

11/12

Advocacy and Rights Centre | Annual Report



Who we are

ADVOCACY AND RIGHTS CENTRE LTD

BENDIGO

54 Mitchell St
Bendigo 3550
Tel: 5444 4364
Fax: 5441 1033

MILDURA

122 Ninth St
Mildura 3550
Tel: 5023 5966
Fax: 5022 1065

INCORPORATING

 Ioddon campaspe
community legal centre



THE BOARD

| | |
|-----------------|---------------------------|
| John McPherson | CHAIRPERSON |
| Mandy Stewart | DEPUTY CHAIRPERSON |
| Rebecca Boreham | MEMBER |
| Barry Keane | TREASURER |
| Trevor Elliott | SECRETARY |
| Pat Boyer | MEMBER (LEAVE OF ABSENCE) |
| Niall Hensey | MEMBER (FROM JUNE 2012) |

ADMINISTRATION

| | |
|------------------|--|
| Alex Mactier | EXECUTIVE OFFICER (TO DECEMBER 2011) |
| Paul Kirkpatrick | ACTING EXECUTIVE OFFICER (JANUARY – JUNE 2012) |
| Jane Staley | EXECUTIVE OFFICER (FROM JUNE 2012) |
| Joanne Baker | FINANCE OFFICER |
| Denise Williams | RECEPTION/ADMINISTRATION |

TENANT ADVOCACY AND SUPPORT

| | |
|--------------------|---|
| Julie U'Ren | TEAM LEADER |
| Leah Berger | BENDIGO |
| Kirsty Waller | BENDIGO |
| Jacinta Quin | BENDIGO |
| Lyndall Blandthorn | BENDIGO |
| Vince Simonetta | MILDURA |
| Jenny Pillmore | MILDURA (FROM FEBRUARY 2011) |
| Margrete Hamence | MILDURA (LEAVE OF ABSENCE FROM DECEMBER 2011) |

Resignations

| | |
|----------------|---------|
| Loretta Waters | BENDIGO |
| Kylie Heasley | BENDIGO |

LODDON CAMPASPE COMMUNITY LEGAL CENTRE

| | |
|--------------------|--|
| Peter Noble | COORDINATOR |
| Anna Howard | PRINCIPAL SOLICITOR |
| Chris Casey | SOLICITOR |
| Michael Hennessy | SOLICITOR |
| Bonnie Renou | SOLICITOR |
| Steve Womersley | COMMUNICATIONS WORKER |
| Charlotte Powell | COMMUNITY LEGAL EDUCATION AND COMMUNITY DEVELOPMENT WORKER |
| Marlene McLoughlan | SOCIAL WORKER |
| Elaine Harrington | ADMINISTRATION |
| Alison Rees | CLC RECEPTION |

SENIORS RIGHTS VICTORIA INITIATIVE – LCCLC TEAM

| | |
|----------------|-----------|
| Tabitha O'Shea | SOLICITOR |
|----------------|-----------|

Resignations

| | |
|------------------|---|
| Joanne Ellis | SOLICITOR (CLAYTON UTZ FOUNDATION FELLOW) |
| Paula Glassborow | SOLICITOR |
| Zubin Menon | SOLICITOR |
| Jessica Lee | ADMINISTRATION |

What we do

Vision

Social justice and individual rights realised within our communities

Values

The right of individuals to be informed and empowered to participate in decisions from a base of equality regardless of their income, religious beliefs, mental health, physical and intellectual abilities or cultural background

Mission

To promote and support services that protect and enhance the rights and interests of those who are disadvantaged due to structural, social, economic or cultural inequities

Community

The vulnerable and disadvantaged who live, work or study in the Loddon Mallee Region. To advance ARC's mission outside the region if achievable within the organisation's resources

We advocate for and support the vulnerable and disadvantaged of the Loddon Mallee Region, protecting and enhancing the rights and interests of those who are disadvantaged due to structural, social, economic or cultural inequities.

Our programs

- Tenant Advocacy and Support (the Social Housing Advocacy and Support Program [SHASP]) is funded by the Department of Human Services.
- Tenant Advocacy Advice Program is funded by Consumer Affairs Victoria (CAV).
- Loddon Campaspe Community Legal Centre (LCCLC) is funded by Victoria Legal Aid.
- Consumer Advocacy Advice

Rental advocacy

- The SHASP program runs across the Mallee and the Loddon Campaspe regions.
- The Consumer Affairs Victoria contract offers housing support to private tenants through the Loddon Mallee region.

Legal services

- The LCCLC offers services in the Loddon Campaspe region.
- The Goulburn Valley Community Legal Services Pilot is for the Goulburn Valley region.
- Consumer matters are handled across both the Loddon Mallee and Hume regions (which includes the Goulburn Valley).

The area we cover

Our service covers people living across Northern Victoria, including the Loddon Mallee and Hume regions. Our staff acknowledge that they travel across and work within the traditional lands of many Aboriginal communities.

We acknowledge the Aboriginal people as the traditional owners of the land and we pay our respects to their elders, past and present.

How we work

Our strategies

The organisation's objectives continue to be to:

- advocate for and actively work towards changes which redress injustices and inequities
- ensure strong community consultation and awareness
- ensure that the organisation has strong and viable services into the future
- expand the services where compatible.

Corporate governance

ARC's Board is very strong on governance, meeting monthly to evaluate the organisation's operations and ensuring that the appropriate policies and procedures are in place to minimise risks.

Areas of focus are:

- financial accountability
- occupational health and safety
- risk management
- policies and procedures.

Accreditation

The organisation will undergo its three year review early in 2013. This review looks at organisational standards and the new DHS (Department of Human Services) standards as they apply to housing and homelessness services, in particular to the SHASP.

We continue to be accredited by Quality Improvement and Community Services Accreditation (QICSA) in the Homelessness Assistance Service Standards and by the National Association of Community Legal Centres. In the next 12 months the CLC will be surveyed under the new accreditation guidelines.

Chairperson's report

The past year has been one of change and renewal for the Advocacy and Rights Centre, along with continued opportunities and, as always, challenges.

Of special note were the completion of the renovation of our expanded office space, the departure of a longstanding Executive Officer (EO) and the arrival of a new EO.

We were given mixed news on the funding of some of our core services.

In December we said farewell to our Executive Officer, Alex Mactier, who guided ARC's development over the past four years. His work has made a lasting impact on the capacity of the organisation to meet the needs of the most disadvantaged in our community, and the Board thanks Alex for his dedicated service.

The final major project delivered under Alex's tenure was the expansion and renovation of our office space. This development reflects the growth of ARC and our services, as well as our commitment to providing a safe and productive work environment for staff and clients. The new offices were officially opened by Sue Pieters-Hawke on 15 June 2012.

Following Alex's departure, the Board undertook a careful and thorough recruitment process for our new EO, ably assisted by Brooker Consulting and Jeremy Wurm in particular. We were extremely fortunate to have Paul Kirkpatrick as interim EO for the first six months of 2012 while the search for our next EO continued. Paul guided ARC through the final stages of the renovation and ensured we met our operational and compliance obligations. To him, ARC owes great thanks and appreciation.

In June the Board was delighted to announce the appointment of Jane Staley as the new EO. While Brooker Consulting found a number of highly qualified applicants for the position, Jane was the unanimous choice of the Board for the role. She brings to ARC extensive experience in the management of not-for-profit organisations, most recently at the Federation of Community Legal Centres.

Jane's entry into her new role was greatly assisted by Paul Kirkpatrick's willingness to assist in the transition. The Board also acknowledges and thanks the Coordinators, Peter Noble and Julie U'ren, for their work assisting the interim EO during his tenure, in working with Jane very closely upon her assumption of the EO position, and in providing leadership to ARC in what has sometimes been a difficult period of transition.

