

CBS

Annual

Report

2015-16



Letter of transmittal

The Honourable John Rau MP
Attorney-General
Minister for Consumer and Business Services

11th Floor
45 Pirie Street
Adelaide SA 5000

Dear Attorney

Annual report 2015-16

I am pleased to present my annual report for the year ended 30 June 2016.

This report is submitted in accordance with the reporting obligations contained in the legislation administered by my office.

It is required to be tabled in both Houses of Parliament within six sitting days.

Yours sincerely



George Kamencak
Acting Commissioner for Consumer Affairs
Acting Commissioner for Corporate Affairs
Acting Commissioner for Prices
Acting Liquor and Gambling Commissioner

30 October 2016

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Annual report 2015-16

This annual report summarises the activities and performance of the Commissioner for Consumer Affairs, Commissioner for Corporate Affairs, Commissioner for Prices and the Liquor and Gambling Commissioner ('the Commissioner') for 2015-16. It also reports on the Commissioner's financial results for the year and outlines the strategic focus for 2016-17.

The Commissioner is supported by Consumer and Business Services ('CBS') which is a division of the Attorney-General's Department.

This annual report and previous annual reports are available on CBS website at: cbs.sa.gov.au/about/

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Commissioner's foreword

I am pleased to present the foreword to the annual report for 2015-16.

I was appointed as the Acting Commissioner, with responsibility for CBS, in June 2016.

The CBS five year program of structural and process reforms has resulted in streamlining of services and staff teams that are function-based and cross-skilled. Building on that program, 2015-16 saw further work to improve our services to customers and a focus on building a workforce plan, including a staff wellbeing program.

CBS is a customer focussed organisation, assisting both the general public and our business customers to understand their rights and obligations. CBS undertakes activities to ensure compliance with consumer laws, conciliates disputes, maintains registers of births, deaths and marriages and also maintains public registers of occupational licenses enabling consumers to check if someone they want to employ is adequately licensed. This puts people, both customers and staff, at the heart of CBS activities, with staff being proactive about opportunities for service and legislative improvements.

An important achievement and significant body of work during 2015-16 has been reforms to the residential tenancy sector. These reforms resulted in South Australia now having some of the strongest protections for victims of domestic violence living in private rental tenancies.

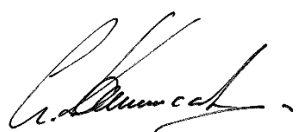
I am particularly proud that CBS is a White Ribbon accredited workplace. White Ribbon recognises workplaces that are taking active steps to prevent and respond to violence against women.

A further major achievement has been an independent review of liquor licensing legislation, the first review in almost 20 years. CBS assisted the review administratively during 2015-16 and it is anticipated that considerable work will be undertaken by CBS during the coming year to implement the recommendations supported by the state government. In addition, further enhancements to the late night trading (liquor) code of practice have seen stronger safety measures required of late night venues. The benefits of this work can be enjoyed by both businesses and consumers alike.

CBS is also doing considerable work to build its online and digital services. This includes online smart forms, alternative payment channels for annual liquor and occupational licence fees, and a current trial of digital licenses for occupational license holders.

These activities are consistent with CBS 2016-18 strategic plan, which includes improving services to customers with multiple service delivery channels and focussing regulation in areas of the greatest impact. CBS has also taken a stronger focus on education strategies.

I wish to express my sincere thanks for the dedicated work of CBS staff who have made this years' successes possible.



George Kamencak

Acting Commissioner for Consumer and Business Services

Acting Commissioner for Corporate Affairs

Acting Commissioner for Prices

Acting Liquor and Gambling Commissioner

2015-16 highlights

Review of the *Liquor Licensing Act 1997*

CBS assisted the South Australian Government's independent review of the *Liquor Licensing Act 1997* by developing a discussion paper to inform public consultation, notifying almost 140 key stakeholders, and reassigning a staff member to assist The Honourable Tim Anderson QC with administrative and research support. This is the first review of the Act in almost 20 years.

Late Night Trading Code of Practice (liquor) changes

CBS undertook a review of the Late Night Trading Code of Practice. The review involved comprehensive consultation and work with licensed venues to ensure that the changes were understood and venues were prepared for the new requirements. The changes resulted in several existing safety measures commencing at an earlier hour, with the 3am lockout remaining.

Stronger tenancy laws for victims of domestic violence

CBS developed and implemented legislative amendments to the *Residential Tenancies Act 1995* that aim to ensure that victims of domestic violence are not further disadvantaged when trying to leave a relationship that also involves a tenancy agreement. South Australia now has some of the strongest protections for victims of domestic violence living in rental tenancies.

Digital strategy

CBS commenced several strategies consistent with the South Australian Government's "Digital by Default" strategy. This has included alternative payment channels for annual liquor and occupational licence fees, the introduction of online smart forms to replace manual forms, improved online functionality for dispute resolution services, and commencement of a pilot of digital licences.

Changes introduced by the *Tattooing Industry Control Act 2015*

CBS prepared for the 1 July 2016 commencement of regulations and other requirements arising from the *Tattooing Industry Control Act 2015*, requiring traders to provide information about their businesses. As part of the government's Digital by Default commitment this was implemented through an online smart form.

Improved rights for foster parents and legal guardians

CBS has worked with the Department for Education and Child Development on the implementation of legislative amendments which strengthen the rights and recognition of foster parents and legal guardians when a child in their care dies.

Contribution to national campaigns and initiatives

CBS has assisted the review of Australian Consumer Law and has led a national project to educate Indigenous consumers about funeral insurance products. National agreement was also reached for a new information standard for the labelling of free range eggs and a new approach to providing country of origin information on food labels.

Consumer and Business Services

Our profile

The purpose of Consumer and Business Services (CBS) is to promote and protect consumer and business rights, regulate business and record significant life events in South Australia.

CBS ensures that laws affecting consumers, traders and businesses in South Australia are fairly and effectively administered by performing the following key functions:

- legislative administration and compliance
- registration and licensing services
- dispute resolution.

Underpinning these functions is a range of education activities for consumers and businesses.

Our statutory functions

Our statutory functions include:

- approving gaming machine licences
- conciliating disputes between consumers and traders
- conciliating and hearing disputes over gaming machine licences
- conducting gaming machine trading rounds
- conducting research and education programs, publishing reports and informing consumers about consumer issues
- developing, promoting and enforcing the liquor licensing codes of practice
- encouraging the development, promotion and enforcement of fair trading codes of practice to safeguard consumers' interests
- enforcing consumer laws
- ensuring that the Adelaide Casino complies with the *Casino Act 1997* and other legislation
- giving advice on consumers and traders' rights and obligations under the *Fair Trading Act 1987* and other consumer laws
- licensing and registering nominated traders
- licensing bookmakers and agents and issuing permits to enable them to accept bets at racecourses and other venues
- scrutinising the betting operations of the SA TAB, racing clubs, bookmakers and their agents
- licensing collectors involved in collections for charitable purposes
- licensing those involved in the conduct of lotteries
- licensing those involved in the sale and supply of liquor
- monitoring business activities and investigating practices that may adversely affect consumers' interests
- producing fair trading guidelines for traders
- registering associations, co-operatives, births, deaths and marriages
- providing tenancy advice and administration of bond lodgements and refunds.

Our values

CBS adopts the public sector values which are:

- service: we proudly serve the community and Government of South Australia
- professionalism: we strive for excellence
- trust: we have confidence in the ability of others
- respect: we value every individual
- collaboration and engagement: we create solutions together
- honesty and integrity: we act truthfully, consistently and fairly
- courage and tenacity: we never give up
- sustainability: we work to get the best results for current and future generations of South Australia.

Our strategic plan

Our focus next year, guided by our strategic plan for 2016 to 2018, is to:

- help customers by being informative and responsive
- educate the community, industry and business on their rights and obligations, and focus regulation and compliance on areas of the greatest impact
- work with multiple industry bodies and external agencies to improve service to customers and assist in education and regulation
- build service delivery channels to meet the customer needs for greater flexibility of multiple service delivery channels, with a key focus on online services.

For further information on our corporate governance, please refer to the annual report published by the Attorney-General's Department at: agd.sa.gov.au/about-agd/what-we-do/publications.

Our digital strategy

When undertaking initiatives that either have an impact on CBS customers or involve technological changes, CBS has committed to align with the South Australian Government's Digital by Default strategy as announced in 2014.

This strategy commits all government agencies to transform their services using digital technology, and for new or reformed services to be digital by default. The need to consider people who have difficulty accessing digital services is acknowledged.

CBS uses the following criteria to determine the suitability of shifting any transactions to a digital service:

- customer demand and transaction frequency
- ease of moving the transaction online
- branch digital readiness and capacity
- the costs associated with the transaction move — resources, capacity, and monetary.

Legislative administration and compliance

CBS is responsible for ensuring compliance with legislation relating to liquor licensing, gambling, product safety, occupational licensing, charitable organisations, incorporated associations, fair trading and the Australian Consumer Law.

The legislative administration and compliance program:

- ensures traders and licensees are compliant with legislative requirements
- provides education and engagement initiatives to inform consumers and businesses
- develops and reviews legislative proposals and provides specialist policy advice.

Liquor licensing

CBS is responsible for administering the *Liquor Licensing Act 1997*. The purpose of the Act is to regulate and control the sale, supply and consumption of alcohol for the benefit of related industries and the South Australian public.

Review of the Liquor Licensing Act 1997

In October 2015 the Government released a Liquor Licensing Discussion Paper to inform a comprehensive review of the *Liquor Licensing Act 1997* — the first review in almost twenty years. The discussion paper was prepared by CBS.

CBS also provided administrative and research support to the independent reviewer, The Honourable Tim Anderson QC. This involved reassigning staff to assist the review and informing almost 140 stakeholders across local councils, government, industry, the welfare sector and legal practitioners working in the liquor licensing area about the submission process.

The review produced 129 recommendations with the government accepting the majority in full. A Bill reflecting the proposed changes will now be drafted for consultation prior to it being introduced into parliament. The proposed changes aim to achieve a new liquor licensing system which reflects contemporary needs coupled with tougher sanctions for breaches by licensees.

Consultation will also occur with industry about a new licensing fee structure that better reflects the risks associated with certain types of venues and allows more funding to be used for compliance and harm reduction measures.

The review report, including the government's response, can be found at: agd.sa.gov.au/initiatives/review-of-sa-liquor-laws.

Late Night Trading Code of Practice (liquor) changes

CBS implemented changes to the *Late Night Trading Code of Practice* commencing February 2016. This followed comprehensive consultation and work with licensed venues to ensure that the changes were understood and venues were prepared for the new requirements.

The changes resulted in several existing safety measures commencing at an earlier hour, with the 3am lockout remaining. While the specific late night trading hours of a venue determine the particular changes that apply to the venue, the new requirements include the display of public transport information, queue management, drink marshals, first aid officers, metal detectors and CCTV monitoring. There are also restrictions on the supply of liquor free of charge or on footpaths and other

outdoor areas, the supply of beverages that promote rapid and excessive consumption or that contain more than 45ml of spirits, and the use of glassware.

The code review highlighted a significant drop in alcohol related offences and anti-social behaviour in the Adelaide area. The changes strengthen the code and further increase public safety by promoting a safer drinking culture.

Barring and safety orders

Under the *Liquor Licensing Act 1997* the Commissioner is required to report annually on liquor related barring orders issued by licensees for an indefinite period or a period exceeding six months. A copy of the report of these orders can be found at: cbs.sa.gov.au/about/.

The Commissioner is also required to report on any public order and safety notices issued during the year. One notice was issued to a Hindley Street entertainment venue, the Lavish Club Lounge, trading as 'The Vault', due to significant fire safety risks arising from a number of matters. These matters included: unapproved alterations to the venue layout, one working emergency exit sign, a narrow passageway and large amounts of rubbish and debris in the basement. The licence has remained in suspension pending rectification of the issues.

Gambling

The Commissioner is responsible for the regulation of the South Australian gambling industry in relation to operations conducted under the *Gaming Machines Act 1992*, *Casino Act 1997*, and *Authorised Betting Operations Act 2000*. This includes responsibility for the constant scrutiny of licensees under these Acts.

Compliance activity

This year CBS conducted 804 inspections in gaming venues consisting of 540 routine inspections, 260 themed inspections and 4 complaints. The themed inspections occurred in gaming venues located in Adelaide and surrounding areas, the Adelaide Hills, the South Coast, Barossa Valley, Gawler, Murray Bridge, the Riverland, South East, Port Augusta, and Whyalla.

Authorised officers are rostered at the Adelaide Casino on a daily basis to scrutinise casino systems and operating practices and procedures, and assess compliance with the *Casino Act 1997*, Approved Licensing Agreement, Casino Duty Agreement, Approved Game Rules, Casino Control Standards and the Gambling Codes of Practice. The officers conducted over 2000 compliance assessments during 2015-16.

For further information relating to assessing compliance, refer to the Independent Gambling Authority's annual report at: iga.sa.gov.au/annual-reports.

Improving existing regulatory and responsible gambling measures

Various provisions of the *Statutes Amendment (Gambling Reform) Act 2013* have progressively come into operation between August 2013 and January 2017. The provisions aim to improve existing regulatory and responsible gambling measures for gaming venues and reduce red tape.

Further minor amendments were considered by parliament in 2015, including additional red tape reduction measures initiated by CBS. As a result, since January 2016, gaming venues no longer need to gain approval for the layout of gaming machines in a gaming room.

In addition, under changes to the *Independent Gambling Authority 1995* the Authority delegated a number of its duties to CBS. CBS now receives notices of intention to conduct betting operations in South Australia from interstate betting operators and publishes a list of approved authorised operators. CBS is also now receiving applications for approvals of acceptable trade promotions as required by the Responsible Gambling Code of Practice.

Gaming machine trading rounds

CBS conducted three trading rounds for gaming machine entitlements. Details of the outcomes of those trading rounds can be found on the CBS website at: cbs.sa.gov.au/licensing-and-registration/gambling

Product safety

CBS is responsible for monitoring emerging product safety issues.

This year CBS staff attended the premises of 436 traders and examined 6,981 products. This resulted in 7 product lines being recalled and 1,166 product lines being identified as non-compliant which equates to 1,408 non-compliant items.

Of those 1,408 non-compliant items, 1,166 items were withdrawn and 242 items were amended and placed back on the shelf.

As a result of the identified non-compliant products, CBS:

- issued 21 written warnings
- issued 3 verbal warnings
- issued 3 expiation notices
- provided trader education on 24 occasions.

CBS also issued a Safety Warning Notice as per section 129(1)(b) of the Australian Consumer Law in relation to eraser balls contained within a “gumball” styled machine and other erasers which resembled food products.

Occupational licensing

CBS is responsible for various occupations and tradespersons such as builders, plumbers, gasfitters, electricians, conveyancers, land agents, sales representatives, land valuers, second-hand vehicle dealers and security and investigation agents.

CBS takes an active role in distributing information, encouraging industry co-regulation and educating consumers and businesses on general licensing issues to promote compliance. This occurs through the provision of presentations, including targeted presentations about changes to legislation, information stands at expos, an emailed newsletter — *CBS Connect* — to about 100,000 subscribers, twitter feeds and YouTube.

CBS has also begun developing welcome packs for each occupational licence sector. These will become available on the CBS website and provide each sector with ready access to their relevant licensing information and requirements.

