



**Government of South Australia**

Office of Consumer and  
Business Affairs

**Commissioner for Consumer Affairs**

# **Annual Report 2008-2009**

30 October 2009  
Office of Consumer and Business Affairs  
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Adelaide SA 5000

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30 October 2009

Hon. Minister for Consumer Affairs and

Hon. Attorney General

I am pleased to submit my report for the period ending 30 June 2009.

The report has been prepared in accordance with the requirements of section 12 of the Fair Trading Act 1987, and is submitted in pursuance of the reporting obligations concerning the following Acts:

**Acts Committed to the Minister for Consumer Affairs**

*Building Work Contractors Act 1995; Consumer Credit (South Australia) Act 1995; Credit Administration Act 1995; Consumer Transactions Act 1972; 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; Manufacturers Warranties Act 1974; Misrepresentation Act 1972; Plumbers, Gas Fitters and Electricians Act 1995; the Prices Act 1948; Recreational Services (Limitation of Liability) Act 2002; Residential Parks Act 2007; Residential Tenancies Act 1995; Retail and Commercial Leases Act 1995; Second-hand Vehicle Dealers Act 1995; Trade Measurement Act 1993; Trade Measurement (Administration) Act 1993; Trade Standards Act 1979; Travel Agents Act 1986.*

**Acts Committed to the Attorney-General**

*Associations Incorporation Act 1985; Births, Deaths and Marriages Registration Act 1996; Business Names Act 1996; Co-operatives Act 1997; Companies (Administration) Act 1982; Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953 and under Section 49 (7) of the Evidence Act 1929. I also report in respect of certain functions related to the Partnership Act 1891; Security and Investigation Agents Act 1995; Trustee Companies Act 1988.*



**Anne Gale**

A/Commissioner for Consumer Affairs

A/Commissioner for Prices

A/Commissioner for Corporate Affairs

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## Highlights

Consumers benefit when traders embrace fairness and competitiveness and deliver better quality products and a higher level of service. During the year there were significant legislative developments towards improving the level of protection afforded to consumers.

Australia's fair trading laws are being completely redesigned, with a move towards a single national consumer law. The laws will increase consumer protections and provide new enforcement and redress powers. It's hoped they will also provide more consistency and reduce costs for business. National reforms are underway across a range of areas, including product safety, trade licensing, credit, trade measurement and business names.

OCBA has undergone its own overhaul, with a restructure during the year to bring together the four customer service areas, namely: Consumer Affairs; Tenancies; Business and Occupational Services; and Births, Deaths and Marriages. A range of service improvements were identified to capitalise on strengths, make savings and streamline processes, leading to better outcomes in the future for customers.

Compliance functions have also been centralised to deliver effective, cohesive compliance monitoring across OCBA and enhance consumer protection.

New real estate laws came into effect early in the reporting year, bolstering protections for home buyers and sellers alike. An awareness campaign was conducted for consumers and concentrated monitoring of real estate sales and marketing activities showed a high level of industry compliance with the new laws.

Legislation introduced into Parliament during the reporting period includes: reforms to increase the Commissioner for Consumer Affairs' powers; proposed changes to second-hand vehicle dealer's legislation; and new laws concerning public liability provisions for recreational services. New telemarketing laws have also been passed by Parliament.

Another highlight of the year was the 2009 National Consumer Congress hosted by OCBA. The theme was 'A Fair Marketplace?' and the congress looked at international and national developments on consumer law and how laws impact on markets and sustainability.

Consumer Affairs officers responded to significantly more enquiries and complaints during 2008-2009, with 93 200 enquiries - a six per cent increase compared to the previous year. Complaints jumped by 12 percent to 6053. Tighter household budgets may have contributed to the extra demand for assistance.

Product Safety continued to be a strong focus for OCBA, with two types of products declared as dangerous goods: novelty items and toys with powerful lasers in excess of one milli-watt; and curtains and blinds with looped cords which failed to meet specific safety regulations. A new mandatory safety standard for installing insulation was also proposed to prevent fires starting in the roof space of homes.

The identity of South Australians is now more secure as a result of the introduction of new fraud-resistant paper for birth, death, marriage and change-of-name certificates. The certificates include security features which make them very hard to replicate.

OCBA continues to pride itself on making sure the South Australian marketplace is as fair and safe as possible and this year's positive outcomes could not have been achieved without the dedication and commitment of OCBA's staff.

## **Role and Statutory Functions**

### **OCBA Vision**

Given the diversity of its role there are several parts to OCBA's vision:

- Consumers and traders who are informed, responsible and able to trade efficiently and safely on fair terms.
- Tenants, landlords and traders who transact according to their rights and responsibilities.
- Complete and accurate registers of prescribed life events occurring in South Australia.

### **Mission**

Our mission is to promote and protect consumer interests in South Australia, administer a policy and legislative framework that sets the scene and the rules for trading to occur on fair terms, provide services to parties involved in residential and retail tenancy and contribute to the security of individuals' identity information.

### **Goals**

Our goals are to:

- Ensure that consumers (including the vulnerable and disadvantaged) are effectively empowered and, where necessary, protected to make informed decisions and choices.
- Ensure that business is well-informed and operates within a regulatory framework that supports trading on fair terms without undue interference or red tape.
- Ensure that South Australians have access to a market-leading consumer protection agency, capable of providing the range of functions required of it.
- Maintain civil records which are comprehensive, secure and of high integrity and contribute to the protection of every South Australian's individual identity.

### **Statutory Functions**

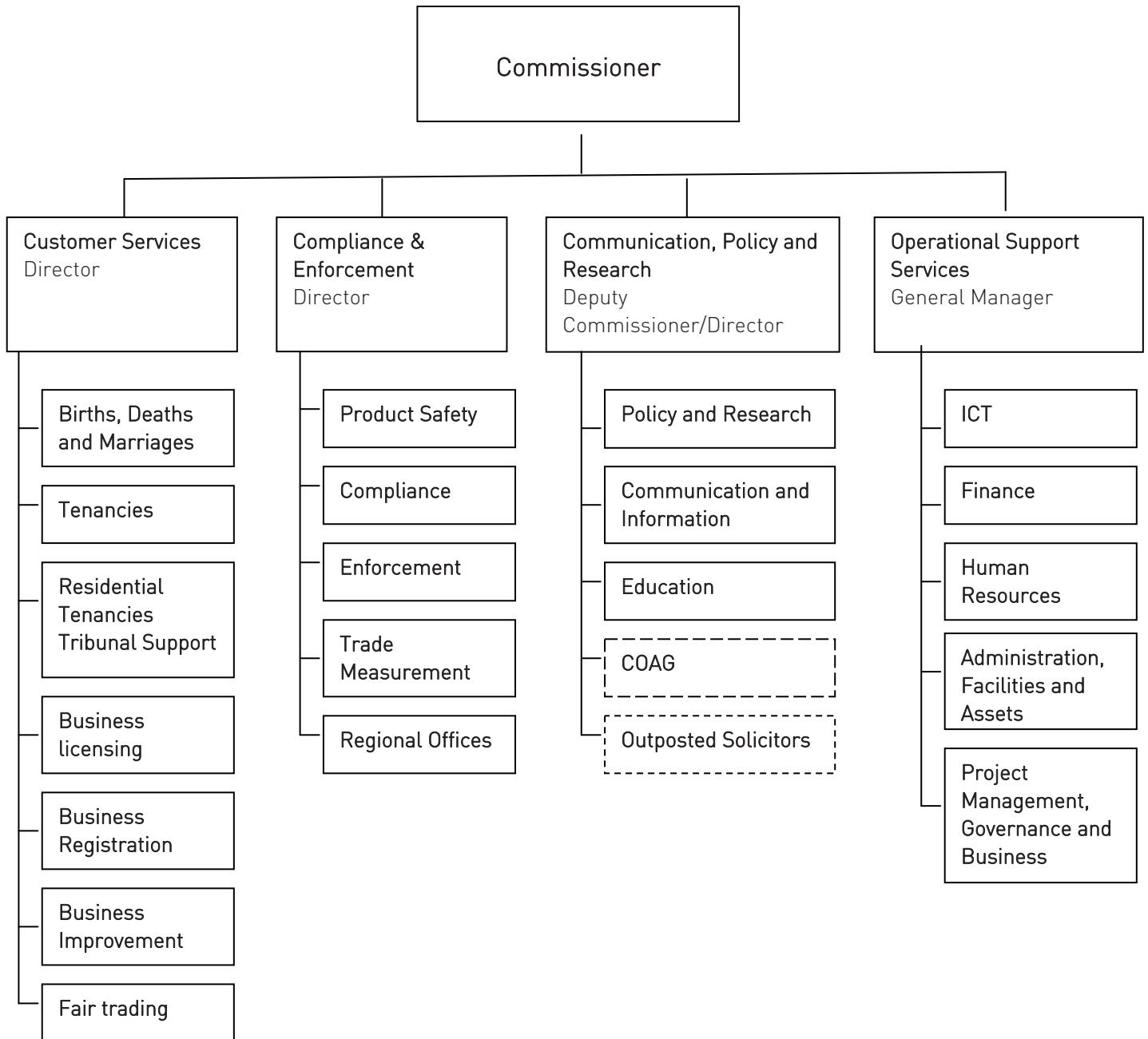
Statutory functions of the Commissioner for Consumer Affairs include:

- Give advice on consumers' and traders' rights and obligations under the Fair Trading Act 1987 and other consumer laws.
- Conduct research and education programs, publish reports and inform consumers about consumer issues.
- Conciliate disputes between consumers and traders.
- Monitor business activities and investigate practices that may adversely affect consumers' interests.
- Encourage the development, promotion and enforcement of fair trading codes of practice to safeguard consumers' interests.
- Produce fair trading guidelines for traders.
- Enforce consumer laws.
- License and register nominated traders.
- Report to the Minister for Consumer Affairs on the Commissioner's functions.

Statutory functions of the Registrar, Births, Deaths and Marriages are outlined in Appendix 2.

# Organisation Structure

OCBA is a division of the Attorney-General's Department, headed by the Commissioner for Consumer Affairs, who is a statutory office holder. To assist in the discharge of its functions OCBA has several branches.



## OCBA Activity in 2008/09

### Community Wellbeing - Ensuring public safety

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#### Protection from dangerous products

OCBA has an important role in making sure that products offered for sale in SA are safe and comply with product safety legislation. Several different approaches may be used where products don't meet specific safety or information standards or where they present other safety risks. The first action is always to seek the immediate withdrawal of the product from the marketplace to reduce the risk to the public. Other actions range from issuing public warnings, issuing infringement fine notices, seizing unsafe products, introducing new safety standards, product recalls and banning products (declaring dangerous goods).

Of the thousands of items checked during the year by OCBA's product safety inspectors, 56 unsafe or non-compliant products were removed from shelves (refer to Appendix 3 for a list of these products).

#### Banned products (declared dangerous goods)

Bans were declared for two types of products:

- Novelty items and toys that incorporate lasers with a power in excess of one milli-watt. These lasers can temporarily blind or distract vehicle drivers causing loss of control of the vehicle.
- Curtains and blinds with looped cords unless prescribed safety requirements are met (requirements include fitting of safety devices and warning labels). This followed a recommendation by the Coroner in his finding into the death of a toddler that safety standards be introduced to prevent strangulation by blind cords.

OCBA subsequently conducted monitoring of blind and curtain retailers and installers. Nine blind and curtain product lines were found to be non-compliant goods, mainly due to labelling problems. Warning letters were sent to non-complying traders and their suppliers and the products were withdrawn from sale.

#### Harmonisation of safety standards

In July 2008 14 new safety standards were introduced, mirroring the existing Commonwealth safety standards. This was part of the Council of Australian Governments' recommendation for national harmonisation of safety standards. The new standards specify minimum design and construction requirements that must be met before products can be supplied. The standards cover a range of products including prams and strollers, portable cots and baby's dummies.

#### Targeted monitoring exercises

In addition to the ongoing product safety monitoring of recalled and allegedly unsafe products, OCBA conducted a number of targeted compliance safety monitoring campaigns that included discount variety stores, the Royal Adelaide Show, pre-Christmas sales, curtain and blind retailers and children's products. Children's and baby products were given a high priority in the OCBA monitoring program.

Appendix 3 details the results of each targeted monitoring campaign, and a brief summary is provided below.

- Monitoring of discount variety stores across SA resulted in 20 unsafe products being withdrawn from sale, mainly children's products.
- More than 320 show bags were examined in the lead up to the Royal Adelaide Show, with six potentially dangerous items withdrawn before the Show commenced.
- The pre-Christmas product safety monitoring exercise focused on testing of toys for children under three years of age and 16 items failed safety standards and were withdrawn from sale.

### **New safety standard for insulation installers**

A mandatory safety standard for installing insulation has been proposed to provide a higher level of protection for consumers. Blow-in insulation has been linked to house fires where insulation was installed too close to or on top of electrical devices, such as down lights and fans, causing them to overheat. OCBA is working with the Office of the Technical Regulator on the development of a safety standard and has sought industry feedback on basic safety requirements. The standard is expected to take effect later in 2009. OCBA also commenced checking that any SA contractor listed on the Australian Government's "Homeowner Insulation Program" register of insulation installers holds the appropriate building work contractor's licence.

### **National Toy Summit**

OCBA participated in a National Toy Summit in October 2008 where a number of initiatives were identified to enhance product safety systems and outcomes, particularly for children. The initiatives are consistent with the Productivity Commission's recommendations to reform Australia's product safety system and relate to issues such as consistency of product safety legislation and safety standards, national reporting of safety concerns, improvements to testing processes and safety awareness strategies. These priority initiatives are being progressed by the Standing Committee of Officials of Consumer Affairs.



## **Community Wellbeing - Promoting diversity and social inclusion**

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Given the wide range of laws administered by OCBA and the breadth of services offered, the diversity of clients is extensive and so are their needs. OCBA customers include consumers, business and industry representatives and many clients are from different cultural and social backgrounds. Specific programs cater for the diverse needs and new initiatives are developed to empower consumer groups with knowledge and to improve access to services.

### **Talk about shopping project**

A series of smart shopping guides for consumers was released. The "Talk about Shopping" booklets provide practical advice about issues such as purchasing goods and services, mobile phones, scams, credit and renting a property. The booklets have been produced specifically for Aboriginal consumers, people with a low literacy level and people from non-English speaking backgrounds to help equip these consumers with useful information. The booklets include illustrations to help convey key messages, and many of these illustrations have been portrayed on posters distributed throughout communities on the APY Lands. An audio CD, scripted from the booklet and recorded in two Aboriginal languages, will be launched later in 2009.

### **Service delivery for culturally and linguistically diverse clients**

Many of OCBA's services are available in a range of formats, as outlined below.

- Clients from non-English speaking backgrounds have access to interpreting and translating services, and a selection of translated information is available both online and in hard copy.
- Regular segments on a range of community radio stations communicate new initiatives and promote consumer awareness to a variety of listeners.
- Information seminars are presented to migrant groups to inform them of their basic consumer rights.
- An awareness campaign designed to inform consumers about the new real estate laws was broadcast in 10 languages on ethnic radio.
- The 2008-09 Birth Registration Statement required to be completed by all new parents is illustrated to reflect the diversity of the South Australian community, portraying babies from diverse cultural backgrounds.
- Parents can register culturally or traditionally significant baby names, provided they are not offensive or politically-motivated.
- Registry weddings can be solemnised in a range of languages (with the assistance of interpreters) and cultural traditions will also be accommodated within the limitation of Australian marriage law.

## **Community Wellbeing - Enabling the public to make informed decisions**

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### **Know Your Rights campaign**

The Know Your Rights campaign aimed to promote OCBA's consumer protection role and to provide tips on key consumer issues. This campaign was launched in March 2008 and continued into this financial year, with a series of press advertisements addressing topical issues. Phone calls to specific sections of OCBA and visits to particular pages of the website were monitored, and overall there was a good response to the campaign with the greatest impact resulting from the warranties and scams promotions.