On the legal side, very positive funding news was received shortly before this report was prepared, such that the Goulburn Valley CLC, which we have been piloting in Shepparton, will be funded by Victoria Legal Aid for two years. This is an important step towards our ultimate goal of establishing a permanent community legal centre for an area with high unmet legal need.

Much less happily received was the news that the funding for our core tenancy program, SHASP (Social Housing Advocacy and Support Program), would be cut by 37% over the next two years. The cuts were announced as part of an overall reduction in funding for SHASP across the state. This reduction in funding creates a significant challenge to our capacity to meet the needs of vulnerable tenants. We are participating in a sector-wide campaign against the cuts, particularly focusing on the important role of the program in preventing homelessness.

Despite these cuts we remain dedicated to providing high quality services to vulnerable tenants. In the coming year we will commence delivery of services to support Aboriginal tenants in the Mildura region, as well as participating in a collaborative multi-agency innovation project working with vulnerable private tenants in the Greater Bendigo region.

In closing, I would like to thank the members of the Board who, in their voluntary capacity, are dedicated to giving their services to provide the highest levels of governance and strategic direction for the organisation.

On behalf of the Board, we gratefully acknowledge our volunteers, including solicitors, students, and administration staff, all of whom assist in enabling ARC to provide to the community the best assistance possible within limited budgets. Our volunteers greatly extend ARC's overall capacity.

Finally, I join with the Board in commending the excellent work of all the staff of Advocacy and Rights. Despite funding limitations, intransigent bureaucracies, not-for-profit-sector pay rates, and seeming endless demand for services, ARC staff members deliver exceptional professional services to clients with compassion and care. For that, as Chairperson of the ARC Board, and as a citizen, I most sincerely thank ARC's staff.

John McPherson
Chairperson
Advocacy and Rights Centre

Loddon Campaspe Community Legal Centre

LCCLC is a generalist CLC undertaking a range of activities including:

- legal assistance (information, referral, advice and casework)
- community development and legal education
- law reform and special projects.

The year in summary

2011/12 was a year of transition for LCCLC, farewelling key staff who have made a tremendous contribution to the work of the Centre, especially Paula Glassborow and Joanne Ellis, and welcoming others to carry services forward.

The campaign for a Goulburn Valley Community Legal Centre gathered momentum through the year, attracting widespread community support and engagement. The pilot witnessed numerous demonstration events to showcase the breadth of potential CLC activity and extended its services to Seymour. The campaign was ultimately rewarded by Victoria Legal Aid doubling its previous financial commitment to the service, through to June 2014, which will pave the way for a new team of CLC staff to be based in the Goulburn Valley. The challenge remains to continue to grow the pilot and attract diverse and recurrent funding, especially from the Commonwealth Government.

LCCLC initiated a new family violence prevention legal program, staffed by an interdisciplinary team of Bonnie Renou (Solicitor) and Marlene McLoughlan (Social Worker). Funded by the Legal Services Board, the project will extend LCCLC's family violence prevention legal services to up to seven courts, build referral pathways with health service providers and focus on the views of women in designing and executing the project.

A unique legal education partnership was formed with Victoria Legal Aid, as community educator Charlotte Powell was jointly funded to execute a 'Sex and the Law' secondary school education series, which had been successfully piloted earlier in the year.

Peter Noble was awarded a Clayton Utz Foundation Fellowship to research Medical-Legal Partnership in the United States, which saw him travelling abroad between March and April 2012.

The Victoria Law Foundation funded Missing Persons project resulted in the launch of an informative online legal resource for the families and friends of

missing persons to safely manage the affairs of loved ones who have gone missing, and saw LCCLC assume a leadership role in the push for national coordination of missing persons cases.

LCCLC contributed to numerous law reform activities / submission processes led by the Federation of CLCs, other Centres and community groups, and contributed individually to the Victorian Inquiry into Access to and Interaction with the Justice System by People with an Intellectual Disability and their Families and Carers, and the implementation of compulsory income management in the City of Greater Shepparton.

LCCLC maintained its strong commitment to sector development, investing personnel and resources in a range of critical local, regional, state-wide and national networks. These included:

- extending a secondment by Steve Womersley to the NACL Community Legal Education and Reform database project
- the National Association of CLCs Professional Indemnity Insurance Working Group
- the Federation of CLCs (Vic) Professional Standards, Civil Law and Community Legal Education Working Groups
- membership of the Federation and NACL committees of management
- the Seniors Rights Victoria consortium, and
- a range of local, state and national interest groups.

The year ahead

2012/13 will be a year of both consolidation and undertaking new challenges.

These include:

- securing funding to establish a pilot advocacy-health alliance in Bendigo
- executing the establishment phase of the expanded family violence prevention legal service
- forming the new Goulburn Valley CLC team and extending the campaign for a fully fledged service.

Service statistics

TOTAL ACROSS ALL PROGRAMS AND ACTIVITIES

- 1836 advices
- 756 cases
- 8 lunchtime legal education sessions
- 25 Sex and the Law project presentations

FAMILY RELATIONSHIP CENTRE PROGRAM 2011/12

116 clients

10 cases

74 legal information sessions in Shepparton and Bendigo

GOULBURN VALLEY CLC PILOT

199 advices

71 cases

Funding

LCCLC gratefully acknowledges the Victorian Government (Department of Justice), Commonwealth Government (Attorney-General's Department), Clayton Utz Foundation, Legal Services Board of Victoria and Victoria Law Foundation for their funding.

- Victorian Government funding was applied to provide all core generalist CLC services, the Seniors Rights Victoria initiative, and consumer advocacy for disadvantaged and vulnerable consumers in the Hume Region.
- Commonwealth Government funding supported the operation of a clinical legal education program with La Trobe University and the Family Relationship Centre.
- Clayton Utz Foundation funding supported the Medical-Legal Partnership research.
- Legal Services Board of Victoria funding supported a debt negotiation scheme on behalf of disadvantaged debtors and an education program for young people on managing credit and debt wisely.
- The Victoria Law Foundation funded the publication of the missing persons resource and associated activities.

Core services

BENDIGO TELEPHONE ADVICE

Monday 1–4pm, Thursday 9.30am–12.30pm

BENDIGO EVENING ADVICE SERVICE

Wednesday 6–8pm

BENDIGO DAY SERVICE

Thursday 1–4pm

OUTREACH

Echuca, Maryborough and Kyneton

FAMILY VIOLENCE PREVENTION LEGAL SERVICE

Bendigo Court every Wednesday, Maryborough/Echuca courts alternate Tuesdays, and Seymour alternate Thursdays

SENIORS RIGHTS VICTORIA

Monday to Friday 10am–5pm, outreach and home visits by appointment

IMMIGRATION ADVICE SERVICES

By appointment in Bendigo and Shepparton

FAMILY RELATIONSHIP CENTRE

Legal information sessions in Shepparton (twice weekly) and Bendigo (weekly), legal advice and casework by appointment

COMMUNITY LEGAL EDUCATION

Included a 'Homelessness & the Law' discussion series and ad hoc responses to community demand on subjects including:

- accessing legal services
- the legal system
- the law reform process
- Family violence
- family law
- family law and homelessness
- bullying, students and disability
- move on laws
- publications/communications
- migration law and family violence
- wills, administration orders, guardianship
- gambling
- Centrelink entitlements.

CLINICAL EDUCATION PROGRAM

Six La Trobe University law students were placed at LCCLC in Semester 2 of 2011, supporting the provision of family law and generalist legal services.

FAMILY VIOLENCE

Family violence legal assistance continued to be a key work area for LCCLC. We maintained legal services at the Bendigo, Echuca and Maryborough Magistrates' Courts, participated in numerous regional and local mainstream and Aboriginal networks, and supported local activities including White Ribbon Day (men saying no to violence).