A number of occupational licence breaches have been investigated by CBS following consumer complaints. These breaches under Australian Consumer Law and other consumer protections included: several unlicensed builders and plumbers; a builder requesting a 75% deposit for pebble paving when the legal limit was 5% for the particular value of the works; and undertaking building works involving the replacement of existing roof sheeting, internal carpentry and plasterworks that was not within the scope of the licence. CBS also prosecuted an unlicensed southern suburbs second-hand vehicle dealer for trading without a licence and advertising vehicles for sale.

Appendix 12 summarises all cases of occupational licence breaches that resulted in a prosecution, undertaking or assurance during 2015-16 following an investigation by CBS. Examples of some of those cases in more detail are:

- Mr Christopher Gudic (trading as CNK Constructions) failed to provide a kitchen and wardrobe as per the contract, though he had accepted full payment. In the Elizabeth Magistrates Court in July 2015 Mr Gudic was convicted under the *Building Work Contractors Act 1995* for carrying on a business without an appropriate licence and under the Australian Consumer Law for failing to supply goods and services within a reasonable timeframe. Mr Gudic had previously held a licence but this had lapsed. Mr Gudic was fined \$3,000 and ordered to pay \$480 Victims of Crime levy, \$800 CBS costs and a further \$3,100 to the victim as compensation.
- Mr Ian Vetter (trading as The Right Chef) took nearly \$2,000 from a bride-to-be to cater for her wedding but failed to provide the service on the day. In the Magistrates Court in August 2015 Mr Vetter was convicted under the Australian Consumer Law for accepting payment and failing to supply goods and services. Mr Vetter was fined \$8,000, and ordered to pay \$1,918.80 to the victim as compensation, a Victims of Crime levy and CBS costs.
- Mr Warren Stocker pleaded guilty in the Adelaide Magistrates Court in December 2015 to buying and selling second hand motor vehicles without a licence. He had been involved in 31 vehicle transactions in a six month period, which was well in excess of the four required to be licensed. Mr Stocker was fined \$5,000 and ordered to pay \$800 CBS costs.
- Mr David Autengruber (trading as Construction Services by David Autengruber) was convicted in the Adelaide Magistrates Court in June 2016 for operating without a building work contractor's licence when he was engaged to complete renovations to an eastern suburbs home. Mr Autengruber pleaded guilty to four charges including operating without a licence, failing to obtain indemnity insurance, requesting a deposit outside regulations and use of a contract that failed to comply with legislation. Mr Autengruber was fined \$2,400 and ordered to pay \$800 court costs and \$10,342 to the victim as compensation.
- Mr Nabil Chehade as director of NRC Property Group Pty Ltd (trading as Chehade Real Estate) pleaded guilty to charges of operating with an unlicensed sales representative and unlawfully gaining a beneficial interest in a property. In December 2015 Mr Chehade was convicted of breaching section 24G of the *Land and Business (Sales and Conveyancing) Act 1994* when engaged to sell the property of an elderly woman dying of cancer. Mr Chehade sold the property to his sister who was also an employee of NRC, without the permission of the Commissioner. NRC was also convicted for a similar offence. NRC was further subject to three convictions for operating with an unlicensed sales representative when engaged to sell three properties in the metropolitan Adelaide. NRC was fined \$7,200 and Mr Chehade \$3,600 and ordered to pay \$4,000 CBS costs.

In addition to the 32 occupational licence breaches summarised in Appendix 12 that resulted in an enforceable action such as a prosecution, undertaking or assurance during 2015-16, at 30 June 2016 another:

- 62 cases were being investigated with resolution expected in the 2016-17 reporting year;
- 34 cases had resulted in a written warning being issued
- 1 expiation notice had been issued under the *Second Hand Vehicle Dealers Act 1995*
- 9 cases were referred to other agencies
- 17 cases were with the Crown or in courts.

Tattoo industry

CBS prepared for the 1 July 2016 commencement of regulations and other requirements arising from the *Tattooing Industry Control Act 2015* (Act). Under this Act, members of organised crime gangs and their associates are banned from ownership or control of tattoo parlours and pawnshops.

Traders were required to provide certain information to the Commissioner of Consumer Affairs, which can be used by the Commissioner and SAPOL to determine whether or not a person is providing tattoo services in contravention of the Act.

Residential parks

CBS developed a discussion paper and commenced consultation about changes to legislation aimed at increasing the long-term security in residential parks for low-income South Australians and retirees. Proposed changes are intended to improve disclosure, develop safeguards for residents and ensure residential parks remain in the housing mix of South Australia.

Strengthening the rights of foster parents and legal guardians

CBS has been working with the Department for Education and Child Development on the implementation of amendments to the *Births, Deaths and Marriages Registration Act 1996* and the *Family and Community Services Act 1972*. The amendments, which come into operation on 17 September 2016, strengthen the rights and recognition of foster parents and legal guardians when a child in their care dies.

Compliance and enforcement priorities consultation

CBS consulted with licensee groups and other stakeholders about its compliance and enforcement priorities for 2016-17, with a particular focus on: emerging issues and risks for industry sectors, compliance and enforcement strategies, and ways to reduce regulatory compliance burden.

Eighteen submissions were received containing 62 points that inform the development of policy and practice in compliance and enforcement, and other sections of CBS.

Australian Consumer Law review

Consumer Affairs Australia and New Zealand (CAANZ) commenced a review of the Australian Consumer Law (ACL) in March 2015. CBS has assisted by providing information to South Australians about the review, promoting the Issues Paper and contributing to the policy development of the Issues Paper, and encouraging South Australians to make submissions. The review is expected to be completed in early 2017.

The review is looking at: the effectiveness of the ACL in protecting consumers; its flexibility to address new and emerging issues; its regulatory impact on business and industry; consumers' and businesses' awareness of the ACL; and education, compliance and enforcement activities. Further information about the review can be found at: consumerlaw.gov.au.

National initiatives

CBS has continued to work with other jurisdictions on initiatives of national benefit.

CBS led a national campaign — *Avoid a funeral R.I.P. off* — to educate Indigenous consumers about funeral insurance products, and implemented awareness campaigns about scams, property investment schemes and summer safety.

National agreement was also reached for a new information standard for free range eggs and a new approach to providing country of origin information on food labels.

In addition, guides to help businesses understand their rights and obligations under the Australian Consumer Law were updated, and a compliance program targeting misleading, deceptive and unconscionable conduct by training providers and marketers was conducted.

Licensing and registration services

CBS is responsible for fairly and effectively licensing and registering various occupations, industries and organisations and maintains records of significant life events for South Australians.

The licensing and registration services program includes the licensing and registering of:

- builders, security and investigation agents, conveyancers, land agents and other trades
- liquor, gaming, lotteries, charitable organisations and incorporated associations
- births, deaths and marriages, changes of name, and Justices of the Peace.

Births, deaths and marriages

CBS, through its Births, Deaths and Marriages (BDM) unit is responsible for registering and maintaining an accurate record of all births, deaths, marriages, changes of name, adoptions and sexual reassignments that occur in South Australia. Appendix 6 provides data about the number of registrations during 2015-16.

Permission required for an offender to change name

Prior to 1 June 2016 a serious offender could register a change of name and avoid detection as there was no system in place for CBS to notify South Australia Police.

On 1 June 2016, work previously undertaken by CBS to amend the *Births, Deaths and Marriages Registration Act 1996* (BDM Act), including consequential changes to the *Child Sex Offenders Registration Act 2006*, came into effect. These changes make it an offence for serious sex offenders, serious violent offenders, prisoners and parolees to apply for a change of name under the BDM Act without first obtaining written permission from the Commissioner of Police or supervising authority under the *Correctional Services Act 1982*.

The changes also included a number of other requirements that apply to all applicants. The changes mean that people:

- can only change their name three times in their lifetime
- must apply to the state or territory where their birth is registered
- born overseas must be Australian citizens or permanent residents and have resided in South Australia for at least 12 consecutive months before they apply.

Reviews and inquiries affecting CBS' BDM Register

CBS has contributed to a number of reviews and inquiries established by government, which have a relationship to legislation administered by CBS. This has involved either providing a policy position or providing information to inform the reviews, such as the current registration requirements and processes.

The two primary areas of work have been in relation to the South Australian Law Reform Institute's (SALRI) audit of South Australian legislation to identify laws that discriminate or have the potential to discriminate on the grounds of sexual orientation, gender, gender identity or intersex status, and the Legislative Review Committee's inquiry into the *Sexual Reassignment Repeal Bill 2014*, a Bill to amend the *Sexual Reassignment Act 1988*.

SALRI and the Legislative Review Committee have both recommended repealing the *Sexual Reassignment Act 1988* and introducing broad changes to the legal framework for registering births, sex and gender in South Australia, including the registration of non-binary (or indeterminate sex) births. CBS and the Registrar for Births, Deaths and Marriages has provided advice on the most

appropriate registration framework that best aligns with current BDM registration practices in South Australia.

CBS has also been heavily involved in discussions about the legal framework for the introduction of a relationship register. SALRI recommended that a relationship register be introduced to ensure a clear, non-discriminatory, legal process for people to register their relationship that is accessible for all couples, regardless of sexual orientation, gender identity or length of cohabitation.

CBS also made a submission to the Legislative Review Committee in relation to the proposed amendment to the *Births Deaths and Marriages Registration Regulations 2011* to enable de facto relationships to be recognised on the death register, and has provided advice in relation to the independent review of the *Adoption Act 1988* and the *Adoption Regulations 2004*.

Justices of the Peace Services

CBS is responsible for managing the application, appointment, conduct and removal of a Justice of the Peace. This includes maintaining the Justices of the Peace Roll which is a database that contains information about all Justices of the Peace (JPs) registered in South Australia.

Following commencement of the *Justices of the Peace Act 2005* and the *Justices of the Peace Regulations 2006* on 1 July 2006, new criteria and conditions for appointing JPs came into effect. As a result, JPs are now appointed for a ten-year term rather than life.

This change required CBS to undertake a reappointment process for JPs who were appointed prior to the commencement of the new legislation. JPs needed to apply for reappointment — 4,631 JPs have been reappointed, 1,187 resigned, and 509 applications remain to be processed.

Incorporated Associations and Co-operatives

CBS maintains a register of incorporated associations and co-operatives. Appendix 8 provides data about the current numbers of incorporated associations and co-operatives.

Systems development

CBS has progressed strategies consistent with the South Australian Government's "Digital by Default" strategy. This strategy emphasises the Government's commitment to transforming its services through the use of digital technology and ensuring new or reformed government services will be digital by default.

Alternative payment facilities

CBS has implemented BPAY and Interactive Voice Response as alternative payment channels for annual liquor and occupational licence fees. Priority telephone queues have also been established to redirect any licensee unable to complete the transaction themselves to a staff member for assistance.

This has resulted in licensees making payments at a time of their convenience, outside of standard office hours. It has also provided CBS staff with more time to focus on their core function of assessing licence applications.

Online services

CBS has begun to introduce online smart forms to replace manual forms. Online functionality for dispute resolution services has also been improved, allowing consumers to lodge a complaint online.

CBS is also developing a paperless builder's licence application and assessment model.

Digital licence pilot

CBS commenced a pilot of digital licences with registered land agents and sales representatives.

The Digital Pass Pilot is trialling the use of an app that stores and displays credentials such as occupational licenses, and allows online transactions.

The app was installed by 19 land agents and land sales representatives who volunteered to be involved in the pilot. This allows them to have a digital version of their registration or licence card on their mobile device. For the period of the pilot licence holders were advised that they must continue to carry a hard copy licence.

The pilot will continue into the 2016/17 financial year. Volunteers will have the opportunity to provide feedback about the application's functionality which will be used to assess the ongoing viability of the digital pass.

Liquor and gambling IT system software

CBS has now completed stage 3 of the replacement of the liquor and gambling IT system. This system has provided opportunities for online services including the ability to send notices via email and SMS. It has also enabled the achievement of aspects of the digital by default strategy, such as alternative payment options for annual liquor and occupational licence fees.

Dispute resolution

Consumer and Business Services is responsible for advising and educating consumers, tenants, businesses and landlords on their rights, responsibilities and changes to the law. The provision of a dispute resolution service for consumers and traders supports a fair, safe and equitable marketplace in South Australia.

The dispute resolution program includes:

- an advisory service for consumers, businesses, tenants and landlords
- dispute resolution for consumers and traders, including compulsory conciliation
- the effective management of residential tenancy bonds, including Residential Bonds Online.

Residential Bonds Online

Residential Bonds Online (RBO) is a secure online and paperless system for the management of residential bonds 24 hours a day, seven days a week. RBO was implemented in May 2014 and has enabled landlords, agents and tenants to benefit from easier communication and faster transactions.

CBS undertook significant training of the real estate industry regarding the RBO system and made it compulsory from the start of 2016 for agents to complete all bond lodgements online. This has resulted in a 47% increase in online bond transactions during 2015-16, with 70% of lodgements and refunds now being processed online compared to 23% in June 2015.

Online education strategies

CBS launched a new home page on its website and improved access to existing web content. Campaigns, education messages and current issues are now promoted and immediately accessible for anyone entering the CBS website.

Four new videos were posted to the CBS YouTube channel, including a campaign warning potential investors about dodgy property investment spruikers and a campaign about avoiding funeral rip offs.

Residential tenancies reforms recognising domestic violence

CBS developed and implemented legislative amendments to the *Residential Tenancies Act 1995* that aim to ensure that victims of domestic violence are not further disadvantaged when trying to leave a relationship that also involves a tenancy agreement.

The changes enable a victim to either continue in the tenancy without the perpetrator, leave the tenancy and no longer be liable for the tenancy, or terminate the tenancy altogether. A victim's personal information is also prohibited from being listed on the Residential Tenancy Database.

In developing and progressing the legislative changes through parliament, CBS consulted with victims groups, crisis services, South Australian Police, and industry groups to achieve a fair balance between the rights of tenants and landlords, while affording the necessary protections to victims of domestic violence. Presentations and detailed information sessions were conducted, social media was used to inform the community, and fact sheets and guidance materials were disseminated to various groups and organisations. A range of education and communication activities have also been undertaken to inform and educate the tenancy sector about the changes.