### **Warranties awareness campaign**

An awareness campaign was conducted to inform consumers of their statutory rights, with messages promoted through press advertising and OCBA's regular radio interview segments. The execution of this campaign complemented the warranties component of the Know Your Rights campaign (discussed above). Traders were targeted through editorial in publications for specific groups within the retail sector. The dedicated warranties section of the OCBA website was redeveloped to provide specific warranties information to consumers and traders, and new online fact sheets were prepared. Hits on the warranties pages of the website increased by 116 percent during this four-week campaign.

### **Real estate education campaign**

An education campaign was conducted to arm South Australian home buyers and sellers with important information about their rights and responsibilities under the new real estate laws. The campaign included some strategies to specifically target first home buyers. New information resources were developed including:

- A comprehensive booklet for home buyers and sellers (more than 64 000 copies were distributed, mainly via real estate agents direct to interested home buyers).
- A brochure for first home buyers (over 17 000 brochures distributed through banks, credit unions and mortgage brokers to clients making enquiries about their first home loan).
- Six fact sheets.
- Basic information translated into 24 languages.

A number of strategies were used to inform consumers of the new laws and to direct people to the information resources including an advertisement on a prominent real estate search website, press ads in metropolitan and regional newspapers, back-of-bus ads and a radio advertisement translated into 10 languages. Postcards were also distributed to promote the laws and information resources.

### **Information sessions and events**

Around 90 information seminars were held on the rights and obligations of tenants, landlords, park owners and residents. The sessions were provided in metropolitan areas and regional centres. A number of seminars were also presented to migrants and refugees and other vulnerable consumers through tenant support organisations and welfare groups.

### **Communication via the media**

Key messages are regularly communicated through the media - along with other communication tools - to ensure that the public is informed about new initiatives, legislative changes, enforcement outcomes and public warnings. OCBA's proactive approach to media liaison resulted in 93 media releases being issued and 129 statements provided in response to enquiries from the media.

Regular interviews are provided on eight commercial and community stations: 5AA, Fresh FM (youth), Radio Adelaide, 5EBI (ethnic), ENA (Greek), 5RPH (visually-impaired), 5PBA (northern suburbs) and Coast FM (southern suburbs).

## **Publications**

The distribution of publications increased significantly this year, mainly due to the extensive real estate education campaign that was launched in July 2008. Overall around 90 publications were maintained, all of which are available on the website. Most are also available in hard copy.

New publications released during the year include:

- It's About the House – a comprehensive guide for home buyers and sellers
- Buying Your First Home brochure
- Buying or Selling a Home – providing basic information for home buyers and sellers in 24 languages
- Six fact sheets on specific real estate issues
- Four smart shopping guides as part of the 'Talk About Shopping' series
- Fact sheets about warranty rights and responsibilities – one for consumers and one for traders
- Questions about renting for international students
- Renting Basics - in 21 languages
- New Rules in Residential Parks
- Residential Tenancies Tribunal Decisions - rights of appeal & review for residential park matters

## **Web-based information**

The OCBA website received more than 21 million hits from around 730 000 consumers and businesses who visited the site to access information, lodge applications and conduct transactions. Information on various topics is available in audio format and translated material is also provided. Other features of the website include:

- Discussion papers, media releases and public warnings
- Public registers for occupational licensing, business names and assurances
- Forms and publications

In addition, OCBA maintains two websites designed for young consumers. The 'Spendwell' site is aimed at students in the middle years of school and it provides information about smart shopping and mobile phones in an animated interactive format. The 'B4Usplashcash' site addresses issues such as renting, buying a car and managing money and is designed for teenagers and young adults.

## **Community Wellbeing - Protecting and supporting vulnerable people, including victims and witnesses**

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### **Consumer advice and dispute resolution**

Both the number of enquiries and complaints lodged with OCBA increased significantly during the year. More than 93 200 enquiries were received from consumers seeking advice about rights on various consumer issues, compared with 88 006 enquiries received during the previous financial year. Appendix 4 shows the breakdown of the enquiries received, with almost a third of all enquiries relating to general consumer goods or residential building and construction.

Complaints also increased by 12 percent from the previous year, with 6053 complaints received during 2008/09. Appendix 5 shows the complaints recorded for each product or service category, with the top five complaints relating to:

1. General consumer products
2. Scams and schemes
3. Building/renovating
4. General services
5. Communication and information

It is likely that there is a link between the increased number of household budgets under strain during tough economic times and the greater number of consumers seeking assistance to resolve disputes with traders. A number of companies also collapsed during the year and, as a result, many consumers sought to recover monies paid for products or services they did not receive. The introduction of real estate industry reforms and the associated awareness campaign also led to the 60 per cent increase in the number of real estate complaints.

Appendix 6 shows the 6053 complaints according to the nature of the complaint, with common problems relating to:

- The quality of products or services
- Contracts not being clear or adhered to
- Offers that are actually scams or dubious schemes
- Warranties not being honoured
- Representations made to customers.

### **New security features for identification certificates**

Birth, death, marriage and change of name certificates are now produced using fraud-resistant paper. Various security features are incorporated into the design so that the certificates are virtually impossible to replicate with all the security elements intact. Any counterfeit certificate could be easily detected, thus helping to minimise identify fraud. The new security features include:

- Invisible ink patterns and chemical-sensitive ink
- A three dimensional watermark
- A thermochromic patch that reacts to a change in temperature by disappearing
- Split-duct printing which makes counterfeiting difficult
- Intricate and multi-coloured fine line patterns including a kangaroo and the Southern Cross.

## **National Identity Security Strategy**

The National Identity Security Strategy also aims to prevent identity fraud by ensuring that individuals cannot use stolen or assumed identities when accessing government services. OCBA participates in the Inter-Government Agreement for the strategy, and during the year negotiations were held for SA to participate in the Document Verification Service which would allow other agencies to easily determine whether an identification document that has supposedly been issued by Births, Deaths and Marriages is legitimate.

## **Tenancies advice**

OCBA continued to provide advice to landlords, tenants, property agents and residential park operators and residents. More than 150 000 enquiries were received from people wanting to find out about their rights and responsibilities or querying a rental bond matter. The most common issues enquired about remained the same this year, including:

- Claiming a bond refund at the end of a tenancy
- The process and implications of breaking a lease
- Dealing with repairs and maintenance.

OCBA also sought to conciliate rental disputes, with 65 percent of matters successfully resolved without the need for a subsequent Residential Tenancies Tribunal hearing. OCBA also provided operational and administrative support for the tribunal.

## **Fair trading monitoring**

Monitoring programs targeted a range of traders during the year to ensure compliance with fair trading laws. During the year 525 small to medium size retailers across SA were visited, with problems found at 57 stores. The stores had misrepresented consumers' refund rights by making statements such as "no refund" or "exchange only". Incorrect refund signs were removed and stores re-visited to ensure stores were compliant.

## **National audit of clothes retailers**

A national audit of refund policies at 349 fashion outlets revealed a national average of 72 percent compliance. Just 25 of the 40 stores visited in SA were compliant, representing a compliance rate of 62.5 percent. Warning letters were issued to the stores found to be misleading consumers about their right to a refund.

## **Warranties survey**

A week-long phone in about warranty problems highlighted that many consumers and traders did not understand their statutory warranty rights and responsibilities. Mobile phones featured as the most complained about product, with some traders not honouring their obligations to fix problems under warranty and giving consumers inaccurate information about their right to redress. OCBA wrote to the traders who allegedly fell short of their warranty responsibilities and reminded them of their legal obligations. Redress was sought for consumers and a number of calls about mobile phones were referred to the Telecommunications Industry Ombudsman, where appropriate. The survey results helped to shape the warranties awareness campaign that was conducted soon after the phone in.

## **National price scanning checks**

Pharmacies, hardware outlets, convenience stores, service stations and variety stores were targeted in this year's national price scanning audit. This was the fifth national audit coordinated by OCBA, where stores using electronic price scanners were visited to check that the scanned price matched the advertised shelf price. Five thousand items were scanned nationally, with 625 items scanned in each state and territory. The SA result equalled the national average of 91 per cent accuracy. No price scanning errors were detected during follow up visits to stores, but OCBA will increase checks in 2009-10 to ensure that retailers improve their compliance.

## **Trade measurement inspections**

Approximately 3350 traders were visited to make sure that products sold by weight or measure were accurate. Trade Measurement inspectors checked 34 217 pre-packed goods for compliance with labelling requirements and also checked that the actual weight or measure of items matched the statement on the packaging. Inspectors also checked 8184 measuring instruments such as scales, petrol pumps and spirit measures for accuracy. Warning notices were issued to traders where discrepancies were found and traders required to immediately fix the problem.

## **Enforcement of consumer and business laws**

Traders in breach of legislation may be detected through OCBA's monitoring or upon investigation of consumer complaints. Depending on the nature of the breach, action taken by OCBA may include: issuing written warnings; issuing expiation notices; issuing public warnings; receiving written assurances; or pursuing action through the courts.

## **Real estate compliance**

There was particular emphasis on the real estate industry during the year, following introduction of the reforms. OCBA staff visited 573 open inspections, attended 166 auctions, checked over 900 advertisements and examined files at 22 real estate agents' premises. Compliance officers also monitored advertisements and followed the same property through the marketing and sales process to ensure agents were complying with the new laws. 118 written warnings and four expiation notices were issued to agents, primarily for failing to include registration numbers in advertisements and for failing to give prescribed notices to purchasers.

## **Written Warnings**

Significantly more warning letters were issued this year, owing to increased monitoring of real estate agents under the new real estate reform laws and the targeting of landlords and agents who failed to lodge rental bonds within the prescribed time. There was also greater detection of unregistered business names. In total there were 2714 warning letters issued this year, compared with 1485 written warnings (including Trade Measurement notices) last year.

## **Public warnings**

A number of public warnings were issued to alert consumers to particular and concerning conduct by traders. Where the breaches are quite serious or the risk to consumers is significant traders may be publicly named. Two traders named during the year were Maurice

Robinson, a serial unlicensed builder, and TINASCT Pty Ltd who was warned by OCBA to cease making misleading claims about the 'Modena' brand electric power assisted pedal bike.

### **Expiations**

Landlords and real estate agents who failed to lodge rental bonds within the prescribed time accounted for the majority of the 159 expiation notices issued during the year. This represents a 43 percent increase from the 111 expiation notices issued in the previous reporting year.

### **Assurances**

Written Assurances were received from 17 companies and individuals who stated they would refrain from engaging in specified unlawful conduct. The assurances were received from seven builders, three gas fitters, one plumber, one electrician, three second-hand vehicle dealers and two land agents. A register of assurances received is publicly available on the OCBA website, and a summary of the assurances received during 2008/09 is provided at appendix 13.

### **Court action**

During the year OCBA took prosecution or disciplinary action against 26 individuals and companies who breached fair trading and occupational licensing laws, including: six security agents; six builders, four tradespeople; four land agents; three car dealers; two training providers; and a driving instructor.

An overview of each of the 26 court matters is provided in Appendix 13, including the offenders, breaches and outcomes. Of particular note are the court actions taken against the following:

- Philip Greatbatch and his company Greatrealty Pty Ltd were fined a total of \$40,000 for inappropriate use of a trust account.
- Benjamin Buttigieg was fined \$12,000 and ordered to pay prosecution costs of \$7,570 for interfering with vehicle odometers and falsely representing the history of vehicles.
- Scott Matthew Harper was fined \$7,500 and ordered to pay prosecution costs of \$800 for unlicensed building activity, failing to enter into a written contract, demanding a deposit payment greater than the prescribed amount, failing to take out indemnity insurance, and performing electrical and plumbing work whilst un-registered.
- Raymond Leslie Reubenicht was permanently banned from being a second-hand vehicle dealer. He had previously been convicted and fined \$25,000 for a range of offences including unlicensed dealing and falsely representing the histories of vehicles.
- Gregory John Allison was fined \$10,000 and ordered to pay prosecution costs of \$4,480 for conduct including misrepresenting that he could provide nationally accredited training and failing to provide the training he was contracted to carry out.
- Naser Jaloudi was fined \$2,500 and ordered to pay costs of \$9,540 for misrepresenting that he was authorised as an examiner to conduct competency based driver training.

## **Access to Justice and to Services - Providing fair and equitable customer service**

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### **Access for regional customers**

OCBA services are available from 11 regional Service SA centres, with services extended to Berri during the year. Customers can lodge applications for a range of key services such as applying for a birth certificate, lodging a rental bond, registering a business name and renewing a builder's licence.

### **Registration of births, deaths and marriages**

The Births Deaths and Marriages Registration Office (BDM) continued to maintain a register of all births, deaths, marriages, name changes, adoptions and sexual reassignments that occur in SA. Appendix 9 provides a summary of events registered during 2008/09. Notably, marriages increased by four percent, with 8144 marriages registered, and 914 of these marriages were solemnised at the Registry which is a record for the last 14 years. There were 19 930 births and 12 729 deaths registered.

More than 127 000 certificates were issued to individuals and other authorised persons in accordance with the access policy, with over one fifth of certificate applications made online.

BDM also provided data for research, epidemiology and national statistics.

### **Licensing of occupations**

OCBA's licensing register contains over 73,400 licences and registrations for certain trades, with around 7900 applications for new licences and registrations processed during the financial year. Roughly a third of all entries on the register relate to building work, with other licensed occupations including plumbers, gas fitters, electricians, security and investigation agents, travel agents, second-hand vehicle dealers, conveyancers and land agents. Since January 2009 real estate sales representatives and auctioneers have been required to be registered, as part of the real estate reform legislation. Almost 2000 applications from sales representatives and auctioneers were processed during the year. Appendix 7 provides statistical information for each of the licensing areas.

### **Registration of business names, incorporated associations and cooperatives**

OCBA maintains registers for business names, incorporated associations and co-operatives. Certain information contained on the registers can be accessed by members of the public. As at 30 June 2009 there were approximately 92 700 registered business names, 18 800 incorporated associations and 56 co-operatives. Statistical information about the three registers is provided at Appendix 8.

### **Residential and commercial tenancies**

In addition to the tenancies advice and conciliation role discussed earlier in this report, rental bonds are held by the Commissioner as an independent third party. Over \$121million in bonds were held, including residential, retail and residential park bonds. During the year there were: around 49 000 residential bonds lodged and 48 000 bonds refunded; approximately 500 retail bonds lodged and 300 refunded; and 265 residential park bonds lodged and 255 refunded. OCBA also provided operational and administrative support for around 10 000 Residential Tenancies Tribunal hearings. For further statistical information see Appendix 10.



## **Access to Justice and to Services - Making effective civil and criminal law**

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### **National Consumer Congress**

'A Fair Marketplace?' was the theme of the 2009 National Consumer Congress hosted by OCBA in March 2009. The three-day event attracted delegates from government, industry and non-profit organisations from Australia and abroad. National and international experts provided stimulating presentations on international and Australian consumer law development and debated current consumer issues such as sustainability and consumer and business ethics. This debate was timely given the development of a single national consumer law for Australia.

### **Harmonised consumer law**

A new national consumer law is being developed that will improve protections for consumers and deliver savings for business. The proposed law will provide new enforcement and redress powers, new provisions based on best practice in State and Territory laws, and new controls to prevent and respond to unfair terms in standard contracts. The new regime is scheduled to commence in 2011, with the unfair contract provisions expected to be in place in 2010.

### **New Commissioner's powers**

Reforms were introduced into Parliament to give the Commissioner for Consumer Affairs more powers, backed by tougher penalties. Key elements of the reforms include:

- Enabling the Commissioner to compel a trader to attend a conciliation conference, or risk a penalty of up to \$10,000.
- Doubling many of the penalties under the Fair Trading Act 1987.
- Giving the Commissioner power to immediately cancel an occupational licence if the trader's conduct is putting consumers at significant risk.

### **Real estate reforms**

New laws designed to improve protections for home buyers and sellers commenced in July 2008. Certain practices are now prohibited, including over-quoting to secure listings, dummy bidding and bait advertising. The auction process is now more transparent as bidders must be registered and a record kept of all bids made. Sales representatives and auctioneers must also be qualified and registered with OCBA.