OLDER PERSONS' LEGAL ASSISTANCE

Seniors Rights Victoria: elder abuse prevention and response services were provided from LCCLC, a partner in the Seniors Rights Victoria consortium. This included legal assistance, legal education, policy development and participation in local networks. Of note were the events held on World Elder Abuse Awareness Day, 15 June 2012, supported by SRV. The aim of the day was to raise awareness about elder abuse, celebrate ageing and recognise the contribution that seniors make to the community.

Events included:

- a World Elder Abuse Awareness Day ceremony, tree-planting and plaque unveiling at Bendigo's Civic Gardens
- a public address by Sue Pieters-Hawke
- the Bendigo Tourist Trams displaying WEAAD banners throughout the day.

Outreach: the older persons' legal program outreach at Bendigo Health and the Goulburn Valley Hospice continued, with the support of local lawyers acting pro bono, to assist terminally ill patients.

COMMUNICATIONS

Communications continues to be a challenging and rewarding aspect of LCCLC's work. Communications Worker, Steve Womersley, has shown great leadership and enthusiasm to develop and employ new and evolving communications tools to promote and enhance LCCLC's activities. These have included website construction and maintenance, social media engagement, e-newsletter services, graphic design project management, and video production. Of particular note has been the development of a new CLC website at www.lcclc.org.au.

Project services

YOUTH DEBT PROJECT

Preventative education to young people at risk of credit and debt issues was identified as a priority area for action at a Bendigo Legal Assistance Forum in 2009. LCCLC subsequently obtained funding from the Legal Services Board to undertake education initiatives throughout the region. These have proven extremely popular and occurred in a wide range of settings including secondary schools, a range of alternative education services and a youth training centre. Forty sessions were delivered under the project through 2010/11 and 2011/12.

MISSING PERSONS PROJECT

LCCLC was funded by the Victoria Law Foundation to develop a practical online resource for the families and friends of missing persons seeking appointment to manage a missing person's affairs during their absence. In addition to the guide there have been a range of associated outcomes including changes to Victoria Police policies and procedures, networking with state and national missing persons groups and presenting at the 2012 national missing persons conference in Brisbane.

PRO BONO SUPPORT

LCCLC strongly believes that all lawyers can make a pro bono contribution. The contribution will vary between individuals and firms. A strong ethic of structured pro bono is patently evident in the local private profession, with practitioners volunteering through a range of services provided or facilitated by the Centre. These included approximately:

- 27 practitioners supporting the Bendigo evening advice service
- 12 practitioners supporting the Shepparton evening advice service
- 6 practitioners supporting the Outreach at Bendigo Health program.

Practitioners also contribute by providing secondary consultation to Centre lawyers, access to libraries, and community/professional legal education. The Centre has continued to benefit from a sustained pro bono commitment by top tier firm Clayton Utz. Assistance by Clayton Utz has included:

- funding the Clayton Utz Foundation Fellowship
- digital dictation services
- access to library services
- secondary consultation and receipt of pro bono case referrals
- expert legal advice, underpinning legal research and policy work by LCCLC.

COOPERATIVE/COLLABORATIVE ACTIVITIES WITH OTHER LOCAL SERVICE PROVIDERS

CLC4GV – the campaign for community legal centres in the Goulburn Valley has been spearheaded by LCCLC and the Shepparton based Uniting Care: CuttingEdge. It has also been supported by a wide variety of individuals and services.

Youth Debt Project – entailed collaboration with St Kilda Legal Service, YouthLaw, Consumer Action Law Centre and Victoria Legal Aid.

Sex and the Law Project – entailed close collaboration with Victoria Legal Aid.

Seniors Rights Victoria – the SRV initiative is delivered by a consortium of services including Council on the Ageing, PILCH, Eastern CLC and LCCLC.

Clinical Education Program – is based on a partnership between La Trobe University, Bendigo Campus, and LCCLC.

Family Relationship Centre Services – is based on a partnership between the Shepparton/Bendigo Family Relationship Centre and LCCLC.

Debt Negotiation Scheme – has received ongoing support and mentoring from Dennis Nelthorpe of Footscray and West Heidelberg CLCs.

Family Violence Legal Assistance Services – are delivered in cooperation with workers from the Centre for Non-Violence and Annie North, Njernda, the Bendigo and District Aboriginal Cooperative and the Swan Hill and District Aboriginal Cooperative

LCCLC volunteers

LAWYERS – BENDIGO

Megan Aumair
Peter Baker
Matt Barkla
Annette Brewer
Stephen Brooks
Daniel Cole
Ian Dallas
Luke Docherty
Mark Donaldson
Riley Driscoll
Kevin Finn
Frank Gay (Legal Executive)
Paula Glassborow
Peter Goffin
Zak Hardinge
David Heasley
Mary Higgins
Gabrielle Howley
Tim Iser
Emma King
Trevor Kuhle
Marina Leikina
Alastair Lyall
Kirstie Lyons
Sam McGee
John McPherson
Zubin Menon

Michelle O’Sullivan
Russell Robertson
Lachlan Singe
Heather Smith
Mary Stewart
Simon Swayn
Rose Walsh
Greg Westbrook
John Whelan

LAWYERS – ECHUCA

Skye Engwerda
Kate Freshwater

LAWYERS – SEYMOUR

Greg George
Jasmine Goddard

LAWYERS – SHEPPARTON

Ashleigh Barry
Hayley Coates
Laura Evans McKendry
David Farram
Jonathan Green
Charles Hart
Stacey Hunter
Beryl Krake (Legal Executive)

Kim Lamb
Blair McNamara
Kristine Medson
Diana Mercuri
Fiona Merrylees
Georgina Morrissey
Robert Oldfield
Simon Pogue
Greg Prosser
Davina Pugliese
Stephen Rodgers
Danny Ryan
Suzanna Sheed
Luke Slater

STUDENTS – BENDIGO

Christian Alexander
Clare Brennan
Sian Briggs
Amy Cochrane
Aaron Day
Marina Habashi
Amy Hando
Rowena Harding
Robert Houston
Alison Ingle
Jess James-Murphy
Kimberley Parker
Nicole Smith

STUDENT – SEYMOUR

Carly Burgess

STUDENTS – SHEPPARTON

Natalie Keogh
Naomi Nagle
Kristen Nicolls
Tessa Pham
Natalie Purcell
David Sutton
Sheree Thomson
Saul Wakerman

ADMINISTRATION – BENDIGO

Bev Garlic
Heather Osland

ADMINISTRATION – SEYMOUR

Joan Hall
Kristi Solomon

ADMINISTRATION – SHEPPARTON

Irene Lia-Oster
Dorothy Spratling

LCCLC case studies

Financial services dispute

LCCLC represented an elderly woman whose husband, without her consent or knowledge, had been withdrawing money against their home in regional Victoria for approximately three years. Over the short period more than \$150,000 had been withdrawn against the house, which was valued at little over \$200,000. The bank knew that the loan was in joint names, and required joint authority for withdrawals, yet they had allowed the transactions to occur. The husband died. Until the woman was referred to the Centre, she was making repayments to the bank that left her without sufficient money for food or bills. The client was represented to negotiate with the bank for reimbursement of any amount withdrawn from which the client had not derived a benefit. The bank agreed to reimburse our client a significant proportion of the amount withdrawn and she was able to get on top of her financial situation.