Appendices

Appendix 1:

Legislation administered by CBS

The Commissioner for Consumer Affairs administers the following Acts:

- *Building Work Contractors Act 1995*
- *Conveyancers Act 1994*
- *Fair Trading Act 1987*
- *Hairdressers Act 1988*
- *Land Agents Act 1994*
- *Land and Business (Sale and Conveyancing) Act 1994*
- *Land Valuers Act 1994*
- *Plumbers, Gas Fitters and Electricians Act 1995*
- *Residential Parks Act 2007*
- *Residential Tenancies Act 1995*
- *Second-hand Vehicle Dealers Act 1995*
- *Security and Investigation Industry Act 1995*
- *Tattooing Industry Control Act 2015*
- *Misrepresentation Act 1972*

The Commissioner for Prices administers the:

- *Prices Act 1948*

The Commissioner for Corporate Affairs administers the following Acts:

- *Associations Incorporation Act 1985*
- *Companies (Administration) Act 1982*
- *Co-operatives National Law (SA) Act 2013*

The Liquor and Gambling Commissioner administers the following Acts:

- *Collections for Charitable Purposes Act 1939*
- *Gaming Machines Act 1992*
- *Liquor Licensing Act 1997*

The Commissioner also has responsibilities under the:

- *Authorised Betting Operations Act 2000*
- *Casino Act 1997*
- *Lottery and Gaming Act 1936*

The Registrar of Births, Deaths and Marriages is a statutory office holder who reports to the Commissioner for Consumer Affairs. The Registrar is responsible for administration of the:

- *Births, Deaths and Marriages Registration Act 1996*
- *Marriage Act 1961 (administration of Commonwealth Act in South Australia)*

The Commissioner and/or the Registrar of Births, Deaths and Marriages also have responsibilities under the:

- *Adoption Act 1988*
- *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981*
- *Coroners Act 2003*
- *Burial and Cremation Act 2013*
- *Criminal Investigation (Covert Operations) Act 2009*
- *Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953*
- *Family Relationships Act 1975*
- *Evidence Act 1929, under Section 49 (7)*
- *Maralinga Tjarutja Land Rights Act 1984*
- *Partnership Act 1891*
- *Sexual Reassignment Act 1988*
- *Trustee Companies Act 1988*
- *Witness Protection Act 1996*

Appendix 2: Products withdrawn or recalled

Reporting under the *Fair Trading Act 1987*

Surveillance	Number of products	Outcome/reason
General market surveillance August 2015 (138 product lines)	(52) Sunglasses	Withdrawn - failed mandatory safety standard
	(86) Cosmetics	Withdrawn - failed mandatory information standard
Royal Adelaide Show September 2015 (41 product lines)	(30) Sunglasses	Withdrawn – failed mandatory safety standard
	(1) Yo-yo water ball	Withdrawn – banned product
	(10) Cosmetics	Withdrawn – failed mandatory information standard
General market surveillance October 2015 (87 product lines)	(1) Nightwear	Withdrawn – failed mandatory safety standard
	(24) Sunglasses	Withdrawn – failed mandatory safety standard
	(11) Yo-yo water balls	Withdrawn (10) – banned product
		Withdrawn and recalled (1) – banned product
	(3) Second-hand prams	Withdrawn – failed mandatory safety standard
	(1) Portable pool	Withdrawn – failed mandatory safety standard
	(2) Flotation aids	Withdrawn and recalled – failed mandatory safety standard
(45) Cosmetics	Withdrawn – failed mandatory information standard	
Christmas toy surveillance November 2015 (2 product lines)	(2) Yo-yo water balls	Withdrawn – banned product
General market surveillance January 2016 (17 product lines)	(17) Jelly cups	Withdrawn – potentially banned product
General market surveillance February 2016 (64 product lines + 1 extra recall)	(62) Sunglasses	Withdrawn – failed mandatory safety standard
	(2) Portable pools	Withdrawn (1) – failed mandatory safety standard
		Withdrawn and recalled (1) – failed mandatory safety standard
(1) Toy (not regulated) - voluntary recall due to design flaw	Recalled – consumer complaint and subsequent investigation	
General market surveillance March 2016 (24 product lines)	(22) Sunglasses	Withdrawn – failed mandatory safety standard
	(1) Household cot	Withdrawn – failed mandatory safety standard
	(1) Stroller	Withdrawn – failed mandatory safety standard

Surveillance	Number of products withdrawn or recalled	Outcome/reason
General market surveillance April 2016 (466 product lines + 1 extra recall)	(2) Projectile toy	Withdrawn – failed mandatory safety standard
	(93) Sunglasses	Withdrawn – failed mandatory safety standard
	(105) Nightwear	Withdrawn (104) – failed mandatory safety standard
		Withdrawn and recalled (1) – failed mandatory safety standard
	(266) Cosmetics	Withdrawn – failed mandatory information standard
	(1) Toy	Toy recalled from Christmas monitoring
General market surveillance May 2016 (327 product lines)	(118) Nightwear	Withdrawn – failed mandatory safety standard
	(133) Sunglasses	Withdrawn – failed mandatory safety standard
	(76) Cosmetics	Withdrawn – failed mandatory information standard

Note: The numbers in brackets indicate the number of faulty items.

Appendix 3:

Analysis of fair trading enquiries received

Reporting under the *Fair Trading Act 1987* and related Acts

Analysis of Enquiries Received* by Category				
	Main Category	Variation	2015 16	2014 2015
1	General Goods	4%	14011	13433
2	Building & Construction	-23%	6801	8871
3	Motor Vehicles	-12%	4831	5521
4	Travel, Hospitality & Tourism	-11%	755	851
5	Communication	-39%	403	658
6	Insurance	-17%	201	241
7	Credit & Finance	-5%	253	267
8	Real Estate & Accommodation	17%	1061	903
9	Marketing Methods	-57%	70	163
10	General Services	18%	6438	5452
11	Referred Matters	-38%	2610	4218
12	Scams & Schemes	15%	611	529
13	Other	47%	2790	1892
	TOTAL	5%	40835	42999

**CBS provides free fair trading advice to consumers and traders. Enquiries are received by telephone and in person.*

Appendix 4: Analysis of complaints received by product or service

Reporting under the *Fair Trading Act 1987* and related Acts

Category	2015 16*	2014 15*
1 Residential Building Construction		
Air conditioning, heating installation	29	36
Building & decorating products	21	7
Carpentry, joinery	20	12
Pest control services	6	7
Concrete work, foundations, brickwork, paving	55	63
Electrical (incl. solar panel systems)	234	280
Fences, garden walls, gates	49	44
Garages, carports, sheds, water tanks	24	28
Gardening & outdoor products	98	80
Home construction, extensions, renovations	449	421
Painting, decorating, plastering	19	27
Plumbing - water, gas, drainage	65	46
Roofing, insulation, roof treatments	41	55
Swimming pools, spas, hot tubs	23	25
Tiling	13	10
Other	55	40
Total	1201	1181
2 General Consumer Products		
Air conditioners	13	19
Literature, stationery, CDs & DVDs	25	32
Clothes	125	77
Electrical goods - other	28	12

Category		2015 16*	2014 15*
	Food products	149	124
	Footwear	28	17
	Furnishings	53	47
	Furniture - lounge suites	69	60
	Furniture - other	86	71
	Haberdashery, clothing materials & accessories	8	3
	Heaters & hot water systems	20	22
	Household appliances	91	87
	Jewellery, clocks & watches	41	35
	Pets & pet products	26	27
	Photographic equipment & supplies	8	14
	Health & cleaning products	50	41
	Sports & camping equipment	39	40
	Televisions, VCRs & DVD players	47	58
	Whitegoods - other	28	23
	Whitegoods - refrigerators	29	17
	Whitegoods - washing machines	25	21
	Other general goods	97	96
	Total	1085	943
3	General Services		
	Dry cleaning	10	6
	Education & training	49	38
	Employment	6	4
	Health & fitness (gyms)	52	64
	Furniture removals	29	14
	Health services	21	17
	Household services	60	36
	Introduction agencies	9	4

Category		2015 16*	2014 15*
	Transport services	31	34
	Personal services	96	73
	Professional & technical services	56	34
	Utilities & fuel supply	31	30
	Sport, culture & recreation	44	44
	Other services	530	305
	Total	1024	703
4	Motor Vehicles and Transport Products		
	Purchase of new motor vehicles	61	53
	Purchase of new & used motor cycles	23	13
	Purchase of used motor vehicles	197	157
	Consignment sales	1	1
	Automotive repair & servicing	222	157
	Spare parts & accessories	71	59
	Other transport vehicles & equipment	87	67
	Total	662	507
5	Travel, Hospitality and Tourism		
	Travel agents	67	32
	Tours	8	13
	Passenger services	66	111
	Car, Campervan & Caravan rental	14	10
	Hotels, motels, hostel	54	40
	Other	38	36
	Total	247	242
6	Scams and Schemes		
	Scams	44	34
	Get rich quick schemes	5	10
	Total	49	44

Category		2015 16*	2014 15*
7	Communication & Information		
	Telephone services & products	180	120
	Internet	35	21
	Television & other services	17	10
	Computers & software	114	92
	Total	346	243
8	Real estate, accommodation		
	Property sales & listings	51	43
	Property management	44	27
	Other - accommodation & real estate	79	31
	Total	174	101
9	Marketing Methods		
	Internet - Marketing, Distant Selling	2	6
	Discount & gift voucher schemes	1	6
	Other	0	7
	Total	3	19
10	Product Safety		
	Product safety/standards & hazardous products	33	34
	Total	33	34
11	Credit, finance, investment		
	Credit & finance	43	40
	Investment	16	4
	Total	59	44
12	Insurance	16	26
	Total	16	26
TOTAL FOR PERIOD		4866	4087

* Complaints are comprised of advice and dispute resolution matters received by email, fax or post.

Appendix 5: Analysis of complaints received by practice

Reporting under the *Fair Trading Act 1987* and related Acts

Practice		2015 16*	2014 15*
1	Quality	1463	1134
2	Contracts	765	693
3	Warranties	633	513
4	Miscellaneous Conduct	483	348
5	Representations	856	871
6	Price	413	230
7	Scams and Schemes	26	23
8	Advertising	175	179
9	Product Safety/Standards & Hazardous Products	33	34
10	Sales Methods	27	40
11	Credit	15	12
12	Product Labelling	10	10

* Complaints are comprised of advice and dispute resolution matters received by email, fax or post.

Appendix 6: Births, deaths and marriages registrations

Reporting under the *Births, Deaths and Marriages Registration Act 1996*

Registration services	Total
Birth	19 915
Deaths	13 300
Marriages	7 436
Changes of Names	2 764
Certificates issued for Births, Deaths, Marriages and Change of Name	111 367

Appendix 7: Occupational licences and registrations

Reporting under the *Second-hand Vehicle Dealers Act 1995*

Licences	2015 16	2014 15	2013 14
Held by bodies corporate			
Second-hand motor vehicle dealers	353	393	367
Second-hand motor cycle dealers	26	30	29
Held by natural persons			
Second-hand vehicle dealers	731	827	752
Second-hand motor cycle dealers	45	52	54
Total	1155	1302	1202
Applications for new licences/registrations processed			
Second-hand vehicle dealers	81	97	88
Second-hand motor cycle dealers	4	3	2
Registration of trading premises (new application)	63	55	45

Reporting under the *Building Work Contractors Act 1995*

Builders licences	2015 16	2014 15	2013 14
Held by bodies corporate	4536	4689	4323
Held by natural persons (individuals or members of partnerships) Includes contractors only and contractors & supervisors. Does not include supervisors only	18645	19624	18818
Held by building work supervisors (registrations only)	3781	3951	3612
Total	26962	28264	26753
Applications for new licences/registrations or a change of conditions processed	2494	2528	2637

Reporting under the *Plumbers, Gas fitters and Electricians Act 1995**

Plumbers	2015 16	2014 15	2013 14
Holding a contractor licence only (individual or company)	644	669	1953
Holding a workers registration	1563	2988	5248
Holding both a worker registration and contractor licence	3995	1568	

Gas fitters	2015 16	2014 15	2013 14
Holding a contractor licence only (individual or company)	571	601	1469
Holding a workers registration	3512	3405	4350
Holding both a worker registration and contractor licence	1301	1285	

Electricians	2015 16	2014 15	2013 14
Holding a contractor licence only (individual or company)	1589	1664	5520
Holding a workers registration	17471	18204	21558
Holding both a worker registration and contractor licence	4487	4442	

**Numbers reported in 2013-14 are not a direct comparison to subsequent year' plumbers, gas fitters and electricians licences as we now record three categories instead of two to provide further detail.*

Reporting under the *Land Agents Act 1994*

Registrations	2015 16	2014 15	2013 14
Held by land agent bodies corporate	935	957	881
Held by land agent natural persons	2225	2323	2165
Held by sales representative and auctioneer natural persons	2474	2577	2194
Total	5634	5857	5240
Applications for new registrations processed	928	841	795

Reporting under the *Conveyancers Act 1994*

Registrations	2015 16	2014 15	2013 14
Held by bodies corporate	69	72	63
Held by natural persons	583	620	608
Total	652	692	671
Applications for new registrations processed	37	31	33

Reporting under the *Security and Investigation Industry Act 1995*

Security and investigation agents licences	2015 16	2014 15	2013 14
Held by bodies corporate	458	476	416
Held by natural persons	8323	9671	8398
Total	8781	10147	8814
Applications for new licences or a change of conditions processed	1196	1692	1360

Reporting under the *Liquor Licensing Act 1997*

Liquor licence classes	2016	2015	2014	2013
Club	403	403	400	405
Direct Sales	497	483	415	433
Entertainment Venue	38	39	37	42
Hotel	630	629	618	628
Limited Club	908	891	872	845
Producer	1279	1261	1225	1261
Residential	197	198	192	203
Restaurant	1351	1248	1201	1180
Retail Liquor Merchant	200	196	194	194
Small Venue	73	50	23	2
Special Circumstances	639	614	606	625
Wholesale Liquor Merchant	268	270	279	308
Total	6483	6282	6062	6126

Note: includes current and suspended licences but excludes limited licences

Appendix 8: Associations and co-operatives

Reporting under the *Associations Incorporation Act 1985*

Associations	2015 16	2014 15
Incorporated associations on the register	20533	20309
Incorporated during the year	341	407
De-registered and wound-up	100	100
Periodic returns lodged	610	573
Searches of the public register	404	850

Co-operatives	2015 16	2014 15
Co-operatives on the register (at 30 June)	78	55
Incorporations	0	0
Foreign registrations	0	0
De-registrations	2	1

Appendix 9: Residential tenancies and residential parks

Reporting under the *Residential Tenancies Act 1995* and the *Residential Parks Act 2007*

Bonds numbers held	2015 16	2014 15	2013 14
Total tenant provided residential bonds held	152353	148090	146042
Total Housing SA provided residential bonds held	265	286	309
Total Housing SA residential bond guarantees held	68779	63630	58187
Total residential bonds held	221397	212006	204538

Bonds value of bonds held (\$)	2015 16	2014 15	2013 14
Tenant provided residential bonds (\$)	246 042 110	235 594 128	226 782 513
Housing SA provided residential bonds (\$)	113 037	122 547	133 333
Housing SA residential bond guarantees (\$)	77 341 022	70 298 428	61 758 520
Total value of residential bonds held (\$)	323 496 169	306 015 103	288 674 366

Residential Tenancies Bonds	2015 16	2014 15	2013 14
Residential bonds lodged	68463	63774	60855
Residential bonds refunded	60152	59034	56298

Residential Park Bonds	2015 16	2014 15	2013 14
Total residential park bonds held	682	656	672
Total residential park bonds held (\$)	323 363	305 569	312 605
Residential park bonds lodged	171	169	185
Residential park bonds refunded	167	144	185

Incoming contact	2015 16	2014 15	2013 14
Incoming bond calls	51369	47210	45369
Incoming emails requesting advice	27780	3323	3840

Advice	2015 16	2014 15	2013 14
Requests for assistance (<i>files</i>)	3	0	16
Customer contacts (<i>including outgoing calls and counter</i>)	2733	3928	4739
Incoming tenancy advice calls	40107	44422	47347
Incoming emails requesting advice	1838	1722	1464
Expiation notices issued by the Branch	57	70	

Appendix 10: Companies and co-operatives liquidation accounts

Reporting under the *Companies (Administration) Act 1982**

Companies Liquidation Account	\$
Balance at 30 June 2015	94 244.40
Add: Amounts received during the year pursuant to section 427(1) of the Companies Code	0
Less: Amount paid to claimants in accordance with section 427(1) Payments to Consolidated Account in accordance with section 427(6)	0
Balance at 30 June 2016	94 244.40

Reporting under the *Co-operatives National Law (SA) Act 2013*

Co operatives Liquidation Account	\$
Balance at 30 June 2015	64 992.85
Add: Amounts received during the year pursuant to section 331 of the <i>Co-operatives Act 1997</i>	0
Less: Amount paid to claimants in accordance with section 331 Payments to Consolidated Account in accordance with section 331	0
Balance at 30 June 2016	64 992.85

**CBS maintains accounts where unclaimed monies from liquidators of companies (from any liquidation that commenced on or before 1 January 1991) and co-operatives must be deposited. Persons entitled to any of those funds held may make claims and, upon satisfactory proof, are paid their entitlements.*

Appendix 11:

Miscellaneous responsibilities

Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953

The Act requires the lodgement of a report on the financial position and accounts of the trust by a registered company auditor. The Act also requires the auditor to lodge a certificate certifying that he/she has inspected the documents of title and securities evidencing the property held by the trust and is satisfied that the balance sheet contains a true statement of the property held by the trust. Financial reports and certificates are required to be lodged with the Corporate Affairs Commission yearly. The audited accounts for the financial year ending 31 December 2015 have been lodged with Consumer and Business Services.