### **Further protections for park residents**

New laws to improve protections for park residents commenced in 2007, and some additional provisions commenced in June 2009. Under the new rules park owners or operators must charge one regular rental amount, rather than separate charges for services, unless the sites are individually metered. The rules allow park operators to charge residents a fee for overnight visitors, but park operators can no longer charge a fee when drawing up a new lease or extending an existing lease.

### **Telemarketing laws passed**

Parliament passed new laws that will improve protections for consumers who purchase goods or services from a telemarketer. Consumers will have a 10-day cooling off period and telemarketers must not harass or coerce a consumer into making a sale or in trying to prevent them from cooling off.

## **Second-hand vehicle dealers**

Proposed changes to the Second-hand Vehicle Dealers Act 1995 were introduced into Parliament. The changes include a two day cooling off period, but buyers will be able to waive their cooling off rights. Buyers may be asked to pay a deposit of up to 10 percent of the contract price, but should the buyer decide not to proceed with the sale the dealer can retain a small amount of the deposit to cover their costs (two percent of the contract price or \$100.00, whichever is the lesser).

## **Recreational services**

New laws concerning public liability provisions relating to recreational services were introduced into Parliament. The laws will ensure that participants in sporting and recreational activities are adequately protected, and the new system will be more workable for recreational service providers. The changes create an implied warranty that services will be rendered with due care and skill. Consumers will be able to sign a waiver that modifies or excludes liability for breaches of the implied warranty of 'due care and skill' where that results in death or personal injury, except in cases of reckless conduct by a service provider. The amendments to the Fair Trading Act 1987 will replace the Recreational Services (Limitation of Liability) Act 2002.

## **Residential Tenancy Databases**

Legislation is being drafted to regulate privately held residential tenancy databases - often termed as tenant blacklists. The new laws will promote the accuracy and quality of a listing and ensure that tenants can access and correct listings. The laws will also clearly define events that constitute a breach justifying a listing, and set a maximum period for certain listings to remain on a database.

## **National trade licensing system**

In July 2008 the Council of Australian Governments (COAG) agreed to establish a national trade licensing system that will remove inconsistencies across State borders and allow for a much more mobile workforce. Once a licence is issued the licence holder will be able to use the licence to work anywhere in Australia without additional paperwork or cost. COAG has agreed that national trade licensing initially be applied to a range of construction, transport, maritime and property occupations. It is anticipated that the national licensing system will be operational by July 2012.

## **National trade measurement reforms**

OCBA is preparing for a single national system of trade measurement. National laws commenced on 1 July 2009 to allow for transitional arrangements, prior to the Commonwealth assuming full responsibility for trade measurement from 1 July 2010. The national laws enhance protection for consumers by establishing a more efficient and effective trade measurement infrastructure.

## **National regulation of consumer credit**

A new national regime for credit regulation is being established. The Commonwealth will take over responsibility for the regulation of consumer credit, including mortgage broking, margin lending and non-deposit lending institutions. The new regime will be implemented in a phased approach, beginning with the re-enactment of the current state-based Consumer Credit Code and the introduction of a licensing scheme for credit providers, intermediaries and advisers.

### **National product safety reforms**

Nationally consistent product safety legislation will be introduced across Australia. The Australian Competition and Consumer Commission will assume responsibility for making permanent product bans and standards, with the States and Territories having the power to issue interim product bans. As part of the national product safety harmonisation initiative, Trade Standards Regulations were introduced in July 2008 in SA that mirrored the existing Commonwealth safety standards. The national harmonisation of safety standards and bans is expected to be completed by 1 July 2009.

## **Organisational Capability - Investing in our people**

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### **Encouraging staff to take on the challenges of development and growth**

All 218 staff (equivalent to 207.3 full time employees) are encouraged to participate in training and development opportunities, to join various project teams and to act in different roles to increase their knowledge of the organisation and enhance their skill set. Regular appraisals are conducted to support staff to perform well in their current roles and to prepare staff for future opportunities.

Significant initiatives or outcomes are reported in a regular update from the Commissioner to staff, acknowledging the contributions of individual staff members towards achieving the positive results. The updates also inform staff of changes and upcoming activities.

### **Providing a safe work environment**

OCBA is committed to providing a safe and harmonious workplace. There is a strong emphasis on prevention strategies such as providing staff training and implementing safe systems of work, and also on managing any health and safety issues that arise.

OCBA is a division of the Attorney-General's Department and occupational health and safety matters are largely reported in the Department's annual report. OCBA is represented on the OHS&W committee for the Attorney-General's Department, and OCBA has its own committee to address local issues.

## **Organisational Capability - Reducing red tape**

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OCBA is committed to reducing the regulatory burden for South Australian businesses. During the year new projects commenced to contribute significant savings across a range of areas, as outlined below.

- Changes to wine labelling requirements to allow consistent labelling to be used for domestic and export markets has resulted in red tape savings to industry estimated at over \$14 million.
- Changes to reporting requirements for prescribed associations under the Associations Incorporations Act have resulted in red tape savings valued at \$51,000.
- Changes to security and investigation agents licensing will now allow applicants to lodge an application for a licence once they have enrolled in a recognised course. This will enable security and investigation agents to commence work more quickly after they have successfully completed training, resulting in red tape savings valued at \$1.64 million.
- Implementation of the ApplyOnLine business names registration systems will allow business names to be registered online twenty four hours a day resulting in red tape savings valued at \$500,000.
- Tradespeople will benefit from the extension of the Assisted Application Process which will allow faster processing of licences as well as recognising interstate licenses and overseas qualifications. The new system is expected to be in place early in the next reporting period and will achieve a saving of \$2.58 million in red tape expenses.

### **COAG reforms**

Further savings are expected from three key projects that are part of the Council of Australian Governments (COAG) reforms:

- Uniform product safety laws are scheduled to commence in 2010-2011 and are expected to save \$0.5 million per annum.
- The transfer of trade measurement responsibility to the Commonwealth and the abolition of testing fees are scheduled to commence in July 2010, with savings of \$0.5 million per annum expected.
- Responsibility for business names will be transferred to the Commonwealth with the introduction of a single, national business name to be provided to all existing and future businesses. This is expected to be operational in 2011. Estimated savings have not been calculated as yet.

## Appendix 1 Terminology

**BDM** - Births, Deaths and Marriages Registration Office

**Consumer**...a person who:

- (a) acquires, or proposes to acquire, goods and services; or
- (b) purchases or leases, or proposes to purchase or lease premises, not being a person acting in the course of a business or in the course of setting up a business (except for Part 10 of the Fair Trading Act).

**Tenant** means the person who is granted a right of occupancy under a residential tenancy agreement or a person to whom the right passes by assignment or operation of law and includes a prospective tenant or a former tenant.

**Trader** is a general term used in this report to cover any trade, business or professional person, including, but not limited to, credit providers, insurers, agents and brokers.

**Landlord** means the grantor of a right to occupy premises under a residential tenancy agreement. A landlord need not be a trader: for example, when engaged in a single letting of his or her own premises.

**Licensee** is a general term used in this report to cover people who must be licensed or registered to trade or to be employed legally in a particular occupation.

**Lessee** means the person who has the right to occupy a retail shop under a retail shop lease and includes:

- (a) a sub-lessee and;
- (b) a prospective lessee or former lessee.

**Lessor** means the person who proposes or grants the right to occupy a retail shop under a retail shop lease and includes:

- (a) a sub-lessor and;
- (b) a prospective lessor or a former lessor

**OCBA** - Office of Consumer and Business Affairs

**Park owner** means the owner or operator of a residential park and includes a successor in title to the park (or rented property) whose title is subject to a resident's interest and a prospective park owner and a former park owner.

**Park resident** means a person who is granted a right of occupancy under a residential park tenancy agreement or a residential park site agreement in respect of the residential park, or a person to whom the right passes by assignment or operation of the law, and includes a prospective resident or a former resident.

**Retail shop** means:

- (a) business premises
  - (i) at which goods are sold to the public by retail; or
  - (ii) at which services are provided to the public, or to which the public is invited to negotiate for the supply of services; or
- (b) business premises classified by regulation as premises to which this Act applies.

**Related Act** is a term used in the Fair Trading Act 1987 to refer to any legislation which is administered by the Commissioner for Consumer Affairs or which the Fair Trading Regulations require OCBA to enforce.

## **Appendix 2 Legislation Administered**

The Commissioner for Consumer Affairs administers the following Acts:

*Building Work Contractors Act 1995*  
*Consumer Credit (South Australia) Act 1995*  
*Credit Administration Act 1995*  
*Consumer Transactions Act 1972*  
*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*  
*Prices Act 1948*  
*Recreational Services (Limitation of Liability) Act 2002*  
*Residential Parks Act 2007*  
*Residential Tenancies Act 1995*  
*Retail and Commercial Leases Act 1995*  
*Second-hand Vehicle Dealers Act 1995*  
*Security and Investigation Agents Act 1995*  
*Trade Measurement Act 1993*  
*Trade Measurement (Administration) Act 1993*  
*Trade Standards Act 1979*  
*Travel Agents Act 1986*

The following legislation also provides important consumer rights:

*Manufacturers Warranties Act 1974*  
*Misrepresentation Act 1972*

The Commissioner for Consumer Affairs also holds two other offices:

1. The Commissioner for Prices, in which capacity, the Commissioner administers the:

*Prices Act 1948*

2. The Commissioner for Corporate Affairs, in which capacity the Commissioner administers the following Acts:

*Associations Incorporation Act 1985*

*Business Names Act 1996*

*Co-operatives Act 1997*

OCBA also reports in respect to certain functions related to:

*Evidence Act 1929*

*Partnership Act 1891*

*Trustee Companies Act 1988*

The Registrar, 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*

*Commonwealth Marriage Act 1961 (administration in SA)*

The Registrar also has statutory responsibilities under the:

*Adoption Act 1988*

*Cremation Act 2000*

*Sexual Reassignment Act 1988*

*Witness Protection Act 1996.*



## Appendix 3 Products Withdrawn or Recalled

### Products Withdrawn or Recalled Outcome/Reason

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#### ***Royal Adelaide Show Aug 2008 - Show bag Testing (6 products)***

Puzzle Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Plush Dog	Withdrawn - Small parts posed ingestion/inhalation hazard
Force Gun	Withdrawn - Excessive noise
Space Phazer	Withdrawn - Excessive noise
Sparkling Super Gun	Withdrawn - Has laser pointer that failed banning order & excessive noise
Elite Force Gun	Withdrawn - Contained a laser pointer that failed banning order

#### ***Christmas Product Safety Monitoring Nov 2008 (16 products)***

Expanding Novelty Toys - Magic Beast	Recalled - Failed declaration of dangerous goods
Wedding Decorative Candle	Recalled - Failed mandatory safety standard
Children's Folding Chair	Recalled - Failed mandatory safety standard
First Number Letter and Classroom - Magnetic Letters	Recalled - Small parts posed ingestion/inhalation hazard
Magnetic Learning Set	Withdrawn - Magnets can detach posing an ingestion/inhalation hazard
Bath Toy and Bath Plug - Honey Baby	Withdrawn - Small parts posed ingestion/inhalation hazard
Projectile toy - Poppers	Withdrawn - Posed risk of eye injury
Novelty Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Simple spinning top	Withdrawn - Small parts posed ingestion/inhalation hazard
Toy Truck/Tractor	Withdrawn - Small parts posed ingestion/inhalation hazard
Toy Truck	Withdrawn - Small parts posed ingestion/inhalation hazard
Development Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Laser Gun	Withdrawn - Contained a laser pointer that failed banning order
Learning Alphabet Train	Withdrawn - Small parts posed ingestion/inhalation hazard
Candle and Candle Holder	Withdrawn - Failed mandatory safety standard
Candles	Withdrawn - Failed mandatory safety standard

#### ***Blind Cord Initial Monitoring February 2009 (5 products)***

Various products	Five products were withdrawn - All failed declaration of dangerous goods
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#### ***Discount Store Monitoring March 2009 (20 products)***

Children's Folding Chair	Withdrawn - Failed mandatory safety standard
Children's Folding Beach Chair	Withdrawn - Failed mandatory safety standard
Children's Folding Chair	Withdrawn - Failed mandatory safety standard
Party Toys	Withdrawn - Small parts posed ingestion/inhalation hazard
Baby Toys	Withdrawn - Small parts posed ingestion/inhalation hazard
Magnetic Number Set	Withdrawn - Magnets detach posing an ingestion/inhalation hazard
Charming Pull Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Yoyo Ball	Withdrawn - Failed declaration of dangerous goods
Happy Time - Child's Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Early Learning Toy	Withdrawn - Small parts posed ingestion/inhalation hazard
Party Central 7pc Truck & Beach Accessory Set	Withdrawn - Small parts posed ingestion/inhalation hazard

Music Telephone	Withdrawn - Small parts posed ingestion/inhalation hazard
Smart Builder	Withdrawn - Small parts posed ingestion/inhalation hazard
Learning Alphabet Train	Withdrawn - Small parts posed ingestion/inhalation hazard
Plastic Toys - Trumpet	Withdrawn - Small parts posed ingestion/inhalation hazard
Lovely Princess Wand	Withdrawn - Small parts posed ingestion/inhalation hazard
5pk Sun Glasses	Withdrawn - Failed mandatory safety standard
Baby Doll - Sucking and Crying	Withdrawn - Small parts posed ingestion/inhalation hazard
Letter and Number Magnetic Set	Withdrawn - Magnets detach posing an ingestion/inhalation hazard
Plastic Cutlery Plates	Withdrawn - Small parts posed ingestion/inhalation hazard

***Cot Recall Monitoring April 2009 (1 product)***

Kensington Cot	Recalled - Manufacturing fault causing drowsed failure
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***Blind Cord Follow up Monitoring May 2009 (4 products)***

Various products	Four products were withdrawn - All failed declaration of dangerous goods
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***General Children's Products Monitoring May 2009 (4 products)***

Baby Doll	Recalled - Unable to identify liquid supplied in baby bottle
Music Phone Toy	Recalled - Small parts posed ingestion/inhalation hazard
Smart Builder Tool Set	Recalled - Small parts posed ingestion/inhalation hazard
7 Piece Truck and Beach Set	Recalled - Small parts posed ingestion/inhalation hazard

## Appendix 4

### Analysis of Fair Trading Enquiries Received

	<b>Main Category</b>	<b>Variation</b>	<b>08/09</b>	<b>07/08</b>
1	Referred Matters	11%	21648	19,463
2	General Goods	7%	20471	19,110
3	Building & Construction	0%	10012	9,978
4	General Services	37%	9834	7,197
5	Motor Vehicles	-1%	7747	7,805
6	Other	-12%	7025	8,009
7	Communication	0%	3467	3,468
8	Scams & Schemes	-19%	2889	3,580
9	Trade Measurement/Product Safety & Standards	-9%	2828	3,097
10	Real Estate & Accommodation	59%	2613	1,647
11	Travel, Hospitality & Tourism	35%	1951	1,443
12	Credit & Finance	-17%	1486	1,785
13	Marketing Methods	-7%	720	778
14	Insurance	-14%	553	646
<b>TOTAL for Period</b>		<b>6%</b>	<b>93,244</b>	<b>88,006</b>

## Appendix 5

### Analysis of Complaints Investigated by Product or Service

*Complaints comprise consumer/trader disputes and written consumer complaints or concerns about trading practices and industries*