Securing superannuation entitlements after separation

LCCLC's client, a separated woman on Newstart allowance, sought assistance with a divorce from her husband of 19 years. Discussions with the lawyer revealed that the only asset of the marriage was the husband's superannuation. The client had been the primary carer for the couple's one child. She did not undertake paid work as the family was required to move frequently for the husband's work. The client had accrued no superannuation of her own. As

superannuation can only be accessed at retirement age, the client would not have been able to get assistance from a private lawyer. The CLC obtained information about the husband's superannuation fund, which revealed that the fund was of considerable value. The CLC negotiated with the husband to consent to a superannuation splitting order. The order gave the client 50% of the husband's superannuation, held in her own fund. This will provide the client with significant security, particularly as she gets older.

Consumer dispute

LCCLC represented a client in the Victorian Civil and Administrative Tribunal (VCAT) to recover money wrongly paid to a hire car company on account of damage to a rental vehicle. At the time of entering the car-hire agreement the gentleman, illiterate and experiencing a mild intellectual disability, was encouraged to take out additional insurance, which he believed would comprehensively insure him in the event of an accident. Unbeknownst to the client the policy actually excluded, unreasonably in the circumstances, coverage in the event of a single vehicle accident. When our client hit a kangaroo he was left substantially out of pocket, being prevailed upon to pay the cost of repairs. VCAT found the contractual term and conduct of the trader were unreasonable and ordered repayment of the damages sum to the client.

Tenant Advocacy and Support

The year in summary

On a daily basis we see the impact of housing stress on people in the community. For those who have high housing costs and a low income the struggles are not only financial, as they attempt to make ends meet, but can impact on mental health and family relationships as well. The chronic shortage of housing means that those on low incomes are most affected and are vulnerable to poor practices in rental accommodation and difficulties in finding appropriate housing. The shortage of accommodation options can result in tenants accepting poor standards in their housing or remaining silent when their rights are being ignored.

The year 2011/2012 offered some new opportunities and some unexpected challenges to our service.

We have been focusing on improving systems in our service and reviewing these in preparation for our upcoming quality review, now set for April 2013. Changes to the review process will see us measured under the DHS standards. The improvements to our Bendigo office, with the expansion to the corner of 54 Mitchell Street, now mean we have an accessible, fresh and welcoming reception area and interview rooms. The Tenant Advocacy and Support team also has a newly fitted office space on Level One.

In late 2011 ARC joined many other housing and

homelessness services in moving to an online client recording system on SHIP (Specialist Homelessness Information Platform). This client recording system allows records and case notes to be compiled online and monthly reports submitted to the Australian Institute of Health and Welfare (AIHW). The team switched to this online paper-free system with remarkable ease late in 2011.

Towards the end of the financial year we learned of significant state-wide budget cuts to the SHASP (Social Housing Advocacy and Support Program). These cuts are to take place over a two year period and will place real challenges on how we are to deliver a service to vulnerable tenants across such a large area with fewer resources. The impact of these cuts has required an immediate reduction on assisting people with transfers and advocacy matters around maintenance issues. Community facility management and tenant participation will also be cut back, reducing our capacity to maintain our important relationships with public housing tenant communities and organisations. This will create a further challenge in communicating with those who will be affected by the reduced services. Nevertheless, we remain committed to providing an accessible and high quality service for all vulnerable tenants in our region, and will be developing plans over the coming year to ensure we meet this commitment.

Opportunities have emerged in 2012 that will allow us to provide a greater support service to private rental tenants (Back on Track) and tenants in Mildura (Aboriginal Tenant Support Project) in the coming year.

BACK ON TRACK – BENDIGO

This is a collaboration of five agencies (St Luke's Anglicare, Haven, Cobaw Community Health, the Centre for Non-Violence and ARC) who are working across three locations (Kyneton, Bendigo and Echuca) to provide support to private rental tenants. This project will work closely with real estate agents in each location to develop referral processes and ongoing collaboration with community service organisations. The project focus will be on preventing evictions through providing holistic support that addresses areas of health, education and employment. The opportunity to work closely with other key agencies offers increased training opportunities for staff and effective use of specialist knowledge for client work.

ABORIGINAL TENANT SUPPORT PROJECT – MILDURA

A three year project in Mildura will begin in September 2012. The project will provide support to Aboriginal families and individuals wanting to rent in the private rental market. It will offer effective liaison with real estate agents while addressing issues of

access and equity for Aboriginal tenants. Advocacy and education on the rights and responsibilities of tenants will address better outcomes for Aboriginal people in the private rental market.

Core programs

SOCIAL HOUSING ADVOCACY SUPPORT PROGRAM (SHASP)

The advocacy and support offered to social and public housing tenants continues to be an area of high demand where we provide tenants with assistance to negotiate financial and personal difficulties that impact their ability to maintain their housing. The key areas of the program are: support for people in new tenancies; support for those whose tenancies are at risk of failing; and advocacy for a range of tenancy matters including representation at the Victorian Civil and Administrative Tribunal (VCAT). Changes to the program as a result of cuts will see aspects of the program discontinued, for example assisting people with transfers, early housing applications (where people need to move from their Office of Housing property due to issues around danger, overcrowding or health).

Components of SHASP are being renegotiated under the reduced SHASP funding guidelines and will impact on the above areas as well as community facility management and tenant participation.

Community facility management and tenant participation sessions offered in 2012 provided information to older residents on wills and powers of attorney, delivered in conjunction with Seniors Rights Victoria (LCCLC).

TENANT ADVICE AND ADVOCACY PROGRAM

Advocacy is provided for vulnerable people in private rental when matters require assistance and representation at VCAT. Access to the service is through referrals from Bendigo, Mildura or Melbourne Consumer Affairs Victoria offices, as well as self-referrals.

CLIENT FEEDBACK

In line with our commitment to continual improvement and our belief that our clients are best placed to tell us about our services, we continue to seek ways to gather this knowledge. Late in 2011 we consulted with Peer Education Support Program (PESP), a consumer led consultation group based at Council to Homeless Persons, to get input on our client feedback process. Using the input of PESP we have revamped our client feedback form, which is now simpler and more focused on asking clients to tell us about their experiences. The implementation of this new feedback began in May 2012.

COMMUNICATIONS

Tenant Advocacy Support has developed a website, which is linked to the new ARC website. The link gives us the opportunity to promote our work, projects and positions as they become available. The site will play an important role in raising the visibility of our work and be a vehicle to communicate. Our improved communication includes consistent promotional material.

CONSULTATION

Following the release of the Auditor General's report into public housing, the state government released public discussion papers on the future of public housing in Victoria. We contributed to forums conducted by the Victorian Public Tenants Association and stakeholders consultation. The crisis in public housing availability, poor response to maintenance issues and the condition of public housing stock affects many of those we work with on a daily basis.

REPRESENTATION AT VCAT

The provision of advocacy and representation at VCAT in relation to tenancy matters has increased over the past year. VCAT hearings are listed in Bendigo, Swan Hill, Mildura, Castlemaine, Echuca and Robinvale.

The year ahead

The coming year provides new challenges and opportunities for our service. The focus on our provision of tenant related services confirms our role as a specialist service in this area. The decreasing funding from DHS and resulting reduced SHASP services will require us to redefine how this service will be delivered with fewer resources. This will be a great challenge over the next year. The Back on Track project provides a unique opportunity to support private rental tenants beyond the VCAT process and to work closely with our partner agencies to combine specialist knowledge to benefit positive client outcomes. The Aboriginal Tenant Support Project in Mildura allows us to further develop our partnerships with local and Aboriginal organisations and actively work alongside Aboriginal families to achieve great outcomes in their housing.

Preparing for our quality review early in 2013 not only requires us to record the way that we are improving our systems but again ensures that we are focused on the rights and wellbeing of those we work with.

Service statistics

Total SHASP clients assisted: 721

Total Tenant Advocacy and Advice program clients assisted: 158 (Please note, this reflects tenant only matters. Previous years included consumer matters.)