Evidence Act 1929

To gather evidence, CBS tends to utilise provisions under the *Fair Trading Act 1987* and other legislation. As such, there is no reporting under the *Evidence Act*.

Land Valuers Act 1994

Currently 112 land valuers are registered with CBS, including 7 who were registered during the reporting period.

Partnership Act 1891 - Part 3 - Limited Partnership

Part 3 of the *Partnership Act 1891* provides for the registration of a limited partnership. There were no new registrations and no de-registrations during the year with the total number of limited partnerships registered as 40. Part 3 of the *Partnership Act 1891* also provides for the registration of an incorporated limited partnership. There were no new registrations and no de-registrations during the year with the total number of incorporated limited partnerships registered remaining at two.

Maralinga Tjarutja Land Rights Act 1984

The Act requires Maralinga Tjarutja to lodge a copy of the audited accounts and give notice of those persons who are members of the Council of Maralinga Tjarutja. A copy of the audited accounts and a notice of those persons who are members of the Council of Maralinga Tjarutja relating to the financial year ending 30 June 2015 have been lodged with Consumer and Business Services.

Appendix 12:

Prosecutions, undertakings, assurances

Reporting under the *Fair Trading Act 1987* and other related Acts*

Date	Trader (where applicable)	Action
14.07.15	Christopher Gudic (trading as CNK Construction)s	Breached section 6(1) of the <i>Building Work Contractors Act 1995</i> and section 158(7) the Australian Consumer Law. Court outcome – convicted and fined \$3,000, plus \$480 Victims of Crime levy, \$800 CBS costs and a further \$3,100 in victim’s compensation.
18.08.15	Ian Vetter (trading as The Right Chef)	Breached section 158(7) the Australian Consumer Law. Court outcome – convicted and fined \$8,000, victim’s compensation \$1,918.80, Victims of Crime levy and prosecution costs \$250.
24.08.15	Heat Fire Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .
24.08.15	Forge Fire Services Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .
25.08.15	Travis Ivan Koprivic	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with sections 7(1) & 16(1) of the <i>Second Hand Vehicle Dealers Act 1995</i> .
01.09.15	Simon Finci	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 7(1) of the <i>Second Hand Vehicle Dealers Act 1995</i> .
07.09.15	A&M Fire Protection Services Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .
14.09.15	DK Fire Protection Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> by being appropriately licensed to undertake plumbing work in SA.
01.10.15	JK Adelaide Property Group Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6A(3) of the <i>Land Agents Act 1994</i> , sections 20(1)(c)(ii) and 20(1)(d) of the <i>Land and Business (Sales and Conveyancing) Act 1994</i> , and section 72 (1)(c)(ii)(B) of the <i>Residential Tenancies Act 1995</i> .
08.10.15	Mr Domenico Antonio Richichi	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 7(1) of the <i>Second-hand Vehicle Dealers Act 1995</i> by engaging in a compliance program with CBS for a 12 month period if he is granted a licence under the Act.

Date	Trader (where applicable)	Action
08.10.15	Ms Lauren Kate Tozer	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 7(1) of the <i>Second-hand Vehicle Dealers Act 1995</i> .
27.10.15	John Gerlach (trading as Gerlach Home Improvements)	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .
03.11.15	Mr Brett Mark Hall	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 7(1) of the <i>Second-hand Vehicle Dealers Act 1995</i> .
06.11.15	Ms Vicki Picton-King	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1) of the <i>Building Work Contractors Act 1995</i> .
11.11.15	Eclipse Opening Shade Systems Pty Ltd Benn Waller	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with sections 6(1), 28(1) and 34 of the <i>Building Work Contractors Act 1995</i> and section 158(7) of the Australian Consumer Law.
23.11.15	Adelaide Reality Pty Ltd (trading as LJ Hooker Flinders Park and Mr Raffaele Pacillo)	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 81(1)(c) of the <i>Residential Tenancies Act 1995</i> , and sections 20(1)(c)(ii) and 20(1)(d) of the <i>Land and Business (Sales and Conveyancing) Act 1994</i> .
10.12.15	Warren Stocker	Breached section 7(1) of the <i>Second Hand Vehicle Dealers Act 1995</i> . Court outcome – convicted and fined \$5,000 and \$800 costs
16.12.15	NRC Property Group Pty Ltd (trading as Chehade Real Estate) and Mr Nabil Chehade (Director)	NRC breached section 6A of the <i>Land Agents Act 1994</i> and section 24G of the <i>Land and Business (Sales and Conveyancing) Act 1994</i> . Mr Nabil Chehade breached section 24G of the <i>Land and Business (Sales and Conveyancing) Act 1994</i> . Court outcome: <ul style="list-style-type: none"> • NRC convicted for unlicensed sales rep (s6A) and breach (s24G); • Mr Chehade convicted (s24G); • \$10,800 in fines and \$4,000 CBS costs; • NRC licence cancelled administratively; and • Mr Chehade’s licence cancelled by Commissioner under section 11C for admission of guilt to a prescribed offence under the <i>Land Agents Act 1994</i>.
24.12.15	Mr Vasilios Koutropoulos and Ms Mary Boufkas – Olympia Express Travel	Supreme court interim injunction issued – it is alleged the trader failed to comply with section 158(7) of the Australian Consumer Law; matter still before the courts.
14.01.16	Diverse Fire Group Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .

Date	Trader (where applicable)	Action
14.01.16	Aquafire (SA) Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Plumbers, Gas Fitters and Electricians Act 1995</i> .
18.01.16	Mr Damien Knowles (trading as Designer Paving and Patios)	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1) of the <i>Building Work Contractors Act 1995</i> .
20.03.16	Emparo Real Estate Pty Ltd & Emparo Property Management Corporations Pty Ltd	Commissioner appointed an Administrator and Temporary Manager under sections 16 & 17 of the <i>Land Agents Act 1994</i> .
12.04.16	Leslie Paul John	Breached section 7(1) of the <i>Second Hand Vehicle Dealers Act 1995</i> . Court outcome – convicted and fined \$3,250, with \$406 costs and \$160 Victims of Crime levy.
27.04.16	Now Resources Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Building Work Contractors Act 1995</i> .
29.04.16	United Concrete Works Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 30(1)(b) of the <i>Building Work Contractors Act 1995</i> .
12.05.16	Ms Aldina Fanning	Licence cancelled by Commissioner under section 11C of the <i>Land Agents Act 1994</i> due to admission of guilt to committing offences of dishonesty that would prevent licence being held if applied for today.
24.05.16	Mr Yonghua Lu	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 218 of the Australian Consumer Law.
27.05.16	Mr Darren Beaty (trading as Adelaide Custom Cabinets)	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with sections 6(1)(a) and 6(1)(b) of the <i>Building Work Contractors Act 1995</i> , and section 29(1)(h) of the Australian Consumer Law.
15.06.16	Now Renovations Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 6(1)(a) of the <i>Building Work Contractors Act 1995</i> .
15.06.16	United Concrete Pty Ltd	Court enforceable undertaking or assurance with Commissioner that the trader will ensure they comply with section 30(1)(b) of the <i>Building Work Contractors Act 1995</i> .
21.06.16	David Autengruber (trading as Construction Services by David Autengruber)	Breached <i>Building Work Contractors Act 1995</i> (operating without a licence, failing to obtain indemnity insurance, requesting a deposit outside regulations and use of a contract that failed to comply with legislation). Court outcome – \$2,400 fine, \$800 court costs, and \$10,342 victim's compensation.

*Note: The 32 cases summarised in this Appendix are occupational licence breaches that resulted in an enforceable action such as a prosecution, undertaking or assurance during 2015-16. A further 61 cases resulted in either a written warning (34), an expiation notice (1), referral to another agency (9), or are currently with the Crown or courts (17). Further, at 30 June 2016 CBS was also investigating another 62 cases with resolution expected in the 2016-17 reporting year.

Appendix 13: Media releases

Date	Media release*
20.07.15	Mount Gambier bookmaker fined
22.07.15	New website helps Australians be alert to growing scams
24.07.15	Public warning over solar panel company operating in SA
27.07.15	Unlicensed builder forced to pay \$7,380
28.07.15	Campaign helps indigenous consumers avoid funeral R.I.P.-offs
29.07.15	Changes to the Late Night Code
30.07.15	Property spruikers put on notice by regulators across the nation
31.07.15	Warning as dodgy bitumen bandits target Adelaide's south
31.07.15	Changes to tenancy laws to protect victims of domestic violence
31.07.15	Roadshow to benefit real estate agents across SA
03.08.15	Government steps in to ensure completion of 98 houses left in limbo
21.08.15	Hindley St venue shut down over safety concerns
21.08.15	The Right Chef does wrong
25.08.15	Showbag inspections making this year's show safe
02.09.15	Shop smart and don't get stung when shopping for dad
22.09.15	Public warning of dodgy dealings by local builder
25.09.15	Safety warning over sweet-smelling scented erasers
05.10.15	Consultation opens for national free range egg labelling
21.10.15	Action taken against Western suburbs real estate agency
22.10.15	Don't let your choice of Halloween costume haunt you
13.11.15	Child death highlights danger of button batteries
13.11.15	Regional building contractor breaches licence conditions
16.11.15	Public Warning over Vasilios Koutropoulos
18.11.15	Warning on trampoline safety as injury numbers rise
19.11.15	More protection for victims of domestic violence as new laws pass
23.11.15	Consumer Watchdog tackles unlicensed landscaper
25.11.15	Action taken against real estate agency
30.11.15	Animal charity loses licence over gambling links
30.11.15	Independent review appointed to examine liquor licensing framework
02.12.15	Unlicensed car dealers put on notice
03.12.15	Safer late night laws for Adelaide CBD
03.12.15	Reminder to verify charities seeking donations for Pinery bushfire
03.12.15	Cutting red tape for South Australian charities
11.12.15	Consumer watchdog prosecutes unlicensed car dealer
16.12.15	Over \$10,000 in fines for breaching real estate laws
17.12.15	Action taken over unlicensed builder's advertising tactics
23.12.15	Adelaide venue fined more than \$600 for liquor licence breach
24.12.15	Inter-agency cooperation leads to traveling comen detention
24.12.15	Supreme Court grants interim injunction against travel agent
31.12.15	License reforms to make it easier for tradespeople and consumers
01.01.16	Rental protection for victims of domestic violence
29.01.16	Late night liquor code changes
14.02.16	Romance scam warning
19.02.16	"Coyote Ugly" scenes in the Mount
09.03.16	Victims taxed by ID scammers
15.03.16	Help for consumers and small business to mark World Consumer Rights Day
17.03.16	Protecting the rights of Residential Park Tenants

Date	Media release
31.03.16	Two National Codes Cracked
15.04.16	Warning as groups of bitumen bandits target rural South Australia
21.04.16	Conviction for unlicensed southern suburbs car seller
22.04.16	Help for consumers and businesses to make more informed decisions
27.04.16	Training providers and marketers put on notice
23.05.16	Property spruikers targeting potential property investors
24.05.16	If it sounds too good to be true...it is
27.05.16	Contractor breaches licence conditions on popular website
01.06.16	New laws for registering a change of name
17.06.16	Product recall on Dusk oil burner
27.06.16	Builder cautioned over excessive deposit
27.06.16	Action taken for unlicensed building work

**To see the full media release, please visit - cbs.sa.gov.au/media-centre/*

Financials



31 October 2016

Ms Iryna Reszitaryk
Principal Audit Manager
Auditor-General's Department
Level 9 State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

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91-97 Grenfell Street
Adelaide SA 5000

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Dear Ms Reszitaryk,

Management representation letter

Agents Indemnity Fund financial statements for the year ended

30 June 2016

We submit the following representation, provided in connection with your audit of the financial statements of the Agents Indemnity Fund for the year ended **30 June 2016**, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibility for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence and
 - (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the controls environment and the fair presentation of the financial statements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial

statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.

5. We have disclosed to you all information in relation to:

fraud or suspected fraud involving:

- i. management
- ii. employees who have significant roles in internal control
- iii. others where the fraud could have a material effect on the financial statements
- iv. allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.

6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
7. We have disclosed to you all known or suspected instances of non-compliance with laws and regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.
8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the financial reporting framework.
9. We believe the significant assumptions used in making accounting estimates (including estimates relating to fair value) are reasonable.
10. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
11. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.
12. **Non-current assets**
 - (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 - (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.

- (c) We have considered the requirements of AASB 136 Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate and consistently applied, and appropriately disclosed in the financial statements.

13. Liabilities

We have recognised all liabilities in the financial statements.

14. Contingent liabilities

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

15. Commitments

We have disclosed all material commitments in the financial statements.

16. Related party transactions

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the financial reporting framework.

17. Uncorrected misstatements

There were no misstatements within the financial statements identified during the audit.

18. Publication on a website

With respect to the publication of the audited financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.

- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely



George Kamencak
Acting Commissioner
Consumer and Business Affairs
Dated this, the 31st day of October 2016



Andrew Swanson
Executive Director
Finance, People and Performance
Attorney-General's Department
Dated this, the 31st day of October 2016



Jake Bonnici
Manager Business Support
Consumer and Business Services
Dated this, the 31st day of October 2016

KPMG Annual Reporting Model

Word Update Status

Note_DPLTABLE1	Statement of Comprehensive Income	19/10/2016 2:10:17 PM	Louise Stephen
Note_DBSTABLE1	Statement of Financial Position	27/10/2016 11:53:29 AM	kotzd01
Note_CEQTABLE1	Changes in Equity	14/10/2016 1:41:53 PM	Louise Stephen
Note_DCFTABLE1	Statement of Cash Flows	27/10/2016 11:53:30 AM	kotzd01
Note_PTPTABLE1	Note 4: Claims costs	14/10/2016 1:41:54 PM	Louise Stephen
Note_SXPTABLE1	Note 5: Administration	14/10/2016 1:41:54 PM	Louise Stephen
Note_CONTABLE1	Note 6: Professional expenses	14/10/2016 1:41:54 PM	Louise Stephen
Note_GRXTABLE1	Working Note: Grants and subsidies		
Note_OEXTABLE1	Note 7: Other expenses	14/10/2016 1:41:55 PM	Louise Stephen
Note_IRVTABLE1	Note 8: Interest and investment revenue	14/10/2016 1:41:55 PM	Louise Stephen
Note_ORVTABLE1	Note 9: Other income	14/10/2016 1:41:56 PM	Louise Stephen
Note_CSHTABLE1	Note 10: Cash and cash equivalents	14/10/2016 1:41:56 PM	Louise Stephen
Note_INPTABLE1	Note 11: Investments	14/10/2016 1:41:57 PM	Louise Stephen
Note_RECTABLE1	Note 12: Receivables	14/10/2016 1:41:57 PM	Louise Stephen
Note_SPATABLE1	Note 13: Payables	14/10/2016 1:41:58 PM	Louise Stephen
Note_CFRTABLE1	Note 14: Cash flow reconciliation	14/10/2016 1:41:58 PM	Louise Stephen
Note_FIATABLE1	Note 17: Financial Instruments	14/10/2016 1:41:59 PM	Louise Stephen
Note_FIBTABLE1	Note 17: Maturity analysis of financial assets and liabilities	27/10/2016 3:05:03 PM	kotzd01
Note_FICTABLE1	Note 17: Ageing analysis of financial assets	27/10/2016 3:04:45 PM	kotzd01
Note_GOVTABLE1	Note 18: Transactions with SA Government	27/10/2016 11:53:32 AM	kotzd01

AGENTS INDEMNITY FUND

Financial Statements

For the year ended 30 June 2016

Agents Indemnity Fund Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Agents Indemnity Fund:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Agents Indemnity Fund; and
- present a true and fair view of the financial position of the Agents Indemnity Fund as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Agents Indemnity Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



George Kamencak
Acting Commissioner
Consumer and Business Services

Date: 31/10/16



Andrew Swanson FCPA
Executive Director
Finance, People & Performance
Attorney-General's Department

Date:



Jacob Bonnici
Business Manager, Business Services
Consumer and Business Services

Date: 31.10.16

Agents Indemnity Fund
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Claims	6	1 369	5 327
Administration	4	438	548
Grants		585	482
Professional expenses	5	358	328
Other	7	237	134
Total expenses		2 987	6 819
Income			
Interest and investment revenue	8	8 341	8 530
Other	9	208	150
Total income		8 549	8 680
Net result		5 562	1 861
Other comprehensive income			
<i>Items that will be reclassified subsequently to net result when specific conditions are met</i>			
Market value movement of investments		654	822
Total other comprehensive income		654	822
Total comprehensive result		6 216	2 683

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

Agents Indemnity Fund
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	10	69 371	65 884
Investments	11	29 901	27 963
Receivables	12	2 019	1 591
Total current assets		101 291	95 438
Non-current assets			
Investments	11	27 559	26 905
Total non-current assets		27 559	26 905
Total assets		128 850	122 343
Current liabilities			
Payables	13	347	56
Total current liabilities		347	56
Total liabilities		347	56
Net assets		128 503	122 287
Equity			
Investments market value reserve		5 324	4 670
Retained earnings		123 179	117 617
Total equity		128 503	122 287
Unrecognised contractual commitments	15		
Contingent assets and liabilities	15		

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

Agents Indemnity Fund
Statement of Changes in Equity
for the year ended 30 June 2016

	Investments Market Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014	3 848	115 756	119 604
Net result for 2014-15	-	1 861	1 861
Gains to be taken to equity	822	-	822
Total comprehensive result for 2014-15	822	1 861	2 683
Balance at 30 June 2015	4 670	117 617	122 287
Net result for 2015-16	-	5 562	5 562
Gains to be taken to equity	654	-	654
Total comprehensive results for 2015-16	654	5 562	6 216
Balance at 30 June 2016	5 324	123 179	128 503

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

Agents Indemnity Fund
Statement of Cash Flows
for the year ended 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Claims		(1 299)	(5 327)
Administration		(438)	(548)
Grants		(383)	(481)
Professional costs		(373)	(284)
Other payments		(223)	(135)
Cash used in operations		(2 716)	(6 775)
Cash inflows			
Interest and investment receipts		6 150	6 909
Other receipts		53	-
Cash generated from operations		6 203	6 909
Net cash provided by operating activities	14	3 487	134
Net increase/(decrease) in cash and cash equivalents		3 487	134
Cash and cash equivalents at the beginning of the period		65 884	65 750
Cash and cash equivalents at the end of the period	10	69 371	65 884

The above statement should be read in conjunction with the accompanying notes

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

- Note 1:** Objectives of the Agents Indemnity Fund (AIF)
- Note 2:** Summary of Significant Accounting Policies
- Note 3:** New and revised accounting standards and policies
- Note 4:** Administration
- Note 5:** Professional expenses
- Note 6:** Claims costs
- Note 7:** Other expenses
- Note 8:** Interest and Investment revenue
- Note 9:** Other income
- Note 10:** Cash and cash equivalents
- Note 11:** Investments
- Note 12:** Receivables
- Note 13:** Payables
- Note 14:** Cash flow reconciliation
- Note 15:** Unrecognised contractual commitments and contingent assets and liabilities
- Note 16:** Auditors Remuneration
- Note 17:** Financial Instruments
- Note 18:** Transactions with SA Government
- Note 19:** Events after reporting period

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 1: Objectives of the Agents Indemnity Fund (AIF)

The Agents Indemnity Fund (the Fund) is regulated by the Land Agents Act 1994 and the Conveyancers Act 1994 and is administered by the Commissioner for Consumer Affairs. It exists to provide compensation for persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and who have no reasonable prospect of recovering the full amount of that loss other than from the Fund.

The Fund's main source of income is from interest paid to the Fund from Land Agents and Conveyancers trust accounts. The Fund also receives interest derived from the investment of Fund assets in accordance with subsection 29(2) of the Act.

Note 2: Summary of Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements which have been prepared in accordance with relevant Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2016. Refer Note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report;
 - a) revenues, expenses, financial assets and liabilities where the counter party/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies. These are outlined in Note 18.

The Fund's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

(c) Reporting Entity

The Fund is regulated by the Land Agents Act 1994 and Conveyancers Act 1994 and is administered by the Commissioner for Consumer Affairs. The financial statements are required by section 41(1) of the Land Agents Act 1994 and include income, expenses, assets and liabilities which the Commissioner administers on behalf of the SA Government.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of Significant Accounting Policies (continued)

(d) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Fund has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Positions and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(f) Taxation

The Fund is not subject to income tax. The Fund is liable for payroll tax, fringe benefits tax and goods and services tax (GST). GST collections and payments are carried out by the Attorney General's Department (AGD) on behalf of the Fund. GST in relation to the Fund is reported in the AGD Controlled Financial Statements.

(g) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Fund will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Interest revenue

Interest includes interest earned on the Fund's accounts held with the Department of Treasury and Finance and the Public Trustee and interest paid from Agents and Conveyancers trust accounts.

Other income

Other income includes management fee recovery and sundry recoveries.

(h) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Fund will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Administration

Administration expenses of the Fund include payments made to the Attorney-General's Department under Section 31(2)(e) of the Conveyancers Act 1994 and Section 29(4)(e) of the Land Agents Act 1994 as reimbursement for administering the Fund. All payments made from the Fund must meet the requirements in Section 31 of the Conveyancers Act 1994 and Section 29 of the Land Agents Act 1994.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (h) Expenses (continued)

Professional Costs

Professional costs of the Fund represent expenses associated with audits of land agent and conveyancers trust accounts.

Claims

Claim expenses of the Fund represent compensation payments authorised to be made to persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and who have no reasonable prospect of recovering the full amount of that loss other than from the Fund per Section 32 of the Conveyancers Act 1994 and Section 30 of the Land Agents Act 1994.

Other expenses - Consumer and Agent Education

Under Section 31(2)(f) of the *Conveyancers Act 1994* and Section 29(4)(f) of the *Land Agents Act 1994* the Commissioner for Consumer Affairs may make payments from the Fund for prescribed education programs. During 2014-15 and 2015-16 payments were made to the Australian Institute of Conveyancers and Real Estate Institute of South Australia for these purposes.

Grants

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and expense recognition criteria are met.

All contributions paid by the Fund have been contributions with unconditional stipulations attached.

Contributions can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

(i) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Fund has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

(j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes deposits at call with the Treasurer.

For the purposes of the Statement of Cash Flows, cash consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from interest accruals and other receivables.

Other financial assets

Investments represent funds deposited with the Public Trustee. These investments have been designated as available for sale financial assets as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet claims on the Fund. Investments are made by way of notional unit holdings in a selection of common funds managed by the Public Trustee.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

The proportion of unit holdings is dependent upon the investment strategy adopted.

2 (j) Assets (continued)

As at 30 June 2016 the Fund held investments in common funds in the following proportions:

Balanced	47.08%
Cash Common Fund	52.92%

Investments are measured at fair value in accordance with unit prices at balance date as advised by the applicable fund manager.

Investments are classified as either current or non-current. Those to be rolled over within 12 months are classified as current investments.

Due to the classification of investments as available for sale, revaluation increments or decrements are recognised in the investment market value reserve.

The fair value of assets traded in active markets are based on quoted market prices for identical assets at balance date.

(k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Fund.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

(l) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(m) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 3: New and revised accounting standards and policies

The Fund did not voluntarily change any of its accounting policies during 2015-16.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2016. An assessment has been undertaken of the impact of the new and amended standards and interpretations and it is considered that there will be no impact on the accounting policies or the financial statements of the Fund.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 4: Administration

	2016	2015
	\$'000	\$'000
Administration expenses	438	548
Total administration expense	438	548

* Includes reimbursement paid to the Attorney-General's Department for the cost of administering the Fund.

Note 5: Professional expenses

	2016	2015
	\$'000	\$'000
Legal and other professional costs	358	328
Total professional expenses	358	328

Note 6: Claims costs

	2016	2015
	\$'000	\$'000
Claim costs	1 369	5 327
Total claims costs	1 369	5 327

A number of claims have been lodged against the Agent's Indemnity Fund in relation to Nova Real Estate Pty Ltd, formerly registered as a land agent under the *Land Agents Act 1994*. Most of the claims paid in 2015-16 relate to this matter. A contingent liability with respect to future claims is included in note 15.

Note 7: Other expenses

	2016	2015
	\$'000	\$'000
Consumer and Agent Education	213	116
Other (incl. audit fees)	24	18
Total other expenses	237	134

Note 8: Interest and Investment revenue

	2016	2015
	\$'000	\$'000
Interest from Agents & Conveyancers Trust Accounts	4 944	5 294
Distributions from Public Trustee investments	1 556	991
Interest from the Department of Treasury and Finance	1 208	1 511
Interest on investments held with Public Trustee	633	734
Total interest and investment revenue	8 341	8 530

Note 9: Other income

	2016	2015
	\$'000	\$'000
Management fee recovery	155	150
Sundry recoveries	53	-
Total other income	208	150

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 10: Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	69 371	65 884
Total cash and cash equivalents	69 371	65 884

Interest rate risk

Deposits at call with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 11: Investments

	2016	2015
	\$'000	\$'000
Current		
Funds invested with the Public Trustee	29 901	27 963
Total current investments	29 901	27 963
Non-current		
Funds invested with the Public Trustee	27 559	26 905
Total non-current investments	27 559	26 905
Total Investments and investment revenue	57 460	54 868

Investments are measured at fair value in accordance with unit prices at balance date as advised by the Public Trustee.

Note 12: Receivables

	2016	2015
	\$'000	\$'000
Accrued interest	1 227	836
Other receivables	792	755
Total current receivables	2 019	1 591

- a) Maturity analysis of receivables - Refer to table in note 17
- b) Categorisation of financial instruments and risk exposure information - Refer to note 17

Note 13: Payables

	2016	2015
	\$'000	\$'000
Accrued expenses	347	56
Total payables	347	56

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) Maturity analysis of payables - Refer to table in note 17
- b) Categorisation of financial instruments and risk exposure information - Refer to note 17

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 14: Cash flow reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	69 371	65 884
Balance as per the Statement of Cash Flows	69 371	65 884
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by (used in) operating activities	3 487	134
Movements in assets and liabilities		
Increase/(decrease) in receivables	428	(1)
Increase/(decrease) in current investments	1 938	1 776
(Increase)/decrease in payables	(291)	(48)
Net cost of providing services	5 562	1 861

Note 15: Unrecognised contractual commitments and contingent assets and liabilities

The Fund has no commitments contracted for at the reporting date but not recognised as liabilities.

The Fund is not aware of any contingent assets.

The Fund has an estimated contingent obligation to pay \$1 093 000 relating to anticipated future claims against the Fund.

Note 16: Auditors Remuneration

Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements were \$9 100 (\$9 000). No other services were provided by the Auditor-General.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 17: Financial Instruments

(a) Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair value 2015 \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	10	69 371	69 371	65 884	65 884
Available for sale investments	Investments	11	57 460	57 460	54 868	54 868
Receivables	Receivables ⁽¹⁾	12	768	768	751	751
	Total financial assets		127 599	127 599	121 503	121 503

Financial liabilities						
Financial liabilities at cost	Payables ⁽¹⁾	13	338	338	48	48
	Total financial liabilities at cost		338	338	48	48

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. audit fees payable to the Auditor-General's Department etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law.

Financial Assets

Financial Assets

Cash and Receivables are recorded at carrying amount which approximates net fair value. Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments which expose the Fund to investment risks, including market, credit, interest and currency risk. These investments are valued by the Public Trustee at reporting date and recognised at fair value.

Financial Liabilities

Payables are recorded at carrying amount which approximates fair value.

(b) Credit Risk

At reporting date funds totalling \$58.5 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

Other than pooled investments, the Fund has no significant concentration of credit risk. The Fund has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experiences and expected changes in client credit rating. Currently the Fund does not hold any collateral as security for any of its financial assets.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 17: Financial Instruments (continued)

(c) Ageing analysis of financial assets

There are no Financial Assets administered by the Fund past due.

(d) Maturity analysis of financial assets & financial liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

Category of financial asset and financial liability	2016 Carrying amount \$'000	Contractual Maturities		
		<1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial assets				
Cash and cash equivalents	69 371	69 371	-	-
Investments	57 460	29 901	27 559	-
Receivables ⁽¹⁾	768	768	-	-
Total financial assets	127 599	100 040	27 559	-
Financial liabilities				
Payables ⁽¹⁾	338	338	-	-
Total financial liabilities	338	338	-	-
Category of financial asset and financial liability	2015 Carrying amount \$'000	Contractual Maturities		
		<1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial assets				
Cash and cash equivalents	65 884	65 884	-	-
Investments	54 868	27 963	26 905	-
Receivables ⁽¹⁾	751	751	-	-
Total financial assets	121 503	94 598	26 905	-
Financial liabilities				
Payables ⁽¹⁾	48	48	-	-
Total financial liabilities	48	48	-	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

(e) Liquidity Risk

All cash balances and cash common funds held with the Public Trustee are available at call.

(f) Market Risk

The Fund is exposed to price risk. Price risk represents the risk that the fair value of investments held with the Public Trustee will fluctuate due to changes in the market price for the underlying asset.

Investments held with the Public Trustee are classified as 'available for sale' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised directly in equity. Accordingly there is no impact on the net result.

Cash is also subject to interest rate risk.

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 17: Financial Instruments (continued)

(g) Sensitivity Analysis

The impact of a 1% movement in interest rates and a 1% movement in equity indexes on financial assets is shown in the following table.