Category	Variation	08/09		07/08	
		Sub-total	Total	Sub-total	Total
<b>1 General Consumer Products</b>	<b>20%</b>		<b>1305</b>		<b>1,091</b>
Air conditioners		51		47	
Literature, stationery, CDs & DVDs		42		32	
Clothes		92		55	
Electrical goods - other		71		70	
Food products		74		78	
Footwear		23		21	
Furnishings		73		95	
Furniture - lounge suites		60		74	
Furniture - other		107		97	
Haberdashery, clothing materials & accessories		4		4	
Heaters & hot water systems		47		22	
Household appliances		21		27	
Jewellery, clocks and watches		45		37	
Pets & pet products		138		67	
Photographic equipment & supplies		24		17	
Health & cleaning products		64		37	
Sports & camping equipment		13		15	
Televisions, VCRs & DVD players		100		86	
Whitegoods - other		28		15	
Whitegoods - refrigerators		30		20	
Whitegoods - washing machines		22		13	
Other general goods		176		162	
<b>2 Scams and Schemes</b>	<b>-14%</b>		<b>1051</b>		<b>1217</b>
Scams (eg Nigerian Scam)		931		1000	
Get rich quick schemes		120		217	
<b>3 Residential Building Construction</b>	<b>12%</b>		<b>1045</b>		<b>932</b>
Air conditioning, heating installation		40		26	
Building & decorating products		59		55	
Carpentry, joinery		13		12	
Pest control services		13		12	
Concrete work, foundations, brickwork, paving		80		72	
Electrical		32		24	
Fences, garden walls, gates		43		38	
Garages, carports, sheds, water tanks		89		84	
Gardening & outdoor products		7		3	
Home Construction, extensions, renovations		367		351	
Painting, decorating, plastering		24		17	
Plumbing - water, gas, drainage		44		38	
Roofing, insulation, roof treatments		69		64	
Swimming pools, spas, hot tubs		43		40	
Tiling		18		28	
Other		104		68	

<b>4</b>	<b>General Services</b>	<b>28%</b>		<b>635</b>		<b>495</b>
	Dry Cleaning		18		11	
	Education & training		31		17	
	Employment		11		18	
	Health & fitness (gyms)		62		29	
	Furniture removals		21		22	
	Health services		28		28	
	Household services		75		81	
	Introduction agencies		9		7	
	Transport services		25		19	
	Personal services		80		95	
	Professional & technical services		58		54	
	Utilities & fuel supply		52		34	
	Sport, culture & recreation		34		11	
	Other services		131		69	
<b>5</b>	<b>Communication &amp; Information</b>	<b>13%</b>		<b>490</b>		<b>432</b>
	Telephone services & products		190		200	
	Internet		47		48	
	Television & other services		29		16	
	Computers and software		224		168	
<b>6</b>	<b>Motor Vehicles and Transport Products</b>	<b>13%</b>		<b>486</b>		<b>431</b>
	Purchase of new motor vehicles		44		32	
	Purchase of new & used motor cycles		43		31	
	Purchase of used motor vehicles		142		135	
	Consignment sales		5		5	
	Automotive repair & servicing		140		128	
	Spare parts & accessories		57		56	
	Other transport vehicles & equipment		55		44	
<b>7</b>	<b>Travel, Hospitality and Tourism</b>	<b>43%</b>		<b>349</b>		<b>244</b>
	Travel Agents		58		46	
	Tours		19		19	
	Hotels, motels, hostels		57		47	
	Other		215		132	
<b>8</b>	<b>Trade Standards</b>	<b>24%</b>		<b>312</b>		<b>252</b>
	Product safety/standards & hazardous products		178		104	
	Trade measurements		134		148	
<b>9</b>	<b>Real Estate, Accommodation</b>	<b>60%</b>		<b>165</b>		<b>103</b>
	Property sales and listings		88		39	
	Property management		17		14	
	Other - accommodation and real Estate		60		50	
<b>10</b>	<b>Credit, Finance, Investment</b>	<b>14%</b>		<b>99</b>		<b>87</b>
	Credit & finance		79		77	
	Investment		20		10	
<b>11</b>	<b>Marketing Methods</b>	<b>-15%</b>		<b>92</b>		<b>108</b>
	Mail order		1		5	
	Discount & gift voucher schemes		21		16	
	Other		70		87	
<b>12</b>	<b>Insurance</b>	<b>33%</b>	24	<b>24</b>	18	<b>18</b>
<b>TOTAL FOR PERIOD</b>		<b>12%</b>		<b>6,053</b>		<b>5,410</b>

## Appendix 6

### Analysis of Complaints Investigated by Practice

	<b>Practice</b>	<b>Variation</b>	<b>08/09</b>	<b>07/08</b>
1	Quality	16%	1493	1285
2	Scams and Schemes	-17%	1051	1260
3	Contracts	14%	1045	916
4	Warranties	16%	521	448
5	Representations	75%	509	291
6	Price	43%	361	252
7	Advertising	36%	293	215
8	Miscellaneous Conduct	-38%	236	383
9	Sale Methods	140%	180	75
10	Product Safety/Standards & Hazardous Products	71%	178	104
11	Trade Measurements	-9%	134	148
12	Credit	115%	43	20
13	Product Labelling	-31%	9	13
	<b>TOTAL</b>	<b>12%</b>	<b>6,053</b>	<b>5,410</b>

## Appendix 7 Occupational Licensing and Registration

### Licences and registrations issued 2008-2009

- OCBA administers registers containing over 73 400 licences/registrations under seven separate pieces of legislation.
- Staff handle around 1550 general telephone enquiries weekly.
- The average answer time for calls is around 22 seconds.
- Over 7900 applications for new licences/registrations have been processed.

### Builders

Licences are issued under the Building Work Contractors Act 1995. Builders who contract for building work must be licensed. Individuals who supervise building work for a contractor must be registered.

The licence “conditions” specify the type of work a licensee is licensed to perform (eg. carpentry only, or carpentry and tiling).

	08-09	07-08
Held by bodies corporate (usually companies)	3529	3 355
Held by natural persons (individuals or members of partnerships)	18 934	18 816
Held by building work supervisors registrations only	2 780	2 655
<b>Total</b>	<b>25 243</b>	<b>24 826</b>

	08-09	07-08
<i>Licences</i>		
- Any building work	1 513	1 492
- Light commercial/industrial and/or residential	5 785	5 648
- Specified building work	15 165	14 976
<i>Registrations</i>		
- Any building work	1 530	1 544
- Light commercial/industrial and/or residential	4 709	4 592
- Specified building work	15 475	15 335

	08-09	07-08
Applications for new licences/registration processed	1 904	1 745
Applications for change to licence conditions	469	461

## Security and Investigation Agents

Licences are issued under the Security and Investigation Agents Act 1995.

The licence “conditions” specify the type of work a licensee is licensed to perform (eg. crowd control, debt collection).

	08-09	07-08
Held by bodies corporate (usually companies)	319	291
Held by natural persons	8 170	7 721
<b>Total</b>	<b>8 489</b>	<b>8 012</b>

	08-09	07-08
Applications for new licences/registration processed	1 696	1 695
Applications for change to licence conditions	69	83

## Plumbers, Gas Fitters and Electricians

Licences and workers registrations are issued under the Plumbers, Gas Fitters and Electricians Act 1995.

Plumbers, gas fitters or electricians (companies or individuals) who contract for work are required to be licensed. Individuals who physically perform plumbing, gas fitting or electrical work are required to be registered.

	08-09	07-08
<i>Licences</i>		
- Plumbing	1 589	1 485
- Gas Fitting	1 080	984
- Electrical	4 605	4 441
<i>Registrations</i>		
- Plumbing	4 545	4 364
- Gas Fitting	3 479	3 289
- Electrical	17 862	17 154
<b>Total</b>	<b>33 160</b>	<b>31 717</b>

	08-09	07-08
Applications for new licences/registration processed	1 914	1 892
Applications for change to licence conditions	509	700

## Land Agents

Land agents are registered under the Land Agents Act 1994.

	08-09	07-08
Held by bodies corporate (usually companies)	760	758
Held by natural persons	1 743	1 684
<b>Total</b>	<b>2 503</b>	<b>2 442</b>

	08-09	07-08
Applications for new licences/registration processed	278	164



## Real Estate Sales Representatives & Auctioneers

Real Estate Sales Representatives and Auctioneers are registered under the *Land Agents Act 1994*. The requirement for sales representatives and auctioneers to be registered commenced during the year as part of the real estate reforms.

	08-09
Held by natural persons	1 962
<b>Total</b>	

	08-09
Applications for new licences/registration processed	1 996

## Conveyancers

Conveyancers are registered under the Conveyancers Act 1994.

	08-09	07-08
Held by bodies corporate (usually companies)	56	55
Held by natural persons	602	615
<b>Total</b>	<b>658</b>	<b>670</b>

	08-09	07-08
Applications for new licences/registration processed	29	30

## Second-hand Vehicle Dealers

Licences are issued under the Second-hand Vehicle Dealers Act 1995.

	08-09	07-08
Held by bodies corporate (usually companies)		
- second-hand vehicle dealers	364	385
- second-hand motor cycle dealers	33	34
Held by natural persons		
- second-hand vehicle dealers	780	821
- second-hand motor cycle dealers	56	54
<b>Total</b>	<b>1 233</b>	<b>1 294</b>

	08-09	07-08
Applications for new licences/registration processed:		
- second-hand vehicle dealers	74	95
- second-hand motor cycle dealers	9	3
Registration of trading premises	59	77

## Travel Agents

Travel Agents are licensed under the Travel Agents Act 1986.

	<i>08-09</i>	<i>07-08</i>
Held by bodies corporate (usually companies)	145	150
Held by natural persons	77	85
<b>Total</b>	<b>222</b>	<b>235</b>

	<i>08-09</i>	<i>07-08</i>
Applications for new licences/registration processed	8	14

## Photographic Images Captured for Occupational Licences

8310 digital photographic images have been captured during the year. Of these, 4957 have been captured at the head office in Adelaide with the remainder captured at Customer Service Centres (Transport SA) or Service SA offices across metropolitan and regional South Australia.

## Appendix 8

### Business Name, Association and Co-operative Registrations

OCBA maintains registers of business names, incorporated associations, co-operatives and trustee companies. The registers are available for inspection by the public upon payment of the prescribed fee (nil for trustee companies) at OCBA.

Staff handle around 850 general telephone enquiries weekly, with an average answer time of 20 seconds.

#### Business Names Act 1996

	<b>08-09</b>	<b>07-08</b>	<b>06-07</b>
Business names on the register (at 30 June)	92 702	93 708	93 728
New registrations	12 381	12 830	13 602
Renewals	18 722	18 451	18 387
Changes	6 511	6 619	7 338
Cessations	837	930	907
Transactions	76 922	82 019	93 869

#### Associations Incorporations Act 1985

	<b>08-09</b>	<b>07-08</b>	<b>06-07</b>
Incorporated associations on the register (at 30 June)	18 802	18 615	18 368
Incorporated during the year	327	407	362
De-registered and wound-up	126	138	83
Periodic returns lodged	882	1 153	1 265
Searches of the public register	980	826	586

#### Co-operatives Act 1987

	<b>08-09</b>	<b>07-08</b>	<b>06-07</b>
Co-operatives on the register (at 30 June)	56	56	56
Incorporations	0	0	0
Foreign registrations	0	0	0
De-registrations	0	0	0

## Appendix 9 Births, Deaths and Marriages

<b>REGISTRATIONS</b>	2008/09 YTD	2007/08	% Mvmt
Births	19844	20325	-2.4
Still-births	86	90	-4.4
<i>Total Births</i>	<i>19930</i>	<i>20415</i>	<i>-2.4</i>
Deaths	12729	12368	2.9
Marriages	8144	7844	3.8
Change of Name Registration	3041	2758	10.3
CON - Court Order/Interstate	179	167	7.2
CON - Rejected	7	4	75.0
<i>Total CON</i>	<i>3227</i>	<i>2929</i>	<i>10.2</i>
Adoptions - Open	1	0	0.0
- Closed	20	33	-39.4
Reassignment of sex	5	6	
Legitimations	115	111	3.6
Cremation Permits	7507	7281	3.1
<b>DOCUMENTS ISSUED (Mail, Counter, SSA)</b>			
Std Certificates - Births	45916	45457	1.0
Std Certs (from commems) - Births	11167	11971	-6.7
Certificates - Deaths	12081	12026	0.5
Certificates - Marriages	16231	15209	6.7
Std Certs (from commems) - Marriages	62	69	-10.1
Certificates - Change Of Name	2481	2173	14.2
<i>Sub-total Certificates</i>	<i>87938</i>	<i>86905</i>	<i>1.2</i>
<b>DOCUMENTS APPLIED FOR ONLINE</b>			
Online Certificates - Births	15861	15098	5.1
Online Certificates - Deaths	5041	4664	8.1
Online Certificates - Marriages	7171	6570	9.1
Online Certificates - CON	2	1	100.0
<i>Sub-total Online Certificates</i>	<i>28075</i>	<i>26333</i>	<i>6.6</i>
<i>Total commem certificates</i>	<i>11638</i>	<i>12042</i>	<i>-3.4</i>
<b>Grand Total Certificates</b>	<b>127242</b>	<b>125278</b>	<b>1.6</b>
<b>MARRIAGES AT THE REGISTRY</b>			
	<b>2008/09 YTD</b>	<b>2007/08</b>	<b>% Mvmt</b>
Notices given	1165	1046	11.4
Marriages solemnised	914	815	12.1
Registry marriages as % of all SA marriages	11.2	10.4	

## Appendix 10 Residential and Retail Tenancies

<b>Bonds</b>	June 09	<b>June 08</b>	June 07
Total tenant provided bonds held	92 000	<b>88 019</b>	82 139
Total SAHT provided bonds held	461	<b>522</b>	625
Total SAHT bond guarantees held	23 544	<b>22 961</b>	22 730
Total residential bonds held	116 005	<b>111 502</b>	105 494
Tenant provided bonds (\$)	100 666 323	<b>86 036 953</b>	70 891 458
SAHT provided bonds (\$)	197 374	<b>222 865</b>	263 541
SAHT bond guarantees (\$)	16 572 230	<b>14 605 560</b>	13 488 589
Total residential bonds held (\$)	117 435 929	<b>100 865 378</b>	84 643 588
Residential bonds lodged	48 951	<b>52 406</b>	50 608
Residential bonds refunded	47 817	<b>46 550</b>	47 259
Total retail bonds held	2 757		
Total retail bonds held (\$)	3 799 323		
Retail bonds lodged	514	<b>512</b>	447
Retail bonds refunded	289	<b>307</b>	272
Total residential park bonds held	396	<b>386</b>	
Total residential park bonds held (\$)	113 064	<b>98 312</b>	
Residential park bonds lodged	265	<b>475</b>	
Residential park bonds refunded	255	<b>89</b>	
Incoming residential bond calls	50 705	<b>48 857</b>	43 375
Average speed of answer (secs)	35	<b>39</b>	27
Average duration of calls (secs)	148	<b>167</b>	143

<b>Advice</b>	June 09	<b>June 08</b>	June 07
Requests for assistance	408	<b>479</b>	483
Tribunal files investigated	3 450	<b>3265</b>	2961
Customer contacts	100 154	<b>95 978</b>	87 257
Average speed of answer (secs)	129	<b>75</b>	37
Average duration of calls (secs)	242	<b>210</b>	222

<b>Tribunal Support Section</b>	June 09	<b>June 08</b>	June 07
Applications lodged	15 156	<b>15 737</b>	15 735
Hearings listed - metro	9 970	<b>10 595</b>	9 963
Hearings listed - country	727	<b>730</b>	675
Hearings listed – country by video conference	744	<b>723</b>	807
Hearings conducted	9 701	<b>10 025</b>	10 066

### Residential Tenancies Tribunal Listings by Category

	June 09		June 08		June 07	
	No.	%	No.	%	No.	%
Bond and compensation	3 259	30.5	<b>2 922</b>	<b>25.7</b>	2864	25
Vacant possession	6 099	57.0	<b>6 963</b>	<b>61.4</b>	7349	64.1
Immediate termination	46	.4	<b>30</b>	<b>.2</b>	53	.5
Miscellaneous	462	4.3	<b>560</b>	<b>4.9</b>	363	3.2
Retirement Villages	8	.1	<b>4</b>	<b>.1</b>	4	.1
Vary or set aside	542	5	<b>508</b>	<b>4.7</b>	575	5.0
Exemptions	6	.1	<b>5</b>	<b>.1</b>	6	.1
Termination due to tenant conduct	194	1.8	<b>333</b>	<b>2.9</b>	231	2.00
Total	10 697	100	<b>11 325</b>	<b>100</b>	11445	100

## Appendix 11

### Companies and Co-operatives Liquidation Accounts

OCBA maintains accounts where unclaimed monies received 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.