Funding

We acknowledge the ongoing funding from the Department of Human Services, Office of Housing, Consumer Affairs Victoria and the Department of Justice.

Core services

MILDURA OFFICE

122 Ninth Street, Mildura

5023 5966 or 1800 639 121 to arrange an appointment
Mondays, Wednesday and Fridays at 11am

BENDIGO OFFICE

54 Mitchell Street, Bendigo

5444 4364 or 1800 639 121

Appointments available by phone or face to face on
Tuesdays and Thursdays 1–4pm

OUTREACH

By appointment at Robinvale, Echuca, Kerang, Kyabram, Swan Hill, Castlemaine, Maryborough, Kyneton

SOCIAL WORK STUDENTS

2011 Justin Hughes – 3rd year Social Work

TAAS case studies

UNLAWFUL EVICTION

Kelly is a middle-aged woman who has rented for almost 10 years in a modified flat. There was never a written lease and although Kelly paid a bond this was not lodged as it should be with the bond authority. She has been regular in paying her rent in cash to her landlord throughout that time. During her tenancy she kept the property well maintained and developed the garden. On returning to her property one day she was informed that she had to leave and was no longer a tenant. The locks were changed and Kelly was forced to find somewhere else to live. This unlawful eviction meant that Kelly not only found herself homeless and desperate to find somewhere to live, but she had to do something with her belongings. An application to VCAT was not able to reverse the eviction as family members had already moved into the property, but it did allow her to be paid compensation for her expenses and have her bond returned. The landlord was required to pay Kelly for the expenses she faced in having to have her belongings moved and then stored while she relocated to a new property. As Kelly

felt quite intimidated by the landlord and his actions, ARC was able to mediate with the landlord on her behalf in relation to the payment of the compensation.

MAINTENANCE

Peter was referred to the service by the Office of Housing following a house inspection which raised some issues regarding the fire risk in his home.

Peter's wife had recently died and in the time since her death his ability to manage day to day issues was impacted on by his grief and declining health. In this time he had kept many of her belongings with a view to sorting them at a later time. As the belongings remained in the rooms, these spaces became storage areas that posed a fire threat. With the support of Tenant Advocacy Support staff, Peter was linked with industrial cleaning services, who worked with him to then clear out the cluttered rooms. Once these spaces were cleared some maintenance issues that were outstanding were able to be addressed. The support provided to Peter allowed him to acknowledge the impact of the grief that had immobilised him and address the practical issues of clearing out his house. He is now able to maintain the cleaning in his house and manage the day to day tasks.

Thank you

- Seniors Rights Victoria (SRV)
- Council on the Ageing (COTA)
- Council to Homeless Persons (CHP)
- Public Interest Law Clearing House (PILCH)
- La Trobe University
 - Law Faculty
 - Social Work Faculty
- Law Institute of Victoria (LIV)
- Department of Human Services (DHS)
 - Office of Housing
- Department of Justice
 - Victoria Legal Aid (VLA)
 - Consumer Affairs Victoria (CAV)
- Philanthropic funds
 - Victoria Law Foundation
 - Clayton Utz Foundation
 - Reichstein Foundation
- Federation of Community Legal Centres Victoria (FCLC)
- National Association of Community Legal Centres (NACLC)
- Loddon Mallee Accommodation Network (LOMA)
- Bendigo Regional Institute of Technology (BRIT)
- Bendigo and district legal community
- Victorian Public Tenants Association (VPTA)
- Victoria Law Foundation
- Legal Services Board
- CentaCare
- Uniting Care: CuttingEdge

Finance report 2011-12

Advocacy and Rights Centre Limited is a public company limited by guarantee. We have no shares issued and consequently we have no shareholders. We are a Public Benevolent Institution and a Deductible Gift Recipient under Australian taxation laws.

ARC's total income was \$1,648,104 and our expenditure was \$1,645,140, resulting in a net surplus of \$2,964. At the end of the year the organisation has carried forward unexpended grants of \$124,170, which have been recognised as revenue in 2011/2012 but will be expended in the 2012/2013 year (see Note 16: Unexpended Grants, in the Financial Statements).

Our employee benefits have increased by 9% this year which reflects a small increase in program staff. The employee expenses are now \$1,173,547, and we have a team of 23 staff, which equates to 17 full time equivalent.

The organisation has net equity of \$406,312 after taking into account all provisions for employee entitlements. The cash and cash equivalents totals \$401,919, which clearly covers all liabilities. The net decrease in cash held during the year was \$148,275, which reflects an investment in the upgrade and expansion of our office space over the past year.

The financial position of the organisation is robust.

Jane Staley
Executive Officer

Auditor's report



Independent Audit Report to the Members of
ADVOCACY AND RIGHTS CENTRE LTD.

Report on the Financial Report

We have audited the accompanying financial report of the Advocacy and Rights Centre Ltd, which comprises the Statement of Financial Position as at 30 June 2012, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and 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 in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility 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. 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.

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

Liability limited by a scheme approved under Professional Standards Legislation

OFFICE 61 Powells Avenue, Bendigo VIC 3550 // POSTAL PO Box 5092 Sandhurst East VIC 3550
PH 03 54 444 417 FAX 03 54 444 427 // E info@aabendigo.com.au // W www.aabendigo.com.au

ACCOUNTING & AUDIT SOLUTIONS BENDIGO

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 the Advocacy and Rights Centre Ltd, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Advocacy and Rights Centre Ltd as at 30 June 2012, and its financial performance and cash flows for the year ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including the Australian Accounting Interpretations).

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO



Rex A Walker
Registered Auditor # 212187

Dated: 18^h October 2012

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Financial Report

For the year ended 30 June 2012

ADVOCACY AND RIGHTS CENTRE LIMITED (A Company Limited By Guarantee) A.C.N. 082 541 240

Directors Report

Your directors present their financial report of Advocacy and Rights Centre Limited for the financial year ended 30 June 2012.

DIRECTORS

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

| | |
|-----------------|---------------------------------------|
| John McPherson | Chairperson |
| Mandy Stewart | Deputy Chairperson |
| Barry Keane | Secretary |
| Trevor Elliot | Treasurer |
| Pat Boyer | Member |
| Rebecca Boreham | Member |
| Niall Hensey | Member (<i>Appointed June 2012</i>) |

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

PRINCIPAL ACTIVITIES

The major activities during the year were the:

- Provision of support & referrals for current & potential public housing tenants.
- Provision of free legal assistance in the Loddon Campaspe area.
- Provision of consumer complaints to disadvantaged consumers
- Provision of specific legal project work.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company.

OPERATING RESULTS

The net result of the Company for the financial year was a profit of \$2,964 (loss of \$13,132 in 2011).

Revenue has increased by \$248,660 compared to the previous financial year.

Expenses have increased by \$232,564 compared to the previous financial year.

A negative cash flow of \$148,275 was achieved.

DIRECTORS AND AUDITORS INDEMNIFICATION

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor "of the Company:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

DIRECTORS BENEFITS

Since the end of the previous financial year no director of the Company has received or 'become entitled to receive a benefit other than:

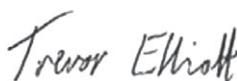
- (i) A benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts; or
- (ii) a fixed salary as a full-time employee of the Company or of a related corporation,

by reason of a contract made by the Company or a related entity corporation with the director or with a firm of which they are a member or with an entity in which they have a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2012 has been received.

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



DIRECTOR
Trevor Elliot



DIRECTOR
John McPherson

Dated this 17th day of October 2012.

Directors Declaration

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*; and
 - (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 2012 and of its 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.



DIRECTOR
Trevor Elliot



DIRECTOR
John McPherson

Dated this 17th day of October 2012.