	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	1%	-1%	1%
		Net result \$'000	Net result \$'000	Equity \$'000	Equity \$'000
2016					
Cash and cash equivalents	69 371	(694)	694	-	-
Investments	57 460	-	-	(575)	575
Total increase/(decrease)		(694)	694	(575)	575
2015					
Cash and cash equivalents	65 884	(659)	659	-	-
Investments	54 868	-	-	(549)	549
Total increase/(decrease)		(659)	659	(549)	549

Note 18: Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Claims costs	6	-	-	1 369	5 327	1 369	5 327
Administration	4	438	542	-	6	438	548
Grants and subsidies		164	-	421	482	585	482
Professional expenses	5	97	-	261	328	358	328
Other expenses	7	10	8	227	126	237	134
Total expenses		709	550	2 278	6 269	2 987	6 819
Income							
Interest and investment revenue	8	3 397	3 236	4 944	5 294	8 341	8 530
Other income	9	155	150	53	-	208	150
Total income		3 552	3 386	4 997	5 294	8 549	8 680
Financial assets							
Cash and cash equivalents	10	69 371	65 884	-	-	69 371	65 884
Investments	11	57 460	54 868	-	-	57 460	54 868
Receivables	12	1 227	836	792	755	2 019	1 591
Total financial assets		128 058	121 588	792	755	128 850	122 343
Financial liabilities							
Payables	13	189	8	158	48	347	56
Total financial liabilities		189	8	158	48	347	56

Agents Indemnity Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 19: Events after reporting period

There are no known events after balance date that affect these financial statements.



27 October 2016

Melanie Fazio
Auditor-General's Department
Level 9 State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Dear Ms Fazio,

**Management representation letter
Residential Tenancies Fund financial statements
for the year ended 30 June 2016**

We submit the following representation, provided in connection with your audit of the financial statements of the Residential Tenancies Fund for the year ended 30 June 2016, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibility for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence and
 - (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the controls environment and the fair presentation of the financial statements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.
5. We have disclosed to you all information in relation to:
 - fraud or suspected fraud involving:
 - i. management
 - ii. employees who have significant roles in internal control
 - iii. others where the fraud could have a material effect on the financial statements
 - allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
7. We have disclosed to you all known or suspected instances of non-compliance with laws and regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.
8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the financial reporting framework.
9. We believe the significant assumptions used in making accounting estimates (including estimates relating to fair value) are reasonable.
10. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
11. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.
12. **Non-current assets**
 - (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.
- (c) We have considered the requirements of AASB 136 Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate and consistently applied, and appropriately disclosed in the financial statements.

13. **Liabilities**

We have recognised all liabilities in the financial statements.

14. **Contingent liabilities**

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

15. **Commitments**

We have disclosed all material commitments in the financial statements.

16. **Related party transactions**

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the financial reporting framework.

17. **Uncorrected misstatements**

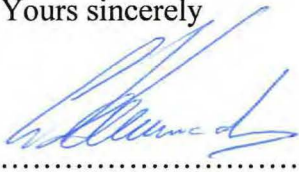
There were no identified uncorrected misstatements.

18. **Publication on a website**

With respect to the publication of our audited financial report on (name of other entity's) website, we acknowledge that:

- (a) We are ultimately responsible for accurate and complete electronic publication of our audited financial report.
- (b) We will ensure that the electronic version of our audited financial report and the auditor's report on (name of other entity's) website are identical to the final signed hard copy version.
- (c) We will ensure that (name of other entity) clearly differentiates between audited and unaudited information on their website as we understand the risk of potential misrepresentation.
- (d) We have sought assurances from (name of the other entity) about the sufficiency of the controls over the security and integrity of data on their website and that they have adequate procedures in place to ensure the integrity of the information published.
- (e) We will ensure that (name of the other entity) does not present the auditor's report on our full financial report with extracts only of our full financial report.

Yours sincerely



.....

Acting Commissioner
Consumer and Business Affairs

Dated this, the 27 day of October 2016



.....

Executive Director
Finance, People and Performance
Attorney-General's Department

Dated this, the 27 day of October 2016



.....

Manager Business Support
Consumer and Business Services

Dated this, the 27 day of October 2016

RESIDENTIAL TENANCIES FUND

Financial Statements

For the year ended 30 June 2016

Residential Tenancies Fund Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Residential Tenancies Fund:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Residential Tenancies Fund; and
- present a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Residential Tenancies Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



George Kamencak
Acting Commissioner
Consumer and Business Services

Date: 27/10/16



Andrew Swanson FCPA
Executive Director
Finance, People & Performance
Attorney-General's Department

Date: 27/10/16



Jacob Bonnici
Manager
Business Support
Consumer and Business Services

Date: 27.10.16

Residential Tenancies Fund
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	4	3 978	3 531
Supplies and services	5	1 845	2 144
Depreciation and amortisation	6	308	167
Other	7	30	26
Total expenses		6 161	5 868
Income			
Interest and investment	8	9 101	7 327
Other	9	631	621
Donated assets		-	36
Total income		9 732	7 984
Net cost of providing services		3 571	2 116
Net result		3 571	2 116
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in plant and equipment revaluation surplus		-	134
<i>Items that will be reclassified subsequently to net result when specific conditions are met</i>			
Market value movement of investments		2 228	2 173
Total other comprehensive income		2 228	2 307
Total comprehensive result		5 799	4 423

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

Residential Tenancies Fund
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	10	4 300	5 495
Investments	11	92 890	85 008
Receivables	12	4 180	2 920
Total current assets		101 370	93 423
Non-current assets			
Plant and equipment	13	58	158
Intangible assets	14	620	783
Investments	11	118 306	110 278
Total non-current assets		118 984	111 219
Total assets		220 354	204 642
Current liabilities			
Security bonds lodged	16	86 177	81 837
Payables	17	674	1 252
Total current liabilities		86 851	83 089
Non-current liabilities			
Security bonds lodged	16	92 946	89 539
Other	18	2 744	-
Total non-current liabilities		95 690	89 539
Total liabilities		182 541	172 628
Net assets		37 813	32 014
Equity			
Investments market value reserve		13 048	10 820
Asset revaluation surplus		190	190
Retained earnings		24 575	21 004
Total equity		37 813	32 014
Unrecognised contractual commitments	20		
Contingent assets and liabilities	20		

The above statement should be read in conjunction with the accompanying notes

Residential Tenancies Fund
Statement of Changes in Equity
for the year ended 30 June 2016

	Investments Market Value Reserve \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014	8 647	56	18 888	27 591
Net result for 2014-15	-	-	2 116	2 116
Gains on revaluation of leasehold improvements during 2014-15	-	134	-	134
Gains to be taken to equity	2 173	-	-	2 173
Total comprehensive result for 2014-15	2 173	134	2 116	4 423
Balance at 30 June 2015	10 820	190	21 004	32 014
Net result for 2015-16	-	-	3 571	3 571
Gains on revaluation of leasehold improvements during 2015-16	-	-	-	-
Gains to be taken to equity	2 228	-	-	2 228
Total comprehensive results for 2015-16	2 228	-	3 571	5 799
Balance at 30 June 2016	13 048	190	24 575	37 813

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

Residential Tenancies Fund
Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Bond refunds		(86 218)	(81 831)
Bond guarantee payments		(7 581)	(7 716)
Employee benefit payments		(4 158)	(3 321)
Supplies and services		(2 403)	(1 933)
Other payments		(25)	(40)
Cash provided by (used in) operations		<u>(100 385)</u>	<u>(94 841)</u>
Cash inflows			
Bond lodgements		96 431	88 074
Bond guarantee receipts		7 925	7 896
Interest and investment receipts		1 644	1 399
Other receipts		119	177
Cash generated from operations		<u>106 119</u>	<u>97 546</u>
Net cash provided by operating activities	19	<u>5 734</u>	<u>2 705</u>
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment		(45)	(402)
Purchases for investments		(6 884)	(7 800)
Cash used in investing activities		<u>(6 929)</u>	<u>(8 202)</u>
Net cash used in investing activities		<u>(6 929)</u>	<u>(8 202)</u>
Net (decrease) /increase in cash and cash equivalents		<u>(1 195)</u>	<u>(5 497)</u>
Cash and cash equivalents at the beginning of the period		5 495	10 992
Cash and cash equivalents at the end of the period	10	<u>4 300</u>	<u>5 495</u>

The above statement should be read in conjunction with the accompanying notes

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

- Note 1:** Objectives of the Residential Tenancies Fund (RTF)
- Note 2:** Summary of Significant Accounting Policies
- Note 3:** New and revised accounting standards and policies
- Note 4:** Employee benefits
- Note 5:** Supplies and services
- Note 6:** Depreciation and amortisation
- Note 7:** Other expenses
- Note 8:** Interest and investment revenue
- Note 9:** Other income
- Note 10:** Cash and cash equivalents
- Note 11:** Investments
- Note 12:** Receivables
- Note 13:** Property, plant and equipment
- Note 14:** Intangible Assets
- Note 15:** Fair value measurement
- Note 16:** Security bonds lodged
- Note 17:** Payables
- Note 18:** Other liabilities
- Note 19:** Cash flow reconciliation
- Note 20:** Unrecognised contractual commitments and contingent assets and liabilities
- Note 21:** Remuneration of Board and Committee members
- Note 22:** Financial Instruments
- Note 23:** Transactions with SA Government
- Note 24:** Events after reporting period

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 1: Objectives of the Residential Tenancies Fund (RTF)

The Residential Tenancies Fund (the Fund) is established under the Residential Tenancies Act 1995 (the Act). The Fund is kept and administered by the Commissioner for Consumer Affairs. The Fund consists of amounts received by the Commissioner by way of security bonds and other amounts paid into the Fund under the Act. The Commissioner will make repayments in respect of security bonds from the Fund. Income derived from investment of the Fund is applied towards the costs of administering the Fund and enforcing the Act, education of landlords and tenants about their statutory and contractual rights and obligations, and operations of the Residential Tenancies Tribunal.

The Fund's main source of income is from interest derived from the investment of Fund assets in accordance with section 100(4) of the Act. Fund assets mainly represent the investment of security bonds received in accordance with section 62 of the Act.

Note 2: Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements are General Purpose Financial Statements which have been prepared in accordance with applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987. The accounts have been prepared in accordance with Australian Accounting Standards (AAS) and comply with Treasurer's Instructions (TI) and Accounting Policy Statements (APS) promulgated under the provisions of the PFAA.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2016. Refer to Note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies that are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. These are outlined in Note 23;
 - (b) board/committee member and remuneration information where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Fund's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of Significant Accounting Policies (continued)

(c) Reporting Entity

The Fund is established under the Act. The financial statements are required by section 102(1) of the Act and include income, expenses, assets and liabilities which the Commissioner for Consumer Affairs administers on behalf of the SA Government.

(d) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative amounts have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(f) Taxation

The Fund is not subject to income tax. The Fund is liable for payroll tax, fringe benefits tax and goods and services tax (GST). GST collections and payments are carried out by the Attorney General's Department (AGD) on behalf of the Fund. GST in relation to the fund is reported in the AGD Controlled Financial Statements.

(g) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Fund will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Interest and investment revenue

Investment revenue includes income earned on the Funds accounts held with the Public Trustee. Interest includes interest earned on the Funds accounts held with the Department of Treasury and Finance and the Public Trustee.

Housing SA pays interest at an agreed market determined rate to the Fund based on the daily balance of bond guarantees held.

(h) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Fund will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. They are recouped from the Fund by the Attorney-General's Department who assign staff to support the Commissioner in the administration of the Fund. Employee benefit expenses are recognised when incurred.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (h) Expenses (continued)

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Fund to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Supplies and services

Supplies and services includes accommodation expenses (the cost to lease office space to accommodate staff to administer the Fund). These costs are recouped from the Fund by the Attorney-General's Department.

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in the accounting estimate.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

	Useful life (Years)
Leasehold improvements	life of lease
Plant and equipment	1-16
Information technology	3-12
Intangible Assets	1-10

(i) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Fund has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

(j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes deposits at call with the Treasurer.

For the purposes of the Statement of Cash Flows, cash consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from interest accruals and other receivables.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (j) Assets (continued)

Other financial assets

Investments represent funds deposited with the Public Trustee. These investments have been designated as available for sale financial assets as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet bond repayments. Investments are made by way of notional unit holdings in a selection of common funds managed by the Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

As at 30 June 2016 the Fund held investments in common funds in the following

Capital Stable	21.86%
Balanced	33.14%
Net Liabilities / Receivables	1.83%
Cash Common Fund	43.18%

Investments are measured at fair value in accordance with unit prices at balance date as advised by the applicable fund manager.

Investments are classified as either current or non-current. Those to be rolled over within 12 months are classified as current investments.

Revaluation increments and decrements are recognised in the Investment market value reserve except where, and to the extent, the decrement exceeds the balance of the reserve which is recognised as expenses or the increment reverses previous decrements which are recognised as revenue.

The fair value of assets traded in active markets are based on quoted market prices for identical assets at balance date.

Non-Current Assets Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation. Where assets are acquired at no value or minimal value they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal cost as part of a restructuring of administrative arrangements then the assets are recorded at book value.

The Fund capitalises all non-current physical assets with a value of \$10 000 or greater. Items with an acquisition cost less than \$10 000 are expensed in the year of acquisition.

Revaluation of Non-Current Assets

Acquisition and recognition

Non-current assets are initially recorded at cost plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation.

Where assets are acquired at no value, or minimal purchase value, they are recorded at their fair value in the Statement of Financial Position.

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

All other plant and equipment purchases are expensed in the year of purchase.

Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every three years, the Fund revalues its leasehold improvements, furniture, and specialised plant and equipment. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (j) Assets (continued)

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the asset revaluation surplus.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Fund only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

Subsequent expenditure on intangible assets has not been capitalised. This is because the Fund has been unable to attribute this expenditure to the intangible asset rather than to the Fund as a whole.

Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Fund classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3 - not traded in an active market and are derived from unobservable inputs.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (j) Assets (continued)

Non-financial assets

In determining fair value, the Fund has taken into account the characteristic of the asset (eg. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Fund's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Fund did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years' are deemed to approximate fair value.

Refer to Note 13: and Note 15: for disclosure regarding fair value measurement techniques and inputs to develop fair value measurements for non-financial assets.

(k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Fund.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee Benefits

Employees of the Attorney-General's Department are assigned to support the Commissioner in the administration of the Fund.

No liability for employee benefits (provision for annual leave and long service leave) has been recognised as this liability rests with the Attorney-General's Department.

The value of employee benefit expenses reflected in Note 4 includes remuneration paid to members of the South Australian Civil and Administrative Tribunal.

Security Bonds Lodged

Security Bonds are received to ensure a tenant on cessation of residential and parks leases comply with all statutory requirements compliance under the act. Bonds lodged are recognised as a liability on receipt.

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by Housing SA. In the event of a claim by a landlord, a payment is made by the Fund. Housing SA then reimburses the Fund. The value of bond guarantees lodged at 30 June 2016 is \$55.5 million (\$50.2 million).

(l) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of Significant Accounting Policies (continued)

(m) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Note 3: New and revised accounting standards and policies

The fund did not voluntarily change any of its accounting policies during 2015-16.

Except for AASB 2015-7 which the Fund has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2016. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 4: Employee benefits

	2016	2015
	\$'000	\$'000
Salaries and wages	2 819	2 273
Employment on-costs - payroll tax and other	521	466
Board fees ⁽¹⁾	366	798
Other	272	(6)
Total employee benefits expenses	3 978	3 531

⁽¹⁾ Board fees for 2016 reflect recoveries from the SACAT board in administering the Fund.