	\$
<b>Companies Liquidation Account</b>	
Balance at 1 July 08	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)	0
Payments to Consolidated Account in accordance with section 427(6)	
Balance at 30 June 09	94,244.40

	\$
<b>Co-operatives Liquidation Account</b>	
Balance at 1 July 08	64,992.85
Add: Amounts received during the year pursuant to section 331 of the Co-operatives Act 1997	0
Less: Amount paid to claimants in accordance with section 331	0
Payments to Consolidated Account in accordance with section 331	
Balance at 30 June 09	64,992.85

## **Appendix 12**

### **Miscellaneous Corporate Affairs Commission Responsibilities**

#### **Evidence Act 1929**

No applications for banker's orders were made during the year.

#### **Partnerships Act 1891 - Part 3 - Limited Partnership**

Part 3 of the Partnership Act 1891 provides for the registration of a limited partnership. There was one new registration and no de-registrations during the year bringing the total number of limited partnerships registered to 22. 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.

#### **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. The report and certificate relating to the financial year ending 31 December 2008 have been lodged with the Corporate Affairs Commission.

#### **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 2009 have been lodged with the Corporate Affairs Commission.

#### **Trustee Companies Act 1988**

Companies granted trustee company status may be appointed as executor or trustee of an estate in South Australia. Ten trustee companies are included in Schedule 1 to the Trustee Companies Act 1988 and each is required to lodge six monthly financial statements with OCBA for public inspection. All required financial statements have been lodged with the Corporate Affairs Commission.

## Appendix 13 Assurances and Court Actions

### Assurances

No.	Trader	Date	Act	Section	Undertaking
795	Shane Noonan	21-Jul-2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a) 13(a)	Will refrain from contracting for electrical work and performing electrical work whilst not appropriately licensed or registered.
796	Fresh Kitchen Solutions Pty Ltd	21-Jul-2008	Building Work Contractors Act 1995	6(1)(a) 28 30(1)(b)	Will refrain from: <ul style="list-style-type: none"> <li>• carrying on business as a building work contractor without a building work contractor's licence.</li> <li>• failing to enter into a formal written contract.</li> <li>• demanding a payment greater than that authorised by regulation.</li> </ul>
797	Dennis Frederick Schuppan	25-Aug-2008	Building Work Contractors Act 1995	6(1)(a) 28 30(1)(b)	Will refrain from: <ul style="list-style-type: none"> <li>• carrying on business as a building work contractor without a building work contractor's licence.</li> <li>• failing to enter into a formal written contract.</li> <li>• demanding a payment greater than that authorised by regulation.</li> </ul>
798	Budarick Constructions Pty Ltd	15-Aug-2008	Building Work Contractors Act 1995	6(1)(a)	Will refrain from carrying on business as a building work contractor without a building work contractor's licence.
799	Anesty Nalpantidis	29-Aug-2008	Building Work Contractors Act 1995	6(1)(a) 28 30(1)(b)	Will refrain from: <ul style="list-style-type: none"> <li>• carrying on business as a building work contractor without a building work contractor's licence.</li> <li>• failing to enter into a formal written</li> </ul>



					<p>contract.</p> <ul style="list-style-type: none"> <li>demanding a payment greater than that authorised by regulation.</li> </ul>
800	Priscilla Kemelfield	10-Sep-2008	Second-hand Vehicle Dealers Act 1995	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer without a second-hand vehicle dealer's licence.
801	Nsimba Paiva	10-Sep-2008	Second-hand Vehicle Dealers Act 1995	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer without a second-hand vehicle dealer's licence.
802	Shane Glazbrook	16-Sep-2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a), 13(a)	Will refrain from contracting for gas fitting work and performing gas fitting work whilst not appropriately licensed or registered.
803	Jutt Brothers Pty Ltd	14-Oct-2008	Building Work Contractors Act, 1995	6(1)(a), 28(1)(f), 30(1)(b) & 50(1)(b)	<p>Will refrain from:</p> <ul style="list-style-type: none"> <li>carrying on business as a building work contractor without a building work contractor's licence.</li> <li>failing to supply a written contract and a Form 1.</li> <li>demanding a payment greater than that authorised by regulation.</li> <li>advertising for building work without a quoting a builder's licence number.</li> </ul>
804	Sebahi Homes Pty Ltd	14-Oct-2008	Building Work Contractors Act, 1995	30(1)(b)	Will refrain from taking a deposit greater than that authorised by regulation.
805	Barry Taylor	13-Nov-2008	Plumbers Gasfitters & Electricians Act 1995	12	Will refrain from engaging unregistered workers to perform gas fitting work
806	Kerry Garner	15-Dec-2008	Second-hand Vehicle Dealers Act 1995	17	Will refrain from selling second-hand vehicles without a formal contract.
807	Adrian Laurence McMurtrie	12-Jan-2009	Plumbers Gasfitters & Electricians Act 1995	13	Will refrain from performing plumbing work without a worker's registration.

808	Gas & Water Maintenance Service Pty Ltd	13-Feb-2009	Plumbers Gasfitters & Electricians Act 1995	12	Will refrain from engaging unregistered workers to perform gas fitting work.
809	Stacey Lee Pascoe	28-Nov-2008	Land Agents Act 1994	6	Will refrain from carrying on business as a land agent whilst unregistered
810	Steplen Constructions Pty Ltd	19-May-2009	Building Work Contractors Act 1995	29(1)(a) and 349a)	Will refrain from failing to enter into a formal written contract and failing to take out a policy of building indemnity insurance.
811	John Quinn	24-Apr-2009	Land Agents Act 1994	s6(1)	Will refrain from carrying on business as a land agent whilst unregistered

### ***Court Actions***

<b>Name</b>	<b>Act</b>	<b>Sections</b>	<b>Allegation</b>	<b>Outcome</b>
Spiro Simeonakis	Land Agents Act	43(1)(c) 43(1)(e)(ii) & 43(1)(e)(i)	Acted contrary to the Land Agents Act 1994 and otherwise unlawfully in the course of conducting the business of an agent. Events have occurred such that the defendant is not a fit and proper person to be registered as an agent. The defendant is an undischarged bankrupt and would not be entitled to be registered as an agent.	23 July 2008 Permanently disqualified from being registered as an agent. Permanently prohibited from being employed or otherwise engaged in the business of an agent and permanently prohibited from being a director of a body corporate that is an agent.
Stewart Craig Wilkinson	Security and Investigation Agents Act	37(a)	He failed to disclose to the Commissioner that he had convictions recorded against him.	4 September 2008 Convicted and fined \$1,000 and ordered to pay prosecution costs of \$900.
Johnny Hurst	Security and Investigation Agents Act	25(1)(e)(ii)	Does not now meet the eligibility criteria to be granted a licence, because he was convicted of a prescribed offence.	26 September 2008 Security and investigation agent's licence was cancelled.
Benjamin Buttigieg	Second-hand Vehicle Dealers Act and Fair Trading Act	34(1) 58(a)	Odometer interference. Whilst carrying on business as a dealer misrepresented the history of vehicles.	23 September 2008 Convicted and fined \$12,000 and ordered to pay prosecution costs of \$7,570.

Peter Raymond Hewitt	Plumbers, Gas Fitters and Electricians Act	13(a)	Performed gas fitting work while unregistered.	29 September 2008 Convicted and fined \$1,200
Scott Matthew Harper	Building Work Contractors Act  Plumbers, Gas Fitters and Electricians Act	6(1)(a), 30(1), 34(a), 28(1)(a)  13(a)	Carried on business as a builder whilst unlicensed. The contract for the performance of building work was not in writing. Demanded payment of a deposit in excess of the prescribed amount and failed to take out a policy of indemnity insurance. Performed electrical and plumbing work whilst unregistered.	13 October 2008 Convicted and fined \$7,500 and ordered to pay prosecution costs of \$800.
William James Gibbs	Building Work Contractors Act	21(1)(c)	Carried on business as a building work contractor, while unlicensed. Acted improperly whilst engaged in the business of a builder in that he failed to complete work he was engaged and paid to carryout.	15 October 2008 Permanently disqualified from being licensed as a building work contractor or registered as a building work supervisor.
Darwin Emilio Martinez-Diaz	Security and Investigation Agents Act	25(1)(e)(ii)	Does not now meet the eligibility criteria to be granted a licence, because he was convicted of a prescribed offence.	14 October 2008 Licence was cancelled
Simon Blake Brownrigg	Plumbers, Gas Fitters and Electricians Act	21(1)(e)	He does not now meet the eligibility criteria to be granted a licence, because he is an undischarged bankrupt.	16 October 2008 Plumbing contractor's licence was cancelled until further order. Prohibited from being a director of a body corporate that is a plumbing contractor until further order. The orders commence 15 January 2009 subject to Brownrigg being prohibited from engaging in any new contracts.
Alexander Thomas Miller	Building Work Contractors Act 1995	6(1)(b)	Held himself out as being entitled to carry on business as a builder while unlicensed to do so.	19 November 2008 Convicted and fined \$1,500
Gregory John Allison	Fair Trading Act	67(b) 64	Received a payment from students on the basis that he was a registered training organisation at a time when his registration was cancelled. Failed to provide the training he was contracted to carry out. Misrepresented that he could provide nationally accredited training.	21 November 2008 Fined \$10,000 and ordered to pay prosecution costs of \$4480. No conviction was recorded.

Greatrealty Pty Ltd	Land Agents Act	13(1), 13(3)	Failed to deposit trust money as soon as practicable. Trust money was withdrawn from the trust account other than as prescribed.	5 December 2008 Convicted and fined \$20,000.
Phillip Greatbatch	Land Agents Act	13(1), 13(3)	As director of Greatrealty Pty Ltd he is vicariously liable for the offences committed by the company. The company failed to deposit trust money as soon as practicable into the trust account. Trust money was withdrawn from the trust account other than as prescribed.	5 December 2008 Convicted and fined \$20,000.
Peter Thomas Dempsey	Land and Business (Sale & Conveyancing) Act	23(2)	Had an interest in the purchase of land his employer was commissioned to sell.	15 December 2008 Convicted and fined \$900.
Raymond Leslie Reubenicht	Second-hand Vehicle Dealers Act	7(1)	Carried on business as a dealer whilst unlicensed. Made false and misleading representations concerning the history of vehicles in relation to odometer readings. Is not a fit and proper person to hold a licence as a dealer.	14 January 2009 Permanently disqualified from holding a second-hand vehicle dealer's licence, from being employed or otherwise engaged in the business of a dealer, and from having an interest in a company dealing in second-hand vehicles.
Paul Anthony Capponi	Plumbers, Gas Fitters and Electricians Act	20(1)(c)	Acted unlawfully and improperly in the course of conducting the business of a contractor and an electrical worker. Held himself out as being entitled to carry on business as an electrical contractor while not authorised by a licence. Carried on business as an electrical contractor without a licence; and acted as an electrical worker without registration.	17 February 2009 Permanently disqualified from holding an electrical contractor's licence and workers registration.
Phong Quoc Nguyen	Security and Investigation Agents Act	25(1)(e)(ii)	Does not now meet the eligibility criteria to be granted a licence, because he was convicted of a prescribed offence.	2 February 2009 Licence as a security and investigation agent was cancelled.
Aleksander Zmuda	Security and Investigation Agents Act	37(b)	Made a false statement by failing to disclose a criminal conviction on his annual return.	5 March 2009 Convicted and fined \$400.

Nicholas James Hackett	Plumbers, Gas Fitters and Electricians Act	6(1)(a) 13(a)	Carried on business as an electrical contractor whilst unlicensed and performed electrical work whilst unregistered.	10 March 2009 Convicted and ordered to perform 320 hours community service.
Craig West	Building Work Contractors Act  Business Names Act	6(1)(a) 6(1)(b)  7(1)	Carried on business and held himself out as being entitled to carry on business while unlicensed as a building work contractor.  Carried on business under an un-registered business name.	23 March 2009 Convicted and fined \$5,750
Matthew Manson	Building Work Contractors Act  Plumbers, Gas Fitters and Electricians Act	6(1)(a), 30(1)(b), 34(a), 28(1)(a)  13(a)	Carried on business outside the scope of his building work contractor's licence. Failed to provide his client with a form 1. Demanded payment of a deposit in excess of the prescribed amount. Failed to take out indemnity insurance. He performed plumbing work whilst unregistered as a plumbing worker.	26 March 2009 Convicted and fined \$2,000
Troy Maurice Smith	Security and Investigation Agents Act	37(b)	Made a false statement by failing to disclose his directorship of a company wound up for the benefit of directors when applying for a licence upgrade.	31 March 2009 Convicted and fined \$850.
Cameron Scott Clarke	Building Work Contractors Act	6(1)(a), 30(1)(b), 28(1)(a)	Carried on business as a builder whilst unlicensed. The contract for the performance of building work was not in writing. Demanded payment of a deposit in excess of the prescribed amount.	14 April 2009 Convicted and fined \$6,000
Francis Xavier Fallon	Second-hand Vehicle Dealers Act Fair Trading Act	7(1), Reg 20(3)  58(a)	Carried on business as a second-hand vehicle dealer without a licence. Falsely represented the history of vehicles. He advertised vehicles for sale with incorrect registration numbers.	5 May 2009 Convicted and ordered to carry out 280 hours of community service.
Naser Jaloudi	Fair Trading Act	58(f)	Represented himself as being authorised as an examiner to conduct competency based driver training when he was not.	4 June 2009 Convicted and fined \$2,500. Ordered to pay costs of \$9,540.