Statement of Comprehensive Income for the Year Ended 30 June 2012

| | NOTE | 2012 \$ | 2011 \$ |
|---|------|---------------|-----------------|
| Revenue | 2 | 1,648,104 | 1,399,444 |
| Employee Expenses | 3a | (1,173,547) | (1,075,776) |
| Supplies & Consumables | 3b | (437,736) | (318,677) |
| Audit Fees | 11 | (2,910) | (2,780) |
| Net Result Before Capital & Specific Items | | 33,911 | 2,211 |
| Depreciation and Amortization | 4 | (30,947) | (15,343) |
| Net Result for the year | | 2,964 | (13,132) |

The above Statement should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2012

ASSETS

CURRENT ASSETS

| | | | |
|-----------------------------|---|---------|---------|
| Cash and Cash Equivalents | 5 | 401,919 | 550,194 |
| Trade and Other Receivables | | 73,626 | 24,510 |
| Accrued Income | | 1,931 | 2,288 |
| Prepayments | | 7,391 | 313 |

TOTAL CURRENT ASSETS

484,867 **577,305**

NON-CURRENT ASSETS

| | | | |
|-----------------------------|---|---------|--------|
| Property, Plant & Equipment | 6 | 216,409 | 54,993 |
|-----------------------------|---|---------|--------|

TOTAL NON-CURRENT ASSETS

216,409 **54,993**

TOTAL ASSETS

701,276 **632,298**

LIABILITIES

CURRENT LIABILITIES

| | | | |
|------------------------------|---|---------|---------|
| Trade and Other Payables | 7 | 150,446 | 106,042 |
| Provisions | 8 | 102,822 | 83,948 |
| Interest Bearing Liabilities | 9 | 3,088 | 2,690 |

TOTAL CURRENT LIABILITIES

256,356 **192,680**

NON-CURRENT LIABILITIES

| | | | |
|------------------------------|---|--------|--------|
| Provisions | 8 | 34,425 | 28,999 |
| Interest Bearing Liabilities | 9 | 4,183 | 7,271 |

TOTAL NON-CURRENT LIABILITIES

38,608 **36,270**

TOTAL LIABILITIES

294,964 **228,950**

NET ASSETS

406,312 **403,348**

EQUITY

| | | | |
|-------------------|--|---------|---------|
| Retained Earnings | | 406,312 | 403,348 |
|-------------------|--|---------|---------|

TOTAL EQUITY

406,312 **403,348**

| | | | |
|--|----|--|--|
| Contingent Liabilities and Contingent Assets | 12 | | |
| Commitments for Expenditure | 15 | | |

The above Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 30 June 2012

| | RETAINED EARNINGS | TOTAL |
|-----------------------------------|------------------------------|----------------|
| | \$ | \$ |
| Balance at 1 July 2010 | 416,480 | 416,480 |
| Profit Attributable to the Entity | (13,132) | (13,132) |
| Balance at 30 June 2011 | 403,348 | 403,348 |
| Profit Attributable to the Entity | 2,964 | 2,964 |
| Balance at 30 June 2012 | 406,312 | 406,312 |

The above Statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the Year Ended 30 June 2012

| | NOTE | 2012 | 2011 |
|--|-------------|------------------|-----------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Operating Grants | | 1,567,769 | 1,261,591 |
| Interest Received | | 16,919 | 21,986 |
| Other Income | | 156,238 | 245,894 |
| Payments | | | |
| Employee Expenses | | (1,149,247) | (1,046,193) |
| Supplies & Consumables | | (462,364) | (319,316) |
| Net GST Paid to ATO | | (82,537) | (94,866) |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 14b | 46,778 | 69,096 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for Property, Plant and Equipment | | (192,363) | (50,248) |
| NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES | | (192,363) | (50,248) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds/(Repayment) of Borrowings | | (2,690) | 9,961 |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | | (2,690) | 9,961 |
| NET INCREASE IN CASH HELD | | (148,275) | 28,809 |
| CASH AT BEGINNING OF YEAR | | 550,194 | 521,385 |
| CASH AT END OF YEAR | 14a | 401,919 | 550,194 |

The above Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Year Ended 30 June 2012

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(b) Receivables

Receivables and other debtors include amounts due from members as well as receivables from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any provision for impairment.

(c) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(j)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net result for the period.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed by the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

Notes to the Financial Statements for the Year Ended 30 June 2012

(e) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

| Asset Class | Rate - 2011/12 | Rate - 2010/11 |
|------------------------|----------------|----------------|
| Leasehold Improvements | 30% to 40% | 30% to 40% |
| Plant & Equipment | 36% | 36% |
| Leased Assets | 12.5% to 33% | 33% |

(f) Net Gain/(Loss) on Non-Financial Assets

Net Gain/(Loss) on Non-financial Assets includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

Disposal of Non-Financial Assets

Any gain or loss of the sale of non-financial assets is recognised at the date that the control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from employee benefits;
- financial instrument assets;
- investment property that is measured at fair value;
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss off an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(g) Comparative Figures

Where necessary comparative figures have been reclassified to facilitate comparisons.

(h) Payables

Payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Provisions

Provisions are recognised when The Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(j) Goods & Services Tax

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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position. Cash flows are represented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms of maturity that match the expected timing of cash flows.

On-Costs

Employee benefit on-costs, such as superannuation and workers compensation are recognised together with the provisions for employee benefits.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

(l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including

Notes to the Financial Statements for the Year Ended 30 June 2012

any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) Income Recognition

Revenue is recognised in accordance with AASB 118 *Revenue*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants

Grants are recognised as income when Advocacy and Rights Centre Ltd. gains control of the underlying assets in accordance with AASB 1004 *Contributions*. For reciprocal grants, Advocacy and Rights Centre Ltd. is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, Advocacy and Rights Centre Ltd. is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Other Income

Other income is recognised as revenue when the cash is received.

(n) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period.

As at 30 June 2012, a number of standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing in the 2013 financial year. The Company has not and does not intend to adopt these standards early.

Notes to the Financial Statements for the Year Ended 30 June 2012

| | 2012 \$ | 2011 \$ |
|--------------------------|------------------|------------------|
| NOTE 2: REVENUE | | |
| Operating Grants | 1,426,187 | 1,126,660 |
| Interest | 16,563 | 18,255 |
| Donations | – | 50,033 |
| External Payments Income | 164,191 | 134,901 |
| Other | 41,163 | 69,595 |
| | <u>1,648,104</u> | <u>1,399,444</u> |

NOTE 3: EXPENSES

Note (3a) Employee Expenses

| | | |
|-------------------------|------------------|------------------|
| Salaries and Wages | 1,074,039 | 984,904 |
| Superannuation | 91,716 | 85,040 |
| Work Cover | 4,153 | 2,582 |
| Other Employee Expenses | 3,639 | 3,250 |
| | <u>1,173,547</u> | <u>1,075,776</u> |

Note (3b) Supplies & Consumables

| | | |
|---|----------------|----------------|
| Advertising & Promotion | 32,605 | 19,109 |
| Accounting Fees | 33,510 | 4,100 |
| Bank Charges | 1,414 | 905 |
| Cleaning | 4,911 | 2,322 |
| Computer Expenses | 29,620 | 9,089 |
| Conference Fees | 5,334 | 12,316 |
| Electricity & Gas | 5,762 | 6,470 |
| Insurance | 6,906 | 6,027 |
| Resource & Subscriptions | 20,627 | 12,890 |
| La Trobe University Expenses | 9,091 | 9,091 |
| Licenses and Permits | 415 | 570 |
| Meeting Expenses | 4,025 | 4,445 |
| Minor Equipment | 10,804 | 1,755 |
| Other Expenses | 14,488 | 8,495 |
| Planning & Programming | 4,590 | 13,012 |
| Printing, Postage & Stationery | 18,957 | 14,330 |
| Projects | 10,309 | 1,231 |
| Rates and Taxes | 3,114 | 932 |
| Rent | 88,400 | 81,707 |
| Relocation Expenses | 4,039 | – |
| Repairs & Maintenance | 7,632 | 1,336 |
| Security | 390 | 509 |
| Telephone & Internet | 24,749 | 24,552 |
| Tenant Participation | 3,527 | 8,092 |
| Travel/Accommodation & Professional Development | 38,429 | 26,383 |
| Vehicle Expenses | 54,088 | 49,009 |
| | <u>437,736</u> | <u>318,677</u> |