Note 5: Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation	741	769
Information and communications technology	351	363
Contract staff	113	400
Office expenses	111	167
Bailiff fees	86	79
Telephone related expenses	82	67
Consultants	25	-
Other	336	299
Total supplies and services	1 845	2 144

The number and dollar amount of consultancies paid/payable (included in supplies & services expense) that fell within the following bands:

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	-	-	-	-
Above \$10 000	1	-	25	-
Total paid/payable to consultants engaged	1	-	25	-

Note 6: Depreciation and amortisation

	2016	2015
	\$'000	\$'000
Intangible assets	208	156
Leasehold improvements	100	11
Plant and equipment	-	-
Total depreciation and amortisation expenses	308	167

Note 7: Other expenses

	2016	2015
	\$'000	\$'000
Auditor's Remuneration		
Audit Fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	30	26
Total other expenses	30	26

No other services were provided by the Auditor-General's Department.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 8: Interest and investment revenue

	2016	2015
	\$'000	\$'000
Distribution on Investments held with Public Trustee	5 755	3 691
Interest from Public Trustee investments	2 010	2 229
Interest on deposits with Housing SA	1 233	1 161
Interest on deposits with the Department of Treasury and Finance	103	246
Total interest and investment revenue	9 101	7 327

Note 9: Other income

	2016	2015
	\$'000	\$'000
Management fee recovery	562	515
Sundry recoveries	69	106
Total other income	631	621

Note 10: Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	4 300	5 495
Total cash and cash equivalents	4 300	5 495

Interest rate risk

Deposits at call with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 11: Investments

	2016	2015
	\$'000	\$'000
Current		
Investments	92 890	85 008
Total current investments	92 890	85 008
Non-current		
Investments	118 306	110 278
Total non-current investments	118 306	110 278
Total Investments	211 196	195 286

Note 12: Receivables

	2016	2015
	\$'000	\$'000
Accrued interest	4 106	2 582
Other	74	338
Total receivables	4 180	2 920

a) Maturity analysis of receivables - Refer to table in note 22

b) Categorisation of financial instruments and risk exposure information - Refer to note 22

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 13: Plant and equipment

	2016	2015
	\$'000	\$'000
Leasehold improvements⁽¹⁾		
Leasehold improvements at valuation	323	323
Accumulated amortisation	(265)	(165)
Total leasehold improvements	58	158
Plant and equipment		
Plant and equipment at cost (deemed fair value)	83	129
Accumulated depreciation	(83)	(129)
Total plant and equipment	-	-
Information technology		
Information technology at cost (deemed fair value)	293	293
Accumulated depreciation	(293)	(293)
Total information technology	-	-
Total plant and equipment	58	158

(1) There were no indications of impairment of plant and equipment at 30 June 2016

Plant and equipment movement schedule

	Leasehold Improvements	Total
	\$'000	\$'000
2016		
Carrying amount at 1 July 2015	158	158
Addition	-	-
Revaluation	-	-
Depreciation expense	(100)	(100)
Carrying amount at 30 June 2016	58	58
	Leasehold Improvements	Total
	\$'000	\$'000
2015		
Carrying amount at 1 July 2014	35	35
Revaluation	134	134
Depreciation expense	(11)	(11)
Carrying amount at 30 June 2015	158	158

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 14: Intangible assets

	2016 \$'000	2015 \$'000
Intangible assets		
Intangible assets at cost	997	952
Accumulated amortisation	(377)	(169)
Total intangible assets	620	783

Intangible assets movement schedule

	Intangible assets \$'000	Total \$'000
2016		
Carrying amount at 1 July 2015	783	783
Addition	45	45
Amortisation	(208)	(208)
Carrying amount at 30 June 2016	620	620

	Intangible assets \$'000	Total \$'000
2015		
Carrying amount at 1 July 2014	728	728
Addition	175	175
Donated assets	36	36
Amortisation	(156)	(156)
Carrying amount at 30 June 2015	783	783

Note 15: Fair value measurement

Fair Value Hierarchy

All assets are held at level 3. No re-classifications during the year and movement shown in Note 13.

Note 16: Security bonds lodged

	2016 \$'000	2015 \$'000
Current		
Bonds lodged	86 177	81 837
Total current security bonds lodged	86 177	81 837
Non-current		
Bonds lodged	92 946	89 539
Total non-current security bonds lodged	92 946	89 539
Total security bonds lodged	179 123	171 376

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 17: Payables

	2016	2015
	\$'000	\$'000
Creditors	645	1 228
Accrued expenses	29	24
Total payables	674	1 252

Creditors and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) Maturity analysis of payables - Refer to table in note 22
- b) Categorisation of financial instruments and risk exposure information - Refer to note 22

Note 18: Other liabilities

	2016	2015
	\$'000	\$'000
Non-current		
Other liabilities	2 744	-
Total non-current other liabilities	2 744	-

The other liabilities is a balance of \$2.7 million unclaimed monies related to security bond lodgements that are more than 5 years old. The items remain in BMS until a valid claim is lodged and the monies are refunded.

Note 19: Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	4 300	5 495
Balance as per the Statement of Cash Flows	4 300	5 495
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash used in operating activities	5 734	2 705
Add/less non-cash items		
Depreciation and amortisation	(308)	(167)
Donated asset received	-	36
Movements in assets and liabilities		
Increase/(decrease) in receivables	1 260	302
Increase /(decrease) in investments	6 798	6 047
Decrease/(increase) in payables	578	(370)
(Increase) /decrease in security bonds lodged	(7 747)	(6 437)
(Increase)/decrease in other liabilities	(2 744)	-
Net cost of providing services	3 571	2 116

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 20: Unrecognised contractual commitments and contingent assets and liabilities

The Fund has no commitments contracted for at the reporting date but not recognised as liabilities. The Fund is not aware of any other contingent assets, other than the bond guarantees from Housing SA as disclosed in note 2(k).

Under the Residential Tenancies Act 1995, bonds lodged prior to 9 May 2015 accrue interest which is paid to tenants when a bond is repaid to them. Interest is not paid when a bond is paid to landlords or third parties such as the SA Housing Trust. All bonds lodged after 9 May 2015 (inclusive) will not accrue interest. The interest payable to tenants has not been recorded as a liability as the Fund does not have a present obligation until the tenant lodges a claim for the repayment of the bond.

It is estimated that the contingent interest liability as at 30 June 2016 is \$104 000 (2015 - \$109 000).

Note 21: Remuneration of Board and Committee members

The number of members whose remuneration received or receivable falls within the following bands:

	2016	2015
	Number of	Number of
	members	members
\$0 - \$9 999	-	3
\$20 000 - \$29 999	-	3
\$30 000 - \$39 999	-	1
\$40 000 - \$49 999	-	5
\$50 000 - \$59 999	-	2
\$60 000 - \$69 999	-	1
\$110 000 - \$119 999	-	1
\$130 000 - \$139 999	-	1
Total number of members	-	17

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by Residential Tenancies Tribunal members prior to abolishment in March 2015 was \$0.77 million. Amounts paid to a superannuation plan for board/committee members was \$63 000.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

The Residential Tenancies Tribunal was abolished in March 2015 and the functions and some members transitioned to the South Australian Civil and Administrative Tribunal.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 22: Financial Instruments

(a) Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount/Fair value 2016 \$'000	Carrying amount/Fair value 2015 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	10	4 300	5 495
Available for sale investments	Investments	11	211 196	195 286
Receivables	Receivables ⁽¹⁾	12	4 178	2 920
	Total financial assets		219 674	203 701
Financial liabilities				
Payables ⁽¹⁾	Payables ⁽¹⁾	17	645	1 228
Security bond lodged	Other financial liabilities	16	179 123	171 376
	Total financial liabilities		179 768	172 604

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. audit fees payable to the Auditor-General's Department etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law.

Financial Assets

Cash and Receivables are recorded at carrying amount which approximates net fair value. Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments, including derivatives, which expose the Fund to investment risks, including market, credit, interest and currency risk. These investments are valued by the Public Trustee at reporting date and recognised at fair value.

Financial Liabilities

Payables are recorded at carrying amount which approximates fair value. Security bonds are held on behalf of third parties. The carrying amount of all security bonds is considered to be a reasonable estimate of net fair value.

(b) Credit Risk

At reporting date funds totalling \$211.2 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

Other than pooled investments, the Fund has no significant concentration of credit risk. The Fund has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experiences and expected changes in client credit rating. Currently the Fund does not hold any collateral as security for any of its financial assets.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 22: Financial Instruments (continued)

(c) Ageing analysis of financial assets

There are no Financial Assets administered by the Fund past due.

(d) Maturity analysis of financial assets and financial liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

Category of financial asset and financial liability	2016 Carrying amount/fair value \$'000	2016 Contractual maturities		
		Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and cash equivalents	4 300	4 300	-	-
Investments	211 196	92 890	118 306	-
Receivables ⁽¹⁾	4 178	4 178	-	-
Total financial assets	219 674	101 368	118 306	-
Financial liabilities				
Payables ⁽¹⁾	645	645	-	-
Other financial liabilities	179 123	86 177	92 946	-
Total financial liabilities	179 768	86 822	92 946	-
Category of financial asset and financial liability	2015 Carrying amount/fair value \$'000	2015 Contractual maturities		
		Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and cash equivalents	5 495	5 495	-	-
Investments	195 286	85 008	110 278	-
Receivables ⁽¹⁾	2 920	2 920	-	-
Total financial assets	203 701	93 423	110 278	-
Financial liabilities				
Payables ⁽¹⁾	1 228	1 228	-	-
Other financial liabilities	171 376	81 837	89 539	-
Total financial liabilities	172 604	83 065	89 539	-

(e) Liquidity Risk

Financial liabilities principally represent security bonds held on behalf of third parties. Security bonds are payable on receipt of an application from the tenant or lessee. All cash balances and Cash Common Funds held with the Public Trustee are available at call.

(f) Market Risk

The Fund is exposed to price risk. Price risk represents the risk that the fair value of investments held with the Public Trustee will fluctuate due to changes in the market price for the underlying asset.

Investments held with the Public Trustee are classified as 'available for sale' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised directly in equity. Accordingly there is no impact on the net result.

Cash is also subject to interest rate risk.

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 22: Financial Instruments (continued)

(g) Sensitivity Disclosure Analysis

The impact of a 1% movement in interest rates and a 1% movement in equity indexes on financial assets is shown in the following table.

	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	1%	-1%	1%
		Net Result \$'000	Net Result \$'000	Equity \$'000	Equity \$'000
2016					
Financial Assets					
Cash and Cash Equivalents	4 300	(43)	43	-	-
Investments	211 196	-	-	(2 112)	2 112
Total increase/(decrease)		(43)	43	(2 112)	2 112
2015					
Financial Assets					
Cash and Cash Equivalents	5 495	(55)	55	-	-
Investments	195 286	-	-	(1 953)	1 953
Total increase/(decrease)		(55)	55	(1 953)	1 953

Residential Tenancies Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 23: Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses							
Employee benefits	4	3 978	3 531	-	-	3 978	3 531
Supplies and services	5	1 845	2 144	-	-	1 845	2 144
Depreciation and amortisation	6	308	167	-	-	308	167
Other	7	30	26	-	-	30	26
Total expenses		6 161	5 868	-	-	6 161	5 868
Income							
Interest and investment	8	9 101	7 327	-	-	9 101	7 327
Other	9	562	515	69	106	631	621
Donated assets		-	36	-	-	-	36
Total income		9 663	7 878	69	106	9 732	7 984
Financial assets							
Cash and cash equivalents	10	4 300	5 495	-	-	4 300	5 495
Receivables	12	4 180	2 920	-	-	4 180	2 920
Investments	11	211 196	195 286	-	-	211 196	195 286
Total financial assets		219 676	203 701	-	-	219 676	203 701
Financial liabilities							
Security bonds lodged	16	-	-	179 123	171 376	179 123	171 376
Payables	17	674	1 252	-	-	674	1 252
Other liabilities	18	-	-	2 744	-	2 744	-
Total financial liabilities		674	1 252	181 867	171 376	182 541	172 628

Note 24: Events after reporting period

There are no known events after balance date that affect these financial statements.



31 October 2016

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Management representation letter

Second Hand Vehicles Compensation Fund financial statements for the year ended 30 June 2016

We submit the following representation, provided in connection with your audit of the financial statements of the Second Hand Vehicles Compensation Fund for the year ended **30 June 2016**, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibility for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence and
 - (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the controls environment and the fair presentation of the financial statements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.

5. We have disclosed to you all information in relation to:

fraud or suspected fraud involving:

- i. management
- ii. employees who have significant roles in internal control
- iii. others where the fraud could have a material effect on the financial statements
- iv. allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.

6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

7. We have disclosed to you all known or suspected instances of non-compliance with laws and regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.

8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the financial reporting framework.

9. We believe the significant assumptions used in making accounting estimates (including estimates relating to fair value) are reasonable.

10. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

11. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.

12. **Non-current assets**

- (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.

- (c) We have considered the requirements of AASB 136 Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate and consistently applied, and appropriately disclosed in the financial statements.

13. Liabilities

We have recognised all liabilities in the financial statements.

14. Contingent liabilities

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

15. Commitments

We have disclosed all material commitments in the financial statements.

16. Related party transactions

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the financial reporting framework.

17. Uncorrected misstatements

There were no misstatements within the financial statements identified during the audit.

18. Publication on a website

With respect to the publication of the audited financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.

- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely



George Kamencak
Acting Commissioner
Consumer and Business Affairs
Dated this, the 31st day of October 2016



Andrew Swanson
Executive Director
Finance, People and Performance
Attorney-General's Department
Dated this, the 31st day of October 2016



Jake Bonnici
Manager Business Support
Consumer and Business Services
Dated this, the 31st day of October 2016

KPMG Annual Reporting Model

Word Update Status

Note_DPLTABLE1	Statement of Comprehensive Income	27/10/2016 11:38:27 AM	kotzd01
Note_DBSTABLE1	Statement of Financial Position	17/10/2016 11:20:22 AM	Hattie Huang
Note_CEQTABLE1	Changes in Equity	17/10/2016 11:20:23 AM	Hattie Huang
Note_DCFTABLE1	Statement of Cash Flows	17/10/2016 11:20:24 AM	Hattie Huang
Note_EEXTABLE1	Working Note: Employee benefits expenses		
Note_SXPTABLE1	Note 4: Administration	17/10/2016 11:20:24 AM	Hattie Huang
Note_PTPTABLE1	Note 5: Claims	17/10/2016 11:20:25 AM	Hattie Huang
Note_OEXTABLE1	Note 6: Other Expenses	17/10/2016 11:20:26 AM	Hattie Huang
Note_REATABLE1	Note 7: Auditors remuneration	17/10/2016 11:20:26 AM	Hattie Huang
Note_IRVTABLE1	Note 8: Interest and investment revenue	27/10/2016 11:36:00 AM	kotzd01
Note_ORVTABLE1	Note 9: Other income	17/10/2016 11:20:28 AM	Hattie Huang
Note_FASTABLE1	Working Note: Contribution by licensees		
Note_CSHTABLE1	Note 10: Cash and cash equivalents	17/10/2016 11:20:28 AM	Hattie Huang
Note_INPTABLE1	Note 11: Investments	17/10/2016 11:20:29 AM	Hattie Huang
Note_RECTABLE1	Note 12: Receivables	17/10/2016 11:20:30 AM	Hattie Huang
Note_SPATABLE1	Note 13: Payables	17/10/2016 11:20:31 AM	Hattie Huang
Note_CFRTABLE1	Note 15: Cash flow reconciliation	17/10/2016 11:20:31 AM	Hattie Huang
Note_FIATABLE1	Note 16: Financial Instruments	17/10/2016 11:43:41 AM	Hattie Huang
Note_FIBTABLE1	Note 16: Maturity analysis of financial assets and liabilities	17/10/2016 11:20:34 AM	Hattie Huang
Note_FICTABLE1	Note 16: Sensitivity Analysis	27/10/2016 11:36:01 AM	kotzd01
Note_GOVTABLE1	Note 17: Transactions with SA Government	17/10/2016 11:20:36 AM	Hattie Huang

**SECOND HAND VEHICLES
COMPENSATION FUND**

Financial Statements

For the year ended 30 June 2016

Second Hand Vehicles Compensation Fund Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Second Hand Vehicles Compensation Fund:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Second Hand Vehicles Compensation Fund; and
- present a true and fair view of the financial position of the Second Hand Vehicles Compensation Fund as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Second Hand Vehicles Compensation Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



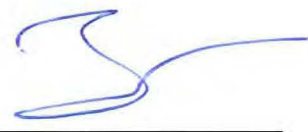
George Kamencak
Acting Commissioner
Consumer and Business Services

Date: 31/10/16.