Julie-anne Truscott	Fair Trading Act	58(e), 64	Published advertisements that were liable to mislead the public into believing the college had accreditation as a registered training organisation. Misrepresented to students that they would receive nationally recognised qualifications.	16 June 2009 Convicted and given a 3 year good behaviour bond in the sum of \$5,000. Ordered to pay costs of \$1,500.
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## **Appendix 14**

### **Residential Tenancies Fund**

#### **Audit Report**

### **Second-hand Vehicles Compensation Fund**

#### **Audit Report**

### **Agents Indemnity Fund**

#### **Audit Report**

### **Retail Shop Leases Fund**

#### **Audit Report**

## RESIDENTIAL TENANCIES FUND STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Income</b>			
Interest revenue		6,622	8,063
Other income	3	254	212
<b>Total income</b>		<b>6,876</b>	<b>8,275</b>
<b>Expenses</b>			
Staffing costs	4	3,762	3,521
Accommodation		440	375
Depreciation	5	225	96
Other expenses	6	5,164	2,896
<b>Total expenses</b>		<b>9,591</b>	<b>6,888</b>
<b>Net result</b>		<b>( 2,715 )</b>	<b>1,387</b>
<b>Other Comprehensive Income</b>			
Net loss on financial assets taken to equity		-	( 3,776 )
Changes in property, plant and equipment revaluation reserve		123	-
<b>Total comprehensive result</b>		<b>( 2,592 )</b>	<b>( 2,389 )</b>

**The net result is attributable to the SA Government as owner**

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



## RESIDENTIAL TENANCIES FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	12,375	12,382
Investments		34,343	29,885
Receivables	8	1,390	232
<b>Total current assets</b>		<b>48,108</b>	<b>42,499</b>
<b>Non-current assets</b>			
Plant and equipment	9	247	327
Investments		60,502	55,797
<b>Total non-current assets</b>		<b>60,749</b>	<b>56,124</b>
<b>Total assets</b>		<b>108,857</b>	<b>98,623</b>
<b>Current liabilities</b>			
Security bonds lodged	10	44,504	40,478
Payables	11	1,559	3,715
<b>Total current liabilities</b>		<b>46,063</b>	<b>44,193</b>
<b>Non-current liabilities</b>			
Security bonds lodged	10	59,087	48,131
<b>Total non-current liabilities</b>		<b>59,087</b>	<b>48,131</b>
<b>Total liabilities</b>		<b>105,150</b>	<b>92,324</b>
<b>Net assets</b>		<b>3,707</b>	<b>6,299</b>
<b>Equity</b>			
Asset revaluation reserve		916	793
Retained earnings		2,791	5,506
<b>Total equity</b>		<b>3,707</b>	<b>6,299</b>

**The total equity is attributable to the SA Government as owner**

Contingent assets and liabilities 13

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 2009

	Asset revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2007	4,569	4,119	8,688
<b>Net result for 2007-08</b>	-	1,387	1,387
Net loss on financial assets taken to equity 2007-08	( 3,776 )		
<b>Total comprehensive result 2007-08</b>	( 3,776 )	1,387	( 2,389 )
Balance at 30 June 2008	793	5,506	6,299
<b>Net result for 2008-09</b>	-	( 2,715 )	( 2,715 )
Changes in property, plant and equipment revaluation reserve	123	-	123
<b>Total comprehensive result 2008-09</b>	123	( 2,715 )	( 2,592 )
Balance at 30 June 2009	916	2,791	3,707

**All changes in equity are attributable to the SA Government as owner**

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 2009

	Note No.	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		5,464	8,246
Bond lodgements		59,435	55,198
Bond guarantee receipts		2,802	2,680
Other receipts		254	212
<b>Cash generated from operations</b>		<b>67,955</b>	<b>66,336</b>
<b>Cash outflows</b>			
Administration		( 7,164 )	( 3,607 )
Bond refunds		( 44,522 )	( 40,478 )
Bond guarantee payments		( 2,802 )	( 2,680 )
Other payments		( 16 )	( 80 )
<b>Cash used in operations</b>		<b>( 54,504 )</b>	<b>( 46,845 )</b>
<b>Net cash provided by operating activities</b>	12	<b>13,451</b>	<b>19,491</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 13,458 )	( 21,737 )
Payments for property, plant and equipment		-	( 10 )
<b>Cash used in investing activities</b>		<b>( 13,458 )</b>	<b>( 21,747 )</b>
<b>Net cash used in investing activities</b>		<b>( 13,458 )</b>	<b>( 21,747 )</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>( 7 )</b>	<b>( 2,256 )</b>
Cash and cash equivalents at the beginning of the financial year		12,382	14,638
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>12,375</b>	<b>12,382</b>

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

## Notes to and forming part of the financial statements

### Note 1. Summary of Significant Accounting Policies

#### a) Objectives of the Residential Tenancies Fund

The Residential Tenancies Fund (Fund) is established under the *Residential Tenancies Act 1995* (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 and enforcing the Act, education of landlords and tenants about their statutory and contractual rights and obligations, and operations of the Residential Tenancies Tribunal.

#### b) 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*.

Except for the amendments to AASB 101 *Presentation of Financial Statements* (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), 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 reporting period ending 30 June 2009.

#### c) 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 department'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 counterparty/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;
  - 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 historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

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 2009 and the comparative information presented

#### **d) Reporting Entity**

The Residential Tenancies Fund is established under the *Residential Tenancies Act 1995*. 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.

#### **e) Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* or where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

Where presentation or classification of items in the financial report has been amended, comparative amounts have been reclassified unless reclassification is 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 report for the preceding period.

#### **f) Rounding**

Amounts have been rounded to the nearest \$1,000.

#### **g) Taxation**

The Fund is not subject to income tax. The Fund is liable for payroll tax, fringe benefits tax and the goods and services tax.

Income, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred by the Fund as a purchaser is not recoverable from the Australian Taxation Office
- Receivables and payables are stated with the amount of GST included.

#### **h) Income**

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

Income has been classified according to its nature and has not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

### *Disposal of non-current assets*

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

### **i) Expenses**

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

Expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Staffing Costs*

Staffing costs 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. Staffing costs are recognised when incurred.

### *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.

### *Accommodation*

Accommodation expenses include 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/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.

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvement or the unexpired period of the lease.

Depreciation/amortisation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current and future reporting periods as appropriate.

Depreciation and amortisation for non-current assets is determined as follows:

	YEARS
Leasehold improvements	remaining life of lease
Plant and equipment	1-8
Information technology	3-5

#### **j) Current and Non-Current Classification**

Assets and liabilities are characterised as either current or non-current in nature. The Fund has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are expected to be consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

#### **k) 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.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the fund has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and are used in the cash management function on a day-to-day basis.

Cash is measured at nominal value.

##### *Receivables*

Receivables include amounts receivable from trade, prepayments and other accruals.

Trade receivables arise in the normal course of providing services to other agencies and to the public. Trade receivables are due within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other debtors arise outside the normal course of providing goods and services to other agencies and to the public.

The Fund determines the provision for doubtful debts based on a review of balances within trade receivables that are unlikely to be collected. These are generally receivables that are 90 days or more overdue. Bad debts are written off when identified.

##### *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 Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

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

Capital Stable	43%
Balanced	21%
Cash Common Fund	36%

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 asset revaluation 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.

#### *Non-Current Asset Acquisition and Recognition*

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired for no cost or minimal cost they are recorded at their fair value in the Statement of Financial Position. If however, the assets are acquired at no or nominal cost as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

The Fund capitalises all non-current physical assets with a value of \$5,000 or greater. Items with an acquisition cost less than \$5,000 are expensed in the year of acquisition.

#### *Revaluation of Non-Current Assets*

In accordance with Accounting Policy Framework III *Asset Accounting Framework*, all non-current tangible assets are valued at written down current cost (a proxy for fair value).

Every three years, the Fund revalues its land, buildings, leasehold improvements, furniture, specialised plant and equipment and mobile transport assets. 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.

Land, buildings, leasehold improvements, furniture, specialised plant and equipment and mobile transport assets were revalued in accordance with the 'fair value' method of valuation as at 1 July 2008. Information technology assets are valued at cost.

Revaluation increments are recognised in the asset revaluation reserve and revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

#### *Impairment*

All non-current tangible and intangible 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 reserve.

### **I) 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.



Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the fund has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *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.

### *Leases*

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset. The majority of operating lease payments reflects accommodation expenses.

### *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 staffing costs reflected in Note 4 includes remuneration paid to members of the Residential Tenancies Tribunal.

### *Bond Guarantee Scheme*

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by the SA Housing Trust. In the event of a claim by a landlord, a payment is made by the Residential Tenancies Fund. The SA Housing Trust then reimburses the Residential Tenancies Fund. The value of bond guarantees lodged at 30 June 2009 is \$16.1million (2008 \$14.2 million).

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

## **2. New and revised accounting standards and policies**

Details of the accounting policies that the fund has changed during 2008-09 are detailed below. In addition, details of the impact, where significant on the fund's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

### **2.1 Other**

The fund has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

Issued or amended but not yet effective

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the fund has early adopted, the 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 2009. 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.

**3. Other income**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Management fee recovery	254	210
Trainee salary recovery	-	2
<b>Total other income</b>	<b>254</b>	<b>212</b>

**4. Staffing costs**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2,956	2,796
Payroll tax and superannuation expenses	492	452
Annual Leave	211	187
Long service leave expenses	103	86
<b>Total staffing costs</b>	<b>3,762</b>	<b>3,521</b>

**5. Depreciation**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Leasehold improvements	141	40
Information technology	37	48
Plant and equipment	47	8
<b>Total depreciation</b>	<b>225</b>	<b>96</b>

**6. Other expenses**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Decrement on revaluation of investments	4,295	1,776
Administration	611	771
Information and communications technology	57	217
Legal fees	60	53
Travel	40	26
Other	101	53
<b>Total other expenses</b>	<b>5,164</b>	<b>2,896</b>

**7. Cash and cash equivalents**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Section 21 Deposit Account with the Treasurer	12,375	12,382
<b>Total cash and cash equivalents</b>	<b>12,375</b>	<b>12,382</b>

## 8. Receivables

	2009 \$'000	2008 \$'000
Accrued interest	1 388	230
Other receivables	2	2
<b>Total receivables</b>	<b>1 390</b>	<b>232</b>

## 9A. Plant and equipment

### At 30 June 2009

	Cost/Valuation 2009 \$'000	Accumulated Depreciation 2009 \$'000	Written Down Value 2009 \$'000
Leasehold improvements (1)	320	141	179
Information technology	310	307	3
Plant and equipment (1)	129	64	65
	<b>759</b>	<b>512</b>	<b>247</b>

### At 30 June 2008

	Cost/Valuation 2008 \$'000	Accumulated Depreciation 2008 \$'000	Written Down Value 2008 \$'000
Leasehold improvements (1)	550	286	264
Information technology	310	270	40
Plant and equipment (1)	68	45	23
	<b>928</b>	<b>601</b>	<b>327</b>

(1) Valuations of leasehold improvements and furniture were performed by Martin Burns, M.B.A., B.App.Sc Property Resource Management, AAPI, Certified Practising Valuer of Liquid Pacific as at 1 July 2008.

## 9B. Plant and equipment movement schedule

	Leasehold Improvements \$'000	Information Technology \$'000	Plant and Equipment \$'000	Total Plant and Equipment \$'000
Carrying amount 1 July 2008	264	40	23	327
Additions	-	-	22	22
Disposals	-	-	-	-
Revaluation	56	-	68	124
Depreciation	(141)	(37)	(48)	(226)
<b>Carrying amount 30 June 2009</b>	<b>179</b>	<b>3</b>	<b>65</b>	<b>247</b>

## 10. Security bonds lodged

	2009 \$'000	2008 \$'000
<b>Current</b>		
Bonds lodged	44,489	40,459
Sale of goods	12	12
Rent held pursuant to Tribunal direction	3	7
<b>Total current security bonds lodged</b>	<b>44,504</b>	<b>40,478</b>

	2009 \$'000	2008 \$'000
<b>Non Current</b>		
Bonds lodged	59,087	48,131
<b>Total non-current security bonds lodged</b>	<u>59,087</u>	<u>48,131</u>

#### 11. Payables

	2009 \$'000	2008 \$'000
Creditors	1,541	3,698
Accruals	18	17
<b>Total payables</b>	<u>1,559</u>	<u>3,715</u>

#### 12. Cash flow reconciliation

	2009 \$'000	2008 \$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	12,375	12,382
Statement of Financial Position	12,375	12,382
<b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	(2,715)	1,387
Add non cash items:		
Decrement on revaluation of investments	4,295	1,776
Depreciation	225	96
Non-current assets accrual in payables	(22)	-
Non cash movement in security bonds	70	-
Change in assets and liabilities		
(Increase)/Decrease in receivables	(1,158)	182
(Decrease)/Increase in payables	(2,156)	1,330
Increase in security bonds	14,912	14,720
Net cash provided by operating activities	13,451	<u>19,491</u>

#### 13. Contingent liabilities and contingent assets

Under the *Residential Tenancies Act 1995*, interest 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. 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 interest liability as at 30 June 2009 is \$193,000 (2008 \$183,000).

#### 14. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$16,000 (2008 \$15,000). No other services were provided by the Auditor-General.

#### 15. Remuneration of Board and Committee members

Members that were entitled to receive remuneration for membership during the 2008-09 financial year were

## Residential Tenancies Tribunal

Ms Marie Alvino  
Ms Harrison Anderson  
Mr Stuart Andrew  
Mr Peter Carey  
Mr Peter Duffy  
Ms Julia Dunstone  
Mr Stavros Georgiadis  
Ms Barbara Johns  
Ms Jane McCaffrie  
Ms Patricia Mickan  
Ms Jane Moularadellis  
Mrs Patricia Patrick  
Mr Thomas Rymill  
Mr Douglas Stott  
Mr Gerard Twohig  
Mr Roger Vincent  
Ms Pamela Wilkinson

The number of members whose remuneration received or receivable falls within the following bands:	2009 \$'000	2008 \$'000
\$0 - \$9 999	1	4
\$10 000 - \$19 999	1	2
\$20 000 - \$29 999	1	1
\$30 000 - \$39 999	1	3
\$40 000 - \$49 999	-	2
\$50 000 - \$59 999	2	2
\$60 000 - \$69 999	2	2
\$70 000 - \$79 999	2	-
\$80 000 - \$89 999	2	-
\$90 000 - \$99 999	1	2
\$100 000 - \$109 999	-	1
\$110 000 - \$119 999	1	-
\$120 000 - \$129 999	-	1
\$130 000 - \$139 999	1	-
\$240 000 - \$249 999	-	1
\$260 000 - \$269 999	1	-
<b>Total number of members</b>	<b>16</b>	<b>21</b>

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 members was \$1.27million (2008 - \$1.17million).

Amounts paid to a superannuation plan for board/committee members was \$164,000 (2008 - \$99,000).

## 16. Financial Instruments

### a. Categorisation of financial instruments

#### 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

Financial liabilities principally represent security bonds held on behalf of third parties. The carrying amount of all financial liabilities is considered to be a reasonable estimate of net fair value.

#### b. Credit Risk

At reporting date funds totalling \$94.8 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. There are no Financial Assets administered by the Fund past due.

#### c. 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 investments held with the Public Trustee are available at call.

#### d. 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.

#### 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% Net Result (\$'000)	+1% Net Result (\$'000)	-1% Equity (\$'000)	+1% Equity (\$'000)
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	12,375	(123.8)	123.8	-	-
Investments	94,845	-	-	(948.5)	948.5
<b>Total increase/(decrease)</b>		<b>(123.8)</b>	<b>123.8</b>	<b>(948.5)</b>	<b>948.5</b>
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	12,382	(123.8)	123.8	-	-
Investments	85,682	-	-	(856.8)	856.8
<b>Total increase/(decrease)</b>		<b>(123.8)</b>	<b>123.8</b>	<b>(856.8)</b>	<b>856.8</b>

## 17. Transactions with SA Government

As required by APS 4.1 of Accounting Policy Framework II General Purpose Financial Reporting Framework, the following table discloses income, expenses and financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items has been applied.

	SA Government	
	2009	2008
	\$'000	\$'000
<b>Income</b>		
Interest revenue	6,622	8,063
Management fee recovery	254	210
<b>Total income</b>	<u>6,876</u>	<u>8,273</u>

<b>Expenses</b>		
Staffing costs	3,762	3,521
Accommodation	440	375
Decrement on revaluation of investments	4295	1776
Other expenses	16	15
<b>Total expenses</b>	<u>8,513</u>	<u>5,687</u>

	SA Government	
	2009	2008
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	12,375	12,382
Accrued interest	1,388	230
Investments	94,845	85,682
<b>Total financial assets</b>	<u>108,608</u>	<u>98,294</u>

	SA Government	
	2009	2008
	\$'000	\$'000
<b>Financial liabilities</b>		
Creditors	1,541	2,499
<b>Total financial liabilities</b>	<u>1,541</u>	<u>2,499</u>

## STATEMENT BY EXECUTIVE

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 the records of the Fund; and
- present a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the 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.



Anne Gale  
**Acting Commissioner for Consumer Affairs**



Debra Contala  
**Executive Director  
Finance and Business Services  
Attorney-General's Department**

28 October 2009

28 October 2009



Chris Miller  
**General Manager, Operational Support Services  
Office of Consumer and Business Affairs**

28 October 2009





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**To the Acting Commissioner for Consumer Affairs  
Office of Consumer and Business Affairs, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 102(2) of the *Residential Tenancies Act 1995*, I have audited the accompanying financial statements of the Residential Tenancies Fund for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and forming part of the financial statements
- A Certificate from the Acting Commissioner for Consumer Affairs, the Executive Director, Finance and Business Services, Attorney-General's Department and the General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

**The Responsibility of the Acting Commissioner for Consumer Affairs for the Financial Statements**

The Acting Commissioner for Consumer Affairs is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Commissioner of Consumer Affairs, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my auditor's opinion.

