my opinion,

- (a) The financial statements of the Union are properly drawn up:
  - (i) So as to give a true and fair view of matters required by subsection 72(2) of the Associations Incorporation Act 1991 to be dealt with in the financial statements
  - (ii) in accordance with the provisions of the Associations Incorporation Act 1991; and
  - (iii) in accordance with proper accounting standards, being Applicable Accounting Standards;
- (b) I have obtained all the information and explanations required;
- (c) Proper accounting records have been kept by the Union as required by the Act; and
- (d) The audit was conducted in accordance with the rules of the Organisation.

  
Kim Hanna FCA  
Registered Company Auditor  
Date: 25/10/11

**TENANTS' UNION ACT INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**e. Revenue**

*Government Grants / Membership Fees*

Government grants are recognised as income on a systematic and rational basis over the periods necessary to match them with the related costs.

*Interest revenue*

Interest is recognised on an accrual basis.

**f. 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.