Andrew Swanson FCPA
Executive Director
Finance, People & Performance
Attorney-General's Department

Date: 31/10/16



Jacob Bonnici
Manager, Business Support
Consumer and Business Services

Date: 31.10.16

Second Hand Vehicles Compensation Fund
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Administration	4	258	412
Claims	5	9	12
Other	6	9	7
Total expenses		276	431
Income			
Contribution by licensees		310	330
Investment and interest revenue	8	185	170
Other	9	11	10
Total income		506	510
Net result		230	79
Other comprehensive income			
<i>Items that will be reclassified subsequently to net result when specific conditions are met</i>			
Market value movement of investments		40	51
Total other comprehensive income		40	51
Total comprehensive result		270	130

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

Second Hand Vehicles Compensation Fund
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	10	2 465	2 383
Receivables	12	74	49
Investments	11	2 118	1 992
Total current assets		4 657	4 424
Non-current assets			
Investments	11	1 698	1 658
Total non-current assets		1 698	1 658
Total assets		6 355	6 082
Current liabilities			
Payables	13	12	9
Total current liabilities		12	9
Total liabilities		12	9
Net assets		6 343	6 073
Equity			
Retained earnings		6 123	5 893
Investments market value reserve		220	180
Total equity		6 343	6 073
Unrecognised contractual commitments	14		
Contingent assets and liabilities	14		

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

Second Hand Vehicles Compensation Fund
Statement of Changes in Equity
for the year ended 30 June 2016

	Investments Market Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014	129	5 814	5 943
Net result for 2014-15	-	82	82
Error correction	-	(3)	(3)
Restated net result for 2014-15	-	79	79
Gains to be taken to equity	51	-	51
Total comprehensive result for 2014-15	51	79	130
Balance at 30 June 2015	180	5 893	6 073
Net result for 2015-16	-	230	230
Gains to be taken to equity	40	-	40
Total comprehensive results for 2015-16	40	230	270
Balance at 30 June 2016	220	6 123	6 343

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

Second Hand Vehicles Compensation Fund
Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Administration		(256)	(409)
Claims		(9)	(12)
Other payments		(8)	(6)
Cash used in operations		<u>(273)</u>	<u>(427)</u>
Cash inflows			
Contribution by licensees		310	330
Interest and investment receipts		44	37
Other receipts		1	20
Cash generated from operations		<u>355</u>	<u>387</u>
Net cash provided by /(used in) operating activities	15	<u>82</u>	<u>(40)</u>
Net increase/(decrease) in cash and cash equivalents		82	(40)
Cash and cash equivalents at the beginning of the period		2 383	2 423
Cash and cash equivalents at the end of the period	10	<u>2 465</u>	<u>2 383</u>

The above statement should be read in conjunction with the accompanying notes

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

- Note 1:** Objectives of the Second Hand Vehicles Compensation Fund
- Note 2:** Summary of Significant Accounting Policies
- Note 3:** New and revised accounting standards and policies
- Note 4:** Administration
- Note 5:** Claims
- Note 6:** Other expenses
- Note 7:** Auditor's Remuneration
- Note 8:** Investment & Interest revenue
- Note 9:** Other income
- Note 10:** Cash and cash equivalents
- Note 11:** Investments
- Note 12:** Receivables
- Note 13:** Payables
- Note 14:** Unrecognised contractual commitments and contingent assets and liabilities
- Note 15:** Cash flow reconciliation
- Note 16:** Financial Instruments
- Note 17:** Transactions with SA Government
- Note 18:** Prior period adjustment to equity
- Note 19:** Events after reporting period

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 1: Objectives of the Second Hand Vehicles Compensation Fund

The Second Hand Vehicles Compensation Fund (the Fund) is regulated by the *Second-hand Vehicle Dealers Act 1995* (the Act). The Fund is kept and administered by the Commissioner for Consumer Affairs. It exists to provide compensation for persons who have a valid unsatisfied claim against a second hand motor vehicle dealer in relation to the purchase, sale or consignment of a second hand vehicle. The claim is heard by the Magistrates Court and an order for compensation will only be made if there is no reasonable prospect of recovering the amount of the claim other than from the Fund.

The Fund's main source of income is contributions received from second hand vehicle dealers in accordance with Schedule 3 of the Act. The Fund also receives interest derived from the investment of Fund assets.

Note 2: Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements are General Purpose Financial Statements which have been prepared in accordance with applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the Public Finance and Audit Act 1987.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2016. Refer Note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report;
 - a) revenues, expenses, financial assets and liabilities where the counter party/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. These are outlined in Note 17.

The Fund's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of significant accounting policies (continued)

(c) Reporting Entity

The Fund is regulated by the Act and is administered by the Commissioner for Consumer Affairs. The financial statements are required by Schedule 3 of the Act and include income, expenses, assets and liabilities which the Commissioner administers on behalf of the SA Government.

(d) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative amounts have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(f) Taxation

The Fund is not subject to income tax. The Fund is liable for payroll tax, fringe benefits tax and goods and services tax (GST). GST collections and payments are carried out by the Attorney General's Department (AGD) on behalf of the Fund. GST in relation to the Fund is reported in the AGD Controlled Financial Statements.

(g) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Fund will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Contribution by licensees

Contribution by licensees income is recognised when received from second hand vehicle dealers.

Interest and investment revenue

Interest includes interest earned on the Fund's accounts held with the Department of Treasury and Finance and the Public Trustee interest and distributions.

(h) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Fund will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Administration

During the year resources from the Attorney-General's Department are made available to support the operations and administration of the Fund. The estimated annual costs of these resources are paid to AGD as administration expenses.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of significant accounting policies (continued)

(i) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

(j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes deposits at call with the Treasurer.

For the purposes of the Statement of Cash Flows, cash consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from interest accruals and the Attorney-General's Department.

Other financial assets

Investments represent funds deposited with the Public Trustee. These investments have been designated as available for sale financial assets as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet claims on the Fund. Investments are made by way of notional unit holdings in a selection of common funds managed by the Public Trustee.

The proportion of unit holdings is dependent upon the investment strategy adopted.

As at 30 June 2016 the Fund held investments in common funds in the following proportions:

Cash	56.26%
Balanced Investment Strategy	43.74%

Investments are measured at fair value in accordance with unit prices at balance date as advised by the Public Trustee.

Investments are classified as either current or non-current. Those to be rolled over within 12 months are classified as current investments.

Due to the classification of investments as available for sale, revaluation increments or decrements are recognised in the investment market value reserve.

Financial assets

The fair value of assets traded in active markets are based on quoted market prices for identical assets at balance date.

Refer to Note 11 and 16 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurement for financial assets.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 2: Summary of significant accounting policies (continued)

(k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for claims authorised to be paid out of the Fund prior to the end of the reporting period that are unpaid at the end of the reporting period.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

(l) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(m) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Note 3: New and revised accounting standards and policies

The Fund did not voluntarily change any of its accounting policies during 2015-16.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2016. An assessment has been undertaken of the impact of the new and amended standards and interpretations and it is considered there will be no impact on the accounting policies or the financial statements of the Fund.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 4: Administration

	2016	2015
	\$'000	\$'000
Administration expenses	258	412
Total administration expenses	258	412

Includes reimbursements paid to the Attorney-General's Department for the cost of administering Schedule 3 of the Act.

Note 5: Claims

	2016	2015
	\$'000	\$'000
Claim expenses	9	12
Total claim expenses	9	12

Claim expenses to settle valid unsatisfied claims against 2 (2015 - 1) second hand vehicle dealer(s).

Note 6: Other expenses

	2016	2015
	\$'000	\$'000
Other (incl. audit fees)	9	7
Total other expenses	9	7

Note 7: Auditor's Remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	7	6
Total audit fees	7	6

Other services

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of other expenses (refer to note 6).

Note 8: Investment & interest revenue

	2016	2015
	\$'000	\$'000
Distributions from Public Trustee investments	96	61
Interest from Public Trustee investments	45	53
Interest from the Department of Treasury and Finance	44	56
Total investment and interest revenue	185	170

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 9: Other income

	2016	2015
	\$'000	\$'000
Management fee recovery	10	10
Sundry recovery	1	-
Total other income	11	10

Note 10: Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	2 465	2 383
Total cash and cash equivalents	2 465	2 383

Interest rate risk

Deposits at call with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 11: Investments

	2016	2015
	\$'000	\$'000
Current		
Funds invested with the Public Trustee	2 118	1 992
Total current investments	2 118	1 992
Non-current		
Funds invested with the Public Trustee	1 698	1 658
Total non-current investments	1 698	1 658
Total investments	3 816	3 650

Valuation of Investments

Investments are measured at fair value in accordance with unit prices at balance date as advised by the Public Trustee.

Note 12: Receivables

	2016	2015
	\$'000	\$'000
Accrued interest	74	49
Total receivables	74	49

(a) Maturity analysis of receivables - Refer to table in note 16

(b) Categorisation of financial instruments and risk exposure information - Refer to note 16

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 13: Payables

	2016	2015
	\$'000	\$'000
Accrued expenses	7	6
Creditors	5	3
Total payables	12	9

Interest rate and credit risk

Accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- (a) Maturity analysis of payables - Refer to table in note 16
- (b) Categorisation of financial instruments and risk exposure information - Refer to note 16

Note 14: Unrecognised contractual commitments and contingent assets and liabilities

The Fund has no commitments contracted for at the reporting date but not recognised as liabilities.

The Fund has no contingent liabilities or assets.

Note 15: Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	2 465	2 383
Balance as per the Statement of Cash Flows	2 465	2 383
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	82	(40)
Movements in assets and liabilities		
Increase/(decrease) in receivables	25	6
Increase/(decrease) in current investments	126	117
(Increase)/decrease in payables	(3)	(4)
Net cost of providing services	230	79

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 16: Financial Instruments

(a) Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

The following table discloses the categorisation of financial assets and financial liabilities.

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair value 2015 \$'000
Financial assets						
Cash and cash equivalents Available for sale investments	Cash and cash equivalents	10	2 465	2 465	2 383	2 383
Receivables	Investments	11	3 816	3 816	3 650	3 650
	Receivables ⁽¹⁾	12	74	74	49	49
	Total financial assets		6 355	6 355	6 082	6 082
Financial liabilities						
Financial liabilities at cost	Payables ⁽¹⁾	13	5	5	3	3
	Total financial liabilities at cost		5	5	3	3

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. audit fees payable to the Auditor-General's Department etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law.

Fair Value

Financial Assets

Cash and Receivables are recorded at carrying amount which approximates net fair value.

Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments which expose the Fund to investment risks, including market, credit, interest and currency risk. These investments are valued by the Public Trustee at reporting date and recognised at fair value.

Financial Liabilities

Payables are recorded at carrying amount which approximates fair value.

(b) Credit Risk

At reporting date funds totalling \$3.88 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

Other than pooled investments, the Fund has no significant concentration of credit risk. The Fund has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experiences and expected changes in client credit rating. Currently the Fund does not hold any collateral as security for any of its financial assets.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 16: Financial Instruments (continued)

(c) Ageing analysis of financial assets

There are no Financial Assets administered by the Fund past due.

(d) Maturity analysis of financial assets & financial liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

Category of financial asset and financial liability	Carrying amount \$'000	Contractual Maturities		
		<1 year \$'000	1-5 years \$'000	>5 years \$'000
2016				
Financial assets				
Cash and cash equivalents	2 465	2 465	-	-
Investments	3 816	2 118	1 698	-
Receivables ⁽¹⁾	74	74	-	-
Total financial assets	6 355	4 657	1 698	-
Financial liabilities				
Payables ⁽¹⁾	5	5	-	-
Total financial liabilities	5	5	-	-

Category of financial asset and financial liability	Carrying amount \$'000	Contractual Maturities		
		<1 year \$'000	1-5 years \$'000	>5 years \$'000
2015				
Financial assets				
Cash and cash equivalents	2 383	2 383	-	-
Investments	3 650	1 992	1 658	-
Receivables ⁽¹⁾	49	49	-	-
Total financial assets	6 082	4 424	1 658	-
Financial liabilities				
Payables ⁽¹⁾	3	3	-	-
Total financial liabilities	3	3	-	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

(e) Liquidity Risk

All cash balances and cash common funds held with the Public Trustee are available at call.

(f) Market Risk

The Fund is exposed to price risk. Price risk represents the risk that the fair value of investments held with the Public Trustee will fluctuate due to changes in the market price for the underlying asset.

Investments held with the Public Trustee are classified as 'available for sale' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised directly in equity. Accordingly there is no impact on the net result.

Cash is also subject to interest rate risk.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 16: Financial Instruments (continued)

(g) Sensitivity Analysis

The impact of a 1% movement in interest rates and a 1% movement in equity indexes on financial assets is shown in the following table.

	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	1%	-1%	1%
		Net result \$'000	Net result \$'000	Equity \$'000	Equity \$'000
2016					
Cash and cash equivalents	2 465	(25)	25	-	-
Investments	3 816	-	-	(38)	38
Total increase/(decrease)		(25)	25	(38)	38
2015					
Cash and cash equivalents	2 383	(24)	24	-	-
Investments	3 650	-	-	(37)	37
Total increase/(decrease)		(24)	24	(37)	37

Note 17: Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses							
Administration	4	257	412	1	-	258	412
Claims	5	-	-	9	12	9	12
Other Expenses	6	7	6	2	1	9	7
Total expenses		264	418	12	13	276	431
Income							
Contribution by licensees		-	-	310	330	310	330
Interest and investment revenue	8	185	170	-	-	185	170
Other income	9	10	10	1	-	11	10
Total income		195	180	311	330	506	510
Financial assets							
Cash and cash equivalents	10	2 465	2 383	-	-	2 465	2 383
Investments	11	3 816	3 650	-	-	3 816	3 650
Receivables	12	74	49	-	-	74	49
Total financial assets		6 355	6 082	-	-	6 355	6 082
Financial liabilities							
Payables	13	11	9	1	-	12	9
Total financial liabilities		11	9	1	-	12	9

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2016

Note 18: Prior period adjustment to equity

The following prior period adjustment occurred in 2015-16:

An adjustment of \$2,709 in administration expenses relating to database search expenses in June 2015 not originally accrued. This was corrected by increasing administration expenses and increasing creditors in the 2014-15 year.

Note 19: Events after reporting period

There are no known events after balance date that affect these financial statements.