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Residential Tenancies Fund as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
29 October 2009

## SECOND HAND VEHICLES COMPENSATION FUND STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Income</b>			
Contribution by licensees		303	320
Interest revenues		217	309
Other income	3	7	8
<b>Total income</b>		<b>527</b>	<b>637</b>
<b>Expenses</b>			
Claims	4	66	128
Administration	5	21	32
Other expenses		141	54
<b>Total expenses</b>		<b>228</b>	<b>214</b>
<b>Net result</b>		<b>299</b>	<b>423</b>
<b>Other Comprehensive Income</b>			
Net loss on financial assets taken to equity		-	( 206 )
<b>Total comprehensive result</b>		<b>299</b>	<b>217</b>

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 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6	1,798	1,509
Investments		1,206	1,079
Receivables	7	34	13
<b>Total current assets</b>		<b>3,038</b>	<b>2,601</b>
<b>Non-current assets</b>			
Investments		1,290	1,428
<b>Total non-current assets</b>		<b>1,290</b>	<b>1,428</b>
<b>Total assets</b>		<b>4,328</b>	<b>4,029</b>
<b>Current liabilities</b>			
Payables	8	4	4
<b>Total current liabilities</b>		<b>4</b>	<b>4</b>
<b>Total liabilities</b>		<b>4</b>	<b>4</b>
<b>Net assets</b>		<b>4,324</b>	<b>4,025</b>
<b>Equity</b>			
Asset revaluation reserve		-	-
Retained earnings		4,324	4,025
<b>Total equity</b>		<b>4,324</b>	<b>4,025</b>
<b>The total equity attributable to the SA Government as owner</b>		<b>4,324</b>	<b>4,025</b>

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 2009

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2007	206	3,602	3,808
<b>Net result 2007-08</b>	-	423	423
Net loss on financial assets taken to equity	( 206 )	-	( 206 )
<b>Total comprehensive result 2007-08</b>	( 206 )	423	217
Balance at 30 June 2008	-	4,025	4,025
<b>Net result 2008-09</b>	-	299	299
Balance at 30 June 2009	-	4,324	4,324

**All changes in equity are attributable to the SA Government as owner**

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 2009

	Note No.	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		196	318
Contribution by licensees		303	320
Other receipts		7	8
<b>Cash generated from operations</b>		<b>506</b>	<b>646</b>
<b>Cash outflows</b>			
Administration		( 21 )	( 32 )
Claims		( 66 )	( 128 )
Other payments		( 4 )	( 4 )
<b>Cash used in operations</b>		<b>( 91 )</b>	<b>( 164 )</b>
<b>Net cash provided by operating activities</b>	9	<b>415</b>	<b>482</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 126 )	( 234 )
<b>Cash used in investing activities</b>		<b>( 126 )</b>	<b>( 234 )</b>
<b>Net cash used in investing activities</b>		<b>( 126 )</b>	<b>( 234 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>289</b>	<b>248</b>
Cash and cash equivalents at the beginning of the financial year		1,509	1,261
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>1,798</b>	<b>1,509</b>

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

## Notes to and forming part of the financial statements

### Note 1. Summary of Significant Accounting Policies

#### a) Objectives of the Second Hand Vehicles Compensation Fund

The Second Hand Vehicles Compensation Fund (Fund) is regulated by the *Second-hand Vehicle Dealers Act 1995* (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.

#### b) 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*.

Except for the amendments to AASB 101 *Presentation of Financial Statements* (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), 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 reporting period ending 30 June 2009.

#### c) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement 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 counterparty/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;

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 historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

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 2009 and the comparative information presented.

#### **d) Reporting Entity**

The Second Hand Vehicles Compensation Fund is regulated by the *Second-hand Vehicle Dealers Act 1995* 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.

#### **e) Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* or where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

Where presentation or classification of items in the financial report has been amended, comparative amounts have been reclassified unless reclassification is 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 report for the preceding period.

#### **f) Rounding**

Amounts have been rounded to the nearest \$1,000.

#### **g) Taxation**

The Fund is not subject to income tax and payroll tax. The Fund is liable for fringe benefits tax and the goods and services tax.

Income, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred by the Fund as a purchaser is not recoverable from the Australian Taxation Office
- Receivables and payables are stated with the amount of GST included.

#### **h) Income**

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

Income has been classified according to its nature and has not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.



### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

### **i) Expenses**

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

Expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Other expenses*

Other expenses reflect decrements on financial assets held by the Fund.

### *Contributions (grants)*

Contributions paid are recognised as a liability and expense when the entity has a present obligation to pay the contribution and expense recognition criteria are met.

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.

### **j) Current and Non-current Classification**

Assets and liabilities are characterised as either current or non-current in nature. The Fund has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are expected to be consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

### **k) 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.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and are used in the cash management function on a day-to-day basis.

Cash is measured at nominal value.

### *Receivables*

Receivables include prepayments and other accruals.

### *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 Administered funds. Investments are made by way of notional unit holdings in a selection of common funds managed by Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted. As at 30 June the Fund held investments in common funds in the following proportions:

Balanced	52%
Cash Common Fund	48%

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 asset revaluation 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.

### **l) 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.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

#### *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.

### **m) Contingent assets and liabilities**

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.

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.

## **2. New and revised accounting standards and policies**

Details of the accounting policies that the fund has changed during 2008-09 are detailed below. In addition, details of the impact, where significant on the fund's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

2.1 Other

The fund has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

Issued or amended but not yet effective

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the fund has early adopted, the 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 2009. 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.

3. Other income

	2009 \$'000	2008 \$'000
Management fee recovery	7	7
Sundry recovery	-	1
<b>Total other income</b>	<b>7</b>	<b>8</b>

4. Claims

Payments to settle valid unsatisfied claims against 7 (2008 - 5) second hand vehicle dealers.

5. Administration

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

6. Cash and cash equivalents

	2009 \$'000	2008 \$'000
Section 21 Deposit Account with the Treasurer	1,798	1,509
<b>Total cash and cash equivalents</b>	<b>1,798</b>	<b>1,509</b>

7. Receivables

	2009 \$'000	2008 \$'000
Accrued interest	34	13
<b>Total receivables</b>	<b>34</b>	<b>13</b>

8. Payables

	2009 \$'000	2008 \$'000
Accruals	4	4
<b>Total payables</b>	<b>4</b>	<b>4</b>

## 9. Cash flow reconciliation

	2009 \$'000	2008 \$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	1,798	1,509
Statement of Financial Position	1,798	1,509
 <b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	299	423
Add non cash items		
Decrement on revaluation of investments	138	50
Change in assets and liabilities		
(Increase)/Decrease in receivables	(21)	9
Net cash provided by operating activities	<u>416</u>	<u>482</u>

## 10. Contingent assets and liabilities

The Fund has an estimated contingent liability to pay \$25,000 relating to current and expected claims against the Fund.

## 11. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$4,000 (2008 \$4,000). No other services were provided by the Auditor-General.

## 12. Financial Instruments

### a. Categorisation of financial instruments

#### 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.

### b. Credit Risk

At reporting date funds totalling \$2.5 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. There are no Financial Assets administered by the Fund past due.

### c. Liquidity Risk

All investments held with the Public Trustee are available at call.

d. 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.

*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% Net Result (\$'000)	+1% Net Result (\$'000)	-1% Equity (\$'000)	+1% Equity (\$'000)
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,798	(18)	18	-	-
Investments	2,496	-	-	(25)	25
<b>Total increase/(decrease)</b>		<b>(18)</b>	<b>18</b>	<b>(25)</b>	<b>25</b>
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,509	(15)	15	-	-
Investments	2,507	-	-	(25)	25
<b>Total increase/(decrease)</b>		<b>(15)</b>	<b>15</b>	<b>(25)</b>	<b>25</b>

**13. Transactions with SA Government**

As required by APS 4.1 of Accounting Policy Framework II General Purpose Financial Reporting Framework, the following table discloses income, expenses and financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items has been applied.

	SA Government	
	2009 \$'000	2008 \$'000
<b>Income</b>		
Interest revenue	217	309
Management fee recovery	7	7
<b>Total income</b>	<b>224</b>	<b>316</b>
<b>Expenses</b>		
Decrement on revaluation of investments	138	50
Other expenses	4	4
<b>Total expenses</b>	<b>142</b>	<b>54</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,798	1,509
Investments	2,496	2,507
<b>Total financial assets</b>	<b>4,294</b>	<b>4,016</b>

## STATEMENT BY EXECUTIVE

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 the records of the Fund; and
- present a true and fair view of the financial position of the Second Hand Vehicles Compensation Fund as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the 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.



Anne Gale  
Commissioner for Consumer Affairs

28 October 2009



Debra Contala  
Executive Director  
Finance and Business Services  
Attorney-General's Department

28 October 2009



Chris Miller  
General Manager, Operational Support Services  
Office of Consumer and Business Affairs

28 October 2009



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**To the Acting Commissioner for Consumer Affairs  
Office of Consumer and Business Affairs, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and clause 6(2) of schedule 3 to the *Second-hand Vehicle Dealers Act 1995*, I have audited the accompanying financial statements of the Second-hand Vehicles Compensation Fund for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and forming part of the financial statements
- A Certificate from the Acting Commissioner for Consumer Affairs, the Executive Director, Finance and Business Services, Attorney-General's Department and the General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

**The Responsibility of the Acting Commissioner for Consumer Affairs for the Financial Statements**

The Acting Commissioner for Consumer Affairs is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Commissioner for Consumer Affairs, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my auditor's opinion.

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Second-hand Vehicles Compensation Fund as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
29 October 2009



**AGENTS INDEMNITY FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Income</b>			
Interest revenues	3	11,221	15,628
Other income	4	102	119
<b>Total income</b>		<b>11,323</b>	<b>15,747</b>
<b>Expenses</b>			
Claims	5	44	75
Administration		276	196
Professional Costs		174	225
Other expenses	6	1,990	610
<b>Total expenses</b>		<b>2,484</b>	<b>1,106</b>
<b>Net result</b>		<b>8,839</b>	<b>14,641</b>
<b>Other Comprehensive Income</b>			
Net loss on financial assets taken to equity		( 937 )	( 4,156 )
<b>Total comprehensive result attributable to the SA Government as owner</b>		<b>7,902</b>	<b>10,485</b>

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

## AGENTS INDEMNITY FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	30,623	21,692
Investments		16,189	14,311
Receivables	8	1,319	2,043
<b>Total current assets</b>		<b>48,131</b>	<b>38,046</b>
<b>Non-current assets</b>			
Investments		20,929	23,172
<b>Total non-current assets</b>		<b>20,929</b>	<b>23,172</b>
<b>Total assets</b>		<b>69,060</b>	<b>61,218</b>
<b>Current liabilities</b>			
Payables	9	11	71
<b>Total current liabilities</b>		<b>11</b>	<b>71</b>
<b>Total liabilities</b>		<b>11</b>	<b>71</b>
<b>Net assets</b>		<b>69,049</b>	<b>61,147</b>
<b>Equity</b>			
Asset revaluation reserve		-	937
Retained earnings		69,049	60,210
<b>Total equity</b>		<b>69,049</b>	<b>61,147</b>
<b>The total equity attributable to the SA Government as owner</b>		<b>69,049</b>	<b>61,147</b>

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 2009

	Asset revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2007	5,093	45,569	50,662
<b>Net result for 2007-08</b>	-	14,641	14,641
Net loss on financial assets taken to equity 2007-08	( 4,156 )	-	( 4,156 )
<b>Total comprehensive result for 2007-08</b>	( 4,156 )	14,641	10,485
Balance at 30 June 2008	937	60,210	61,147
<b>Net result for 2008-09</b>	-	8,839	8,839
Net loss on financial assets taken to equity 2008-09	( 937 )	-	( 937 )
<b>Total comprehensive result for 2008-09</b>	( 937 )	8,839	7,902
Balance at 30 June 2009	-	69,049	69,049

**All changes in equity are attributable to the SA Government as owner**

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 2009

	Note No.	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		11,945	15,379
Other receipts		102	119
<b>Cash generated from operations</b>		<b>12,047</b>	<b>15,498</b>
<b>Cash outflows</b>			
Claims		( 44 )	( 75 )
Administration		( 276 )	( 196 )
Professional Costs		( 174 )	( 225 )
Other payments		( 744 )	( 581 )
<b>Cash used in operations</b>		<b>( 1,238 )</b>	<b>( 1,077 )</b>
<b>Net cash provided by operating activities</b>	10	<b>10,809</b>	<b>14,421</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 1,878 )	( 3,576 )
<b>Cash used in investing activities</b>		<b>( 1,878 )</b>	<b>( 3,576 )</b>
<b>Net cash used in investing activities</b>		<b>( 1,878 )</b>	<b>( 3,576 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>8,931</b>	<b>10,845</b>
Cash and cash equivalents at the beginning of the financial year		21,692	10,847
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>30,623</b>	<b>21,692</b>

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

## Notes to and forming part of the financial statements

### Note 1. Summary of Significant Accounting Policies

#### a) Objectives of the Agents Indemnity Fund

The Agents Indemnity Fund (Fund) is regulated by the *Land Agents Act 1994* and *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 Funds 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.

#### b) 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*.

Except for the amendments to AASB 101 *Presentation of Financial Statements* (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), 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 reporting period ending 30 June 2009.

#### c) 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 department'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. A threshold of \$100 000 for separate identification of these items applies;

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 historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

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 2009 and the comparative information presented.

#### **d) Reporting Entity**

The Agents Indemnity Fund (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.

#### **e) Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* or where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

Where presentation or classification of items in the financial report has been amended, comparative amounts have been reclassified unless reclassification is 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 report for the preceding period.

#### **f) Rounding**

Amounts have been rounded to the nearest \$1,000.

#### **g) Taxation**

The Fund is not subject to income tax and payroll tax. The Fund is liable for fringe benefits tax and the goods and services tax.

Income, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred by the Fund as a purchaser is not recoverable from the Australian Taxation Office
- Receivables and payables are stated with the amount of GST included.

#### **h) Income**

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

Income has been classified according to its nature and has not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

#### **i) Expenses**

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

Expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *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 the administration 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*.

### *Professional Costs*

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

### *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 Agents Indemnity Fund for prescribed education programs. During 2008-09 payments were made to the Australian Institute of Conveyancers and Real Estate Institute of South Australia for these purposes.

Contributions paid are recognised as a liability and expense when the entity has a present obligation to pay the contribution and expense recognition criteria are met.

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.

#### **j) Current and Non-current Classification**

Assets and liabilities are characterised as either current or non-current in nature. The Fund has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are expected to be consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

#### **k) 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.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

#### *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and are used in the cash management function on a day-to-day basis.

Cash is measured at nominal value.

#### *Receivables*

Receivables include prepayments and other accruals.

#### *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 Administered funds. Investments are made by way of notional unit holdings in a selection of common funds managed by Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

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

Balanced	56%
Cash Common Fund	44%

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 asset revaluation 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.

### **1) 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.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

#### *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.



### m) Contingent assets and liabilities

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.

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.

## 2. New and revised accounting standards and policies

Details of the accounting policies that the fund has changed during 2008-09 are detailed below. In addition, details of the impact, where significant on the fund's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

### 2.1 Other

The fund has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

#### Issued or amended but not yet effective

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the fund has early adopted, the 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 2009. 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.

### 3. Interest revenue

	2009 \$'000	2008 \$'000
Interest from Agents & Conveyancers Trust accounts	7 904	11 247
Interest on Investments held with Public Trustee	2 166	3 290
Interest on deposits with the Dept of Treasury and Finance	1 151	1 091
<b>Total Interest</b>	<u>11 221</u>	<u>15 628</u>

### 4. Other income

	2009 \$'000	2008 \$'000
Management fee recovery	101	105
Sundry recovery	1	14
<b>Total other income</b>	<u>102</u>	<u>119</u>

### 5. Claims

A total payment of \$44,000 (2008 \$75,000) was made for claims against defaulting conveyancers, mortgage financiers or land agents.