NOTE 4: DEPRECIATION AND AMORTIZATION

| | | |
|----------------------------|---------------|---------------|
| Plant & Equipment | 16,684 | 12,406 |
| Leasehold Improvements | 11,279 | 699 |
| Leased Assets–Amortization | 2,984 | 2,238 |
| | <u>30,947</u> | <u>15,343</u> |

NOTE 5: CASH AND CASH EQUIVALENTS

| | | |
|--|-----------------------|-----------------------|
| Cash on Hand | 400 | 200 |
| Cash at Bank–Cheque Accounts | 302,510 | 356,985 |
| Cash at Bank–Term Deposits | 99,009 | 193,009 |
| TOTAL CASH AND CASH EQUIVALENTS | <u><u>401,919</u></u> | <u><u>550,194</u></u> |

Notes to the Financial Statements for the Year Ended 30 June 2012

| | 2012 \$ | 2011 \$ |
|--|-----------------------|----------------------|
| NOTE 6: PROPERTY, PLANT AND EQUIPMENT | | |
| Plant & Equipment—at Cost | 155,925 | 110,907 |
| Less: Accumulated Depreciation | (91,369) | (74,686) |
| | <u>64,556</u> | <u>36,221</u> |
| Leasehold Improvements—at Cost | 172,972 | 20,533 |
| Less: Accumulated Depreciation | (27,834) | (16,555) |
| | <u>145,138</u> | <u>3,978</u> |
| Leased Assets | 11,937 | 11,937 |
| Less: Accumulated Amortization | (5,222) | (2,238) |
| | <u>6,715</u> | <u>9,699</u> |
| Work in Progress | – | 5,095 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u><u>216,409</u></u> | <u><u>54,993</u></u> |

Reconciliation's of the carrying amount of each class of asset at the beginning and end of the previous year and current financial year is set out below.

| | LEASEHOLD IMPROVEMENTS \$ | PLANT & EQUIPMENT \$ | LEASED ASSETS \$ | WORK IN PROGRESS \$ | TOTAL \$ |
|--|---------------------------------|----------------------------|------------------------|---------------------------|-----------------------|
| Balance as at 1 July 2010 | 4,677 | 15,411 | – | – | 20,088 |
| Additions | – | 33,216 | 11,937 | 5,095 | 50,248 |
| Disposals | – | – | – | – | – |
| Depreciation and Amortization (note 4) | (699) | (12,406) | (2,238) | – | (15,343) |
| Balance as at 30 June 2011 | <u>3,978</u> | <u>36,221</u> | <u>9,699</u> | <u>–</u> | <u>54,993</u> |
| Additions | 147,344 | 45,019 | – | – | 192,363 |
| Disposals | – | – | – | – | – |
| Transfers | 5,095 | – | – | (5,095) | – |
| Depreciation and Amortization (note 4) | (11,279) | (16,684) | (2,984) | – | (30,947) |
| Balance as at 30 June 2012 | <u><u>145,138</u></u> | <u><u>64,556</u></u> | <u><u>6,715</u></u> | <u><u>(5,095)</u></u> | <u><u>216,409</u></u> |

| | 2012 \$ | 2011 \$ |
|---|-----------------------|-----------------------|
| NOTE 7: TRADE & OTHER PAYABLES | | |
| Trade Creditors | 41,569 | 45,493 |
| Net Amounts Payable to the ATO | 32,957 | 31,322 |
| Accrued Expenses | 75,920 | 29,227 |
| TOTAL TRADE & OTHER PAYABLES | <u><u>150,446</u></u> | <u><u>106,042</u></u> |

NOTE 8: PROVISIONS

| | | |
|---|-----------------------|-----------------------|
| Current | | |
| Employee Benefits (refer note 8a) | 102,822 | 83,948 |
| Non-Current | | |
| Employee Benefits (refer note 8a) | 34,425 | 28,999 |
| TOTAL TRADE & OTHER PAYABLES | <u><u>137,247</u></u> | <u><u>112,947</u></u> |

Notes to the Financial Statements for the Year Ended 30 June 2012

| | NOTE | 2012 \$ | 2011 \$ |
|--|------|----------------|----------------|
| NOTE 8A: EMPLOYEE BENEFITS | | | |
| Current | | | |
| Annual Leave | | 81,583 | 70,529 |
| Long Service Leave— <i>unconditional present value</i> | | 21,239 | 13,419 |
| | | <u>102,822</u> | <u>83,948</u> |
| Non-Current | | | |
| Long Service Leave— <i>conditional present value</i> | | 34,425 | 28,999 |
| | | <u>137,247</u> | <u>112,947</u> |

NOTE 9: INTEREST BEARING LIABILITIES

| | | | |
|---|--|--------------|--------------|
| Current | | | |
| – Finance Lease | | 3,088 | 2,690 |
| | | <u>4,183</u> | <u>7,271</u> |
| Non-Current | | | |
| – Finance Lease | | 7,271 | 9,961 |
| | | <u>7,271</u> | <u>9,961</u> |
| TOTAL INTEREST BEARING LIABILITIES | | <u>7,271</u> | <u>9,961</u> |

NOTE 10: KEY MANAGEMENT PERSONNEL COMPENSATION

| | | | |
|---|--|----------|----------|
| (a) Directors' Remuneration | | | |
| Income received or due and receivable by all directors of the company from the Company and any related party corporations | | | |
| John McPherson | | – | – |
| Mandy Stewart | | – | – |
| Rebecca Boreham | | – | – |
| Barry Keane | | – | – |
| Trevor Elliot | | – | – |
| Pat Boyer | | – | – |
| Niall Hensey | | – | – |
| | | <u>–</u> | <u>–</u> |
| Total Director's Remuneration | | <u>–</u> | <u>–</u> |
| (b) Executive Officers Remuneration | | | |
| No Executive Officers received remuneration in excess of \$100,000 | | | |
| (c) Related Party Transactions | | | |
| There were no transactions with related parties during the year. | | | |

NOTE 11: REMUNERATION OF AUDITORS

Amounts received or due and receivable by auditors for:

| | | | |
|-------------------------|--|--------------|--------------|
| – auditing the accounts | | 2,910 | 2,780 |
| | | <u>2,910</u> | <u>2,780</u> |

NOTE 12: CONTINGENT LIABILITIES & CONTINGENT ASSETS

There are no known contingent liabilities or contingent assets for Advocacy and Rights Centre Ltd. as at the date of this report.

NOTE 13: EVENTS AFTER THE BALANCE SHEET DATE

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 Company in subsequent financial years.

Notes to the Financial Statements for the Year Ended 30 June 2012

| | NOTE | 2012 \$ | 2011 \$ |
|---|------|----------------|----------------|
| NOTE 14: CASH FLOW INFORMATION | | | |
| a) Reconciliation of cash | | | |
| For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following at 30 June 2012: | | | |
| Cash & Cash Equivalents–Operational Funds | 5 | <u>401,919</u> | <u>550,194</u> |
| b) Reconciliation of Cash flow from operations with net result | | | |
| Profit Attributable to the Company | | 2,964 | (13,132) |
| Cash flows excluded from profit attributable to operating activities | | | |
| Non-cash flows in operating profit: | | | |
| Depreciation | | 30,947 | 15,343 |
| Changes in assets and liabilities | | | |
| (Increase)/Decrease in Prepayments | | (7,078) | 11,711 |
| (Increase)/Decrease in Trade & Other Receivables | | (49,116) | (8,635) |
| (Increase)/Decrease in Accrued Income | | 357 | 3,731 |
| Increase/(Decrease) in Trade & Other Payables | | 44,404 | 30,495 |
| Increase/(Decrease) in Provisions | | 24,300 | 29,583 |
| Net cash provided by operating activities | | <u>46,778</u> | <u>69,096</u> |

NOTE 15: COMMITMENTS FOR EXPENDITURE

There are no known capital commitments as at 30 June 2012.

Operating Lease Commitments

| | | | |
|---|--|----------------|----------------|
| Payable | | | |
| – Not later than 1 year | | 111,363 | 102,159 |
| – Later than 1 but not later than 5 years | | 51,261 | 123,442 |
| Total operating leases | | <u>162,624</u> | <u>225,601</u> |

There is a lease rental for the:

Mitchell St Bendigo office at \$6,331 per month. The lease expires in October 2013.

Lease of two Motor Vehicles for \$1,253 per month. The lease expires 1 May 2013.

Lease of a Motor Vehicle at \$930 per month. The lease expires 1 March 2013.

Lease of a Motor Vehicle at \$553 per month. The lease expires 12 June 2015.

Lease of a Motor Vehicle at \$551 per month. The lease expires 1 July 2015.

Finance Lease Commitments

| | | | |
|---|--|--------------|---------------|
| Payable | | | |
| – Not later than 1 year | | 3,903 | 3,903 |
| – Later than 1 but not later than 2 years | | 4,555 | 3,903 |
| – Later than 2 years | | – | 4,555 |
| | | <u>8,458</u> | <u>12,361</u> |
| Less future interest charges | | 1,187 | 2,400 |
| Total finance leases | | <u>7,271</u> | <u>9,961</u> |

Finance lease commitments is represented by the lease of a Photocopier. The lease repayments are \$325.29. The lease expires in August 2014.

NOTE 16: UNEXPENDED GRANTS

The following funds were received during the financial year and have been brought to account as revenue. As at the end of each financial year, these amounts had not been expended. All unexpended funds are to be utilised in future financial periods.

| | | |
|---|---------|----------------|
| Family Law Focused Clinical Legal Education | - | 28,519 |
| Family Relationship Centre Legal Assistance Funding | - | 2,972 |
| Advocacy Health Alliances Project | 11,853 | - |
| LSB Family Violence Project | 112,317 | - |
| | | <u>124,170</u> |
| | | <u>31,491</u> |

Notes to the Financial Statements for the Year Ended 30 June 2012

NOTE 17: MEMBERS GUARANTEE

Advocacy and Rights Centre Ltd is a company limited by guarantee. If it 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 30th June 2012, the number of members was 7.

NOTE 18: COMPANY DETAILS

The registered office of the Company is :

54 Mitchell Street
Bendigo
Victoria 3550

The principal place of business is:

54 Mitchell Street
Bendigo
Victoria 3550

NOTE 19. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

Advocacy and Rights Centre Ltd.'s principal financial instruments comprise of deposits with banks, accounts receivable and accounts payable and interest bearing liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | NOTE | CARRYING AMOUNT 2012 \$ | CARRYING AMOUNT 2011 \$ |
|------------------------------------|------|----------------------------------|----------------------------------|
| Financial Assets | | | |
| Cash and cash equivalents | (5) | 401,919 | 550,194 |
| Trade and other receivables | | 73,626 | 24,510 |
| Total Financial Assets | | 475,545 | 574,704 |
| Financial Liabilities | | | |
| At amortised cost | | | |
| Trade and other payables | (7) | 150,446 | 106,042 |
| Interest Bearing Liabilities | (9) | 7,271 | 9,961 |
| Total Financial Liabilities | | 157,717 | 116,003 |

Specific Financial Risk Exposures and Management

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Advocacy and Rights Centre Ltd.

The Company does not have any material credit risk exposures.

Credit risk exposures

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The Company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

Notes to the Financial Statements for the Year Ended 30 June 2012

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Advocacy and Rights Centre Ltd. manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below discloses the contractual maturity analysis for the Company's financial liabilities.

Financial liability and financial assets maturity analysis

| | WITHIN 1 YEAR | | 1 TO 5 YEARS | | OVER 5 YEARS | | TOTAL | |
|--|----------------|----------------|--------------|--------------|--------------|----------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| FINANCIAL LIABILITIES | | | | | | | | |
| DUE FOR PAYMENT | | | | | | | | |
| Trade and Other Payables | 150,446 | 106,042 | - | - | - | - | 150,446 | 106,042 |
| Interest Bearing Liabilities | 3,088 | 2,690 | 4,183 | 7,271 | - | - | 7,271 | 9,961 |
| Total contractual outflows | 153,534 | 108,732 | 4,183 | 7,271 | - | - | 157,717 | 116,003 |
| Total expected outflows | 153,534 | 108,732 | 4,183 | 7,271 | - | - | 157,717 | 116,003 |
| Financial assets - Cash flow realisable | | | | | | | | |
| Cash and Cash Equivalents | 401,919 | 550,194 | - | - | - | - | 401,919 | 550,194 |
| Trade & Other Receivables | 73,626 | 24,510 | - | - | - | - | 73,626 | 24,510 |
| Total anticipated inflows | 475,545 | 574,704 | - | - | - | - | 475,545 | 574,704 |
| Net (outflow)/inflow on financial instruments | 322,011 | 465,972 | - | - | - | - | 317,828 | 458,701 |

(c) Market Risk

(i) Interest rate risk

The financial assets of the Company is not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used. The interest rate exposure on the debt portfolio is managed by appropriate budgeting strategies and by managing in accordance with target maturity profiles.

(ii) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Advocacy and Rights Centre Ltd. is exposed to insignificant foreign currency risk and other price risks.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposure to changes in interest rates. The table indicates the impact on how profit at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

- A parallel shift of + 1% and -2% in market interest rates (AUD).

| | PROFIT | EQUITY |
|--------------------------------|----------|----------|
| | \$ | \$ |
| Year ended 30 June 2012 | | |
| +1% in interest rates | 4,019 | 4,019 |
| -2% in interest rates | (8,038) | (8,038) |
| Year ended 30 June 2011 | | |
| +1% in interest rates | 5,502 | 5,502 |
| -2% in interest rates | (11,004) | (11,004) |

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

Notes to the Financial Statements for the Year Ended 30 June 2012

Net Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which re carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

Net Fair Value

| | NET CARRYING AMOUNT 2012 \$ | NET FAIR VALUE 2012 \$ | NET CARRYING AMOUNT 2011 \$ | NET FAIR VALUE 2011 \$ |
|------------------------------------|--|---|--|---|
| Financial Assets | | | | |
| Cash and Cash Equivalents | 401,919 | 401,919 | 550,194 | 550,194 |
| Trade and Other Receivables | 73,626 | 73,626 | 24,510 | 24,510 |
| Total Financial Assets | 475,545 | 475,545 | 574,704 | 574,704 |
| Financial Liabilities | | | | |
| Trade & Other Payables | 150,446 | 150,446 | 106,042 | 106,042 |
| Interest Bearing Liabilities | 7,271 | 7,271 | - | - |
| Total Financial Liabilities | 157,717 | 157,717 | 106,042 | 106,042 |