**6. Other expenses**

	2009	2008
	\$'000	\$'000
Consumer & Agent Education	678	608
Audit fees	6	2
Revaluation decrement	1 306	-
<b>Total other expenses</b>	<u>1 990</u>	<u>610</u>

**7. Cash and cash equivalents**

	2009	2008
	\$'000	\$'000
Section 21 Deposit Account with the Treasurer	30 623	21 962
<b>Total cash and cash equivalents</b>	<u>30 623</u>	<u>21 962</u>

**8. Receivables**

	2009	2008
	\$'000	\$'000
Accrued interest	1 319	2 043
<b>Total receivables</b>	<u>1 319</u>	<u>2 043</u>

**9. Payables**

	2009	2008
	\$'000	\$'000
Creditors	5	67
Accruals	6	4
<b>Total payables</b>	<u>11</u>	<u>71</u>

**10. Cash flow reconciliation**

	2009	2008
	\$'000	\$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash flow statement	30 623	21 962
Statement of Financial Position	30 623	21 962

**Reconciliation of net result to net cash provided by operating activities**

Net result	8 839	14 641
Add/less non cash items		
Decrement in revaluation of non current assets	1 306	-
Change in assets and liabilities		
Decrease/(Increase) in receivables	724	(249)
(Decrease)/ncrease in payables	(60)	29
<b>Net cash provided by operating activities</b>	<u>10 809</u>	<u>14 421</u>

**11. Contingent liabilities and contingent assets**

The Fund has an estimated contingent liability to pay \$189,000 relating to current and expected claims against the Fund.

## 12. Remuneration of auditors

The amount payable by the Fund for audit services during the reporting period was \$6,000 (2008 \$4,000). No other services were provided by the Auditor-General.

## 13. Financial Instruments

### a. Categorisation of financial instruments

#### Financial Assets

Cash and Receivables are recorded at the carrying amount as per the Balance Sheet, which approximates net fair value. Investments are valued by the Public Trustee and recorded at fair value.

#### Financial Liabilities

Payables are recorded at the carrying amount which is considered to be a reasonable estimate of net fair value.

### b. Credit Risk

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.

### c. Ageing Analysis

Allowances for impairment of financial assets is calculated on past experiences and expected changes in client credit rating. Currently the Fund does not hold any collateral as security to any of its financial assets. There are no Financial Assets of the Fund past due.

### d. Maturity Analysis

All Investments held with the Public Trustee except Long Term Fixed interest securities mature in one year or less. Long Term Fixed interest securities may have maturity terms of 5 years to 25 years. Payables of the Fund are payable on demand.

### e. Liquidity Risk

Liquidity risk arises where the Fund is unable to meet its financial obligations as they fall due. Sufficient liquid assets are held to meet expected future claims on the Fund.

### f. Market Risk

Market risk for the Fund is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing Investments. Interest rate risk is managed by diversifying the range of investments held by the Fund. Refer to note 1.5 for further information. The impact on net operating result for each affected financial asset of the Fund, of a +/- 1% movement in interest rates is shown in the below table.

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result (\$'000)	+1% Net Result (\$'000)	-1% Equity (\$'000)	+1% Equity (\$'000)
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	30 623	(306)	306	-	-
Investments	37 118	-	-	(371)	371
<b>Total increase/(decrease)</b>		<b>(306)</b>	<b>306</b>	<b>(371)</b>	<b>371</b>

2008

**Financial Assets**

Cash and Cash Equivalents	21 692	(217)	217	-	-
Investments	37 483	-	-	(375)	375
<b>Total increase/(decrease)</b>		<b>(217)</b>	<b>217</b>	<b>(375)</b>	<b>375</b>

**14. Transactions with SA Government**

As required by APS 4.1 of Accounting Policy Framework II General Purpose Financial Reporting Framework, the following table discloses income, expenses and financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items has been applied.

	SA Government	
	2009	2008
	\$'000	\$'000
<b>Income</b>		
Interest revenue	3 317	4 381
Management fee recovery	101	105
<b>Total income</b>	<b>3 418</b>	<b>4 486</b>
<b>Expenses</b>		
Decrement on revaluation of investments	1 306	0
Audit Fees	6	5
<b>Total expenses</b>	<b>1 312</b>	<b>5</b>
<b>Financial assets</b>		
Cash and cash equivalents	30 623	21 692
Accrued interest	531	183
Investments	37 118	37 483
<b>Total financial assets</b>	<b>68 272</b>	<b>59 358</b>

## STATEMENT BY EXECUTIVE

We certify that the attached general purpose financial statements for the Agent's 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 the records of the Fund; and
- present a true and fair view of the financial position of the Agent's Indemnity Fund as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Agent's 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.



Anne Gale  
**Acting Commissioner for Consumer Affairs**

28 October 2009



Debra Contala  
**Executive Director  
Finance and Business Services  
Attorney-General's Department**

28 October 2009



Chris Miller  
**General Manager, Operational Support Services  
Office of Consumer and Business Affairs**

28 October 2009



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**To the Acting Commissioner for Consumer Affairs  
Office of Consumer and Business Affairs, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 41(2) of the *Land Agents Act 1994* and section 43(2) of the *Conveyancers Act 1994*, I have audited the accompanying financial statements of the Agents Indemnity Fund for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and forming part of the financial statements
- A Certificate from the Acting Commissioner for Consumer Affairs, the Executive Director, Finance and Business Services, Attorney-General's Department and the General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

**The Responsibility of the Acting Commissioner for Consumer Affairs for the Financial Statements**

The Acting Commissioner for Consumer Affairs is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Commissioner for Consumer Affairs, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my auditor's opinion.

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Agents Indemnity Fund as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
29 October 2009

**RETAIL SHOP LEASES FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Income</b>			
Interest revenue		251	286
Other income		11	8
<b>Total income</b>		<b>262</b>	<b>294</b>
<b>Expenses</b>			
Administration	3	81	74
Decrement on revaluation of investments		225	30
<b>Total expenses</b>		<b>306</b>	<b>104</b>
<b>Net result</b>		<b>( 44 )</b>	<b>190</b>
<b>Other comprehensive income</b>			
Net loss on financial assets taken to equity		-	( 124 )
<b>Total comprehensive result</b>		<b>( 44 )</b>	<b>66</b>

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



## RETAIL SHOP LEASES FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note No.	2009 \$'000	2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents	4	300	1,267
Investments		1,800	1,608
Receivables	5	51	10
<b>Total current assets</b>		<b>2,151</b>	<b>2,885</b>
<b>Non-current assets</b>			
Investments		2,287	1,262
<b>Total non-current assets</b>		<b>2,287</b>	<b>1,262</b>
<b>Total assets</b>		<b>4,438</b>	<b>4,147</b>
<b>Current liabilities</b>			
Security bonds lodged	6	384	413
Other	7	84	150
<b>Total current liabilities</b>		<b>468</b>	<b>563</b>
<b>Non-current liabilities</b>			
Security bonds lodged	6	3,417	2,987
<b>Total non-current liabilities</b>		<b>3,417</b>	<b>2,987</b>
<b>Total liabilities</b>		<b>3,885</b>	<b>3,550</b>
<b>Net assets</b>		<b>553</b>	<b>597</b>
<b>Equity</b>			
Asset revaluation reserve		-	-
Retained earnings		553	597
<b>Total equity</b>		<b>553</b>	<b>597</b>
<b>The total equity attributable to the SA Government as owner</b>		<b>553</b>	<b>597</b>

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

## RETAIL SHOP LEASES FUND STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2009

	Asset revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2007	124	407	531
<b>Net result 2007-08</b>	-	190	190
Net loss on investments taken to equity 2007-08	( 124 )	-	( 124 )
<b>Total comprehensive result 2007-08</b>	( 124 )	190	( 124 )
Balance at 30 June 2008	-	597	597
<b>Net result 2008-09</b>	-	( 44 )	( 44 )
Balance at 30 June 2009	-	553	553

**All changes in equity are attributable to the SA Government as owner**

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

## RETAIL SHOP LEASES FUND STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2009

	Note No.	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		210	289
Bond lodgements		785	822
Other receipts		11	8
<b>Cash generated from operations</b>		<b>1,006</b>	<b>1,119</b>
<b>Cash outflows</b>			
Administration		( 147 )	-
Bond refunds		( 384 )	( 413 )
<b>Cash used in operations</b>		<b>( 531 )</b>	<b>( 413 )</b>
<b>Net cash provided by operating activities</b>	8	<b>475</b>	<b>706</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 1,442 )	( 231 )
<b>Cash used in investing activities</b>		<b>( 1,442 )</b>	<b>( 231 )</b>
<b>Net cash used in investing activities</b>		<b>( 1,442 )</b>	<b>( 231 )</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>( 967 )</b>	<b>475</b>
Cash and cash equivalents at the beginning of the financial year		1,267	792
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>300</b>	<b>1,267</b>

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

## Notes to and forming part of the financial statements

### Note 1. Summary of Significant Accounting Policies

#### a) Objectives of the Retail Shop Leases Fund

The Retail Shop Leases Fund (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 *Retail and Commercial Leases Act 1995 (Act)*. Income derived from investment of the Fund may be applied towards the costs of administration of the Act, enforcing the Act and education of lessors and lessees about their statutory and contractual rights and obligations.

The Fund's main source of income is from interest derived from the investment of Fund assets in accordance with subsection 70(4) of the Act. Fund assets mainly represent the investment of security bonds received in accordance with subsection 19(5) (b) of the Act.

#### b) 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*.

Except for the amendments to AASB 101 *Presentation of Financial Statements* (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), 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 reporting period ending 30 June 2009.

#### c) 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 department'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 counterparty/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;

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 historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

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 2009 and the comparative information presented

#### **d) Reporting Entity**

The Retail Shop Leases Fund is established under the *Retail and Commercial Leases Act 1995*. The financial statements are required by Section 72 (1) of the Act and include income, expenses, assets and liabilities which the Commissioner for Consumer Affairs administers on behalf of the SA Government.

#### **e) Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* or where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

Where presentation or classification of items in the financial report has been amended, comparative amounts have been reclassified unless reclassification is 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 report for the preceding period.

#### **f) Rounding**

Amounts have been rounded to the nearest \$1,000.

#### **g) Taxation**

The Fund is not subject to income tax. The Fund is liable for payroll tax, fringe benefits tax and the goods and services tax.

Income, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred by the Fund as a purchaser is not recoverable from the Australian Taxation Office
- Receivables and payables are stated with the amount of GST included.

#### **h) Income**

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

Income has been classified according to its nature and has not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

### **i) Expenses**

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

Expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Statements Framework*, the notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Employee benefits expenses*

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

### *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.

### **j) Current and Non-Current Classification**

Assets and liabilities are characterised as either current or non-current in nature. The Fund has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are expected to be consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

### **k) 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.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the fund has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and are used in the cash management function on a day-to-day basis.

Cash is measured at nominal value.

### *Receivables*

Receivables include prepayments and other accruals.

Other debtors arise outside the normal course of providing goods and services to other agencies and to the public.

#### *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 Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

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

Capital Stable	18%
Balanced	38%
Cash Common Fund	44%

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 asset revaluation 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.

#### **I) 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.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the fund has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

#### *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.

## 2. New and revised accounting standards and policies

Details of the accounting policies that the fund has changed during 2008-09 are detailed below. In addition, details of the impact, where significant on the fund's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

### 2.1 Other

The fund has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

#### Issued or amended but not yet effective

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the fund has early adopted, the 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 2009. 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.

## 3. Administration expenses

	2009 \$'000	2008 \$'000
Staffing costs	73	66
Other	8	8
<b>Total administration expenses (1)</b>	<b>81</b>	<b>74</b>

(1) Reimbursement to be paid to the Attorney-General's Department for the cost of administering Part 10 of the Retail and Commercial Leases Act 1995.

## 4. Cash and cash equivalents

	2009 \$'000	2008 \$'000
Section 21 Deposit Account with the Treasurer	300	1,267
<b>Total cash and cash equivalents</b>	<b>300</b>	<b>1,267</b>

## 5. Receivables

	2009 \$'000	2008 \$'000
Accrued interest	51	10
<b>Total receivables</b>	<b>51</b>	<b>10</b>

## 6. Security bonds lodged

	2009 \$'000	2008 \$'000
<b>Current</b>		
Bonds lodged	384	413
<b>Total current security bonds lodged</b>	<b>384</b>	<b>413</b>
<b>Non Current</b>		
Bonds lodged	3,417	2,987
<b>Total non-current security bonds lodged</b>	<b>3,417</b>	<b>2,987</b>



**7. Other current liabilities**

	2009 \$'000	2008 \$'000
Creditor – Attorney-General’s Department	79	145
Accruals	5	5
<b>Total other current liabilities</b>	<u>84</u>	<u>150</u>

**8. Cash flow reconciliation**

	2009 \$'000	2008 \$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	300	1,267
Statement of Financial Position	300	1,267
<b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	(44)	190
Add non cash items		
Decrement on revaluation of investments	225	30
Change in assets and liabilities		
(Increase)/Decrease in receivables	(41)	3
(Decrease)/Increase in other current liabilities	(66)	74
Increase in Security Bonds	401	409
Net cash provided by operating activities	<u>475</u>	<u>706</u>

**9. Contingent liabilities and contingent assets**

The Fund has no contingent liabilities or assets.

**10. Remuneration of auditors**

The amount payable to the Auditor-General for audit services during the reporting period was \$4,500 (2008 \$4,500). No other services were provided by the Auditor-General.

**11. Financial Instruments**

a. Categorisation of financial instruments

**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**

Financial liabilities principally represent security bonds held on behalf of third parties. The carrying amount of all financial liabilities is considered to be a reasonable estimate of net fair value.

b. Credit Risk

At reporting date funds totalling \$4.1 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. There are no Financial Assets administered by the Fund past due.

c. 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 investments held with the Public Trustee are available at call.

d. 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.

*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% Net Result (\$'000)	+1% Net Result (\$'000)	-1% Equity (\$'000)	+1% Equity (\$'000)
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	300	3	(3)	-	-
Investments	4,087	-	-	41	(41)
<b>Total increase/(decrease)</b>		3	(3)	41	(41)
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,267	(13)	13	-	-
Investments	2,870	-	-	(29)	29
<b>Total increase/(decrease)</b>		(13)	13	(29)	29

12. Transactions with SA Government

As required by APS 4.1 of Accounting Policy Framework II General Purpose Financial Reporting Framework, the following table discloses income, expenses and financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items has been applied.

	SA Government	
	2009	2008
	\$'000	\$'000
<b>Income</b>		
Interest revenue	251	286
Management fee recovery	11	8
<b>Total income</b>	<u>262</u>	<u>296</u>
<b>Expenses</b>		
Decrement on revaluation of investments	225	30
Other expenses	5	5
<b>Total expenses</b>	<u>230</u>	<u>35</u>
<b>Financial assets</b>		
Cash and cash equivalents	300	1,267
Investments	4,087	2,870
<b>Total financial assets</b>	<u>4,387</u>	<u>4,137</u>

## STATEMENT BY EXECUTIVE

We certify that the attached general purpose financial statements for the Retail Shop Leases 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 the records of the Fund; and
- present a true and fair view of the financial position of the Retail Shop Leases Fund as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the 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.



Anne Gale  
Acting Commissioner for Consumer Affairs



Debra Contala  
Executive Director  
Finance and Business Services  
Attorney-General's Department

28 October 2009

28 October 2009



Chris Miller  
General Manager, Operational Support Services  
Office of Consumer and Business Affairs

28 October 2009



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**To the Acting Commissioner for Consumer Affairs  
Office of Consumer and Business Affairs, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 72(2) of the *Retail and Commercial Leases Act 1995*, I have audited the accompanying financial statements of the Retail Shop Leases Fund for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and forming part of the financial statements
- A Certificate from the Acting Commissioner for Consumer Affairs, the Executive Director, Finance and Business Services, Attorney-General's Department and the General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

**The Responsibility of the Acting Commissioner for Consumer Affairs for the Financial Statements**

The Acting Commissioner for Consumer Affairs is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Commissioner for Consumer Affairs, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my auditor's opinion.

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Retail Shop Leases Fund as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
29 October 2009