



Government of South Australia

Office of Consumer and
Business Affairs

Commissioner for Consumer Affairs

Annual Report 2009-10

**Parliament of South Australia
House of Assembly
Laid on the Table**

9 June 2011

29 October 2010
Office of Consumer and Business Affairs
Chesser House, 91-97 Grenfell St
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29 October 2010

Hon. Minister for Consumer Affairs and

Hon. Attorney General

I am pleased to submit my report for the period ending 30 June 2010.

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; 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; Misrepresentation Act 1972; 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

Index

	Page number
Highlights	4
Role and Statutory Functions	6
Organisation Structure	7
South Australia's Strategic Plan & OCBA	8
OCBA Activity in 2009-10	9
Community Wellbeing	
Ensuring Public Safety	9
Promoting diversity and social inclusion	11
Enabling the public to make informed decisions	12
Protecting and supporting vulnerable people, including victims and witnesses	14
Access to Justice and to Services	
Providing fair and equitable customer service	18
Making effective civil and criminal law	20
Organisational Capability	
Investing in our people	22
Reducing red tape	23
Appendix 1 Terminology	25
Appendix 2 Legislation Administered	26
Appendix 3 Products Withdrawn or Recalled	28
Appendix 4 Analysis of Fair Trading Enquiries Received	30
Appendix 5 Analysis of Complaints Investigated by Product or Service	31
Appendix 6 Analysis of Complaints Investigated by Practice	34
Appendix 7 Occupational Licensing and Registration	35
Appendix 8 Business Name, Association and Cooperative Registrations	39
Appendix 9 Births, Deaths and Marriages	40
Appendix 10 Residential and Retail Tenancies	41
Appendix 11 Companies and Co-operatives Liquidation Accounts	42
Appendix 12 Miscellaneous Corporate Affairs Commission Responsibilities	43
Appendix 13 Assurances and Court Actions	44
Appendix 14 Financial Statements and Audit Reports	53
Residential Tenancies Fund	
Second-hand Vehicles Compensation Fund	
Agents Indemnity Fund	
Retail Shop Leases Fund	

Highlights

The Office of Consumer and Business Affairs recognises that the regulation of the consumer market is crucial when it comes to the quality of products and services and maintaining a fair, healthy and competitive trading environment.

During this reporting period there has been considerable legislative reform affecting consumers and traders alike. OCBA has contributed to seven major initiatives under the Council of Australian Government's business and competition reform program which aim to streamline and harmonise consumer related laws across the nation. These national reform projects include the development of the Australian Consumer Law, a national system for occupational licensing, a business name registration regime and national consumer credit and trade measurement initiatives.

At a more local level, OCBA has continued to reduce red tape and streamline occupational business licensing processes by introducing the ApplyOnline business names registration system so that people can lodge and pay for their applications electronically if they don't want to do so in person or by mail.

During the year, reforms which give the Commissioner for Consumer Affairs the power to force a trader to take part in a conciliation conference came into effect. The expanded powers are backed by tougher penalties, including a fine up to up to \$10 000 for a trader who does not attend a conciliation conference and a doubling of many other penalties under the Fair Trading Act 1987.

Protecting consumers continues to be one of OCBA's most vital functions. As such, OCBA has continued to check product safety issues with regular monitoring of children's products and toys offered for sale, including major events such as the Royal Adelaide Show. Thousands of items were inspected during the year by product safety inspectors, with 70 unsafe or non-compliant products removed from the shelves, ranging from strollers to trolley jacks and novelty cigarette lighters. Monkey bikes continued to be a persistent product safety issue, despite previous bans and much publicity about their danger.

Unlicensed traders have also been a major focus this period, with insulation installers and itinerant bitumen layers featuring predominantly in enforcement by OCBA.

OCBA fielded more than 86 000 enquiries and 6000 complaints from consumers. The top five complaints were in the categories of building/renovating, general consumer products, scams/schemes, general services and motor vehicles/transport products.

In this reporting period OCBA's Tenancies Branch received 110 000 enquiries from tenants, landlords and property agents about their rights and legal obligations or about rental bond matters. Many of the matters that were conciliated by OCBA were successfully resolved without the need for arbitration by the Residential Tenancies Tribunal.

OCBA's Births, Deaths and Marriages Registration Office registered 8187 marriages, 936 were solemnised at the Registry, the highest number for 15 years. The Registry has also increased its focus on e-lodgement for certificate applications.

Over the past financial year there were more visits to the OCBA website. Around 900 000 consumers, traders and business people visited OCBA's website to access information, lodge applications and conduct transactions. The number of 'hits' to the OCBA website also increased to more than 24 million compared to 21 million over the previous period.

OCBA distributed over 80 000 publications this period in response to requests from consumers and community organisations for basic consumer rights information, with feedback on these publications being positive. OCBA is also developing new information resources in readiness for the new consumer laws to take effect in the next reporting period.

With such broad reforms taking place at the national level it has clearly been another eventful year for OCBA. We have continued to maintain the safety and integrity of the marketplace thanks to the commitment of OCBA staff.

Role and Statutory Functions

Mission

OCBA's 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 those who are vulnerable and disadvantaged) are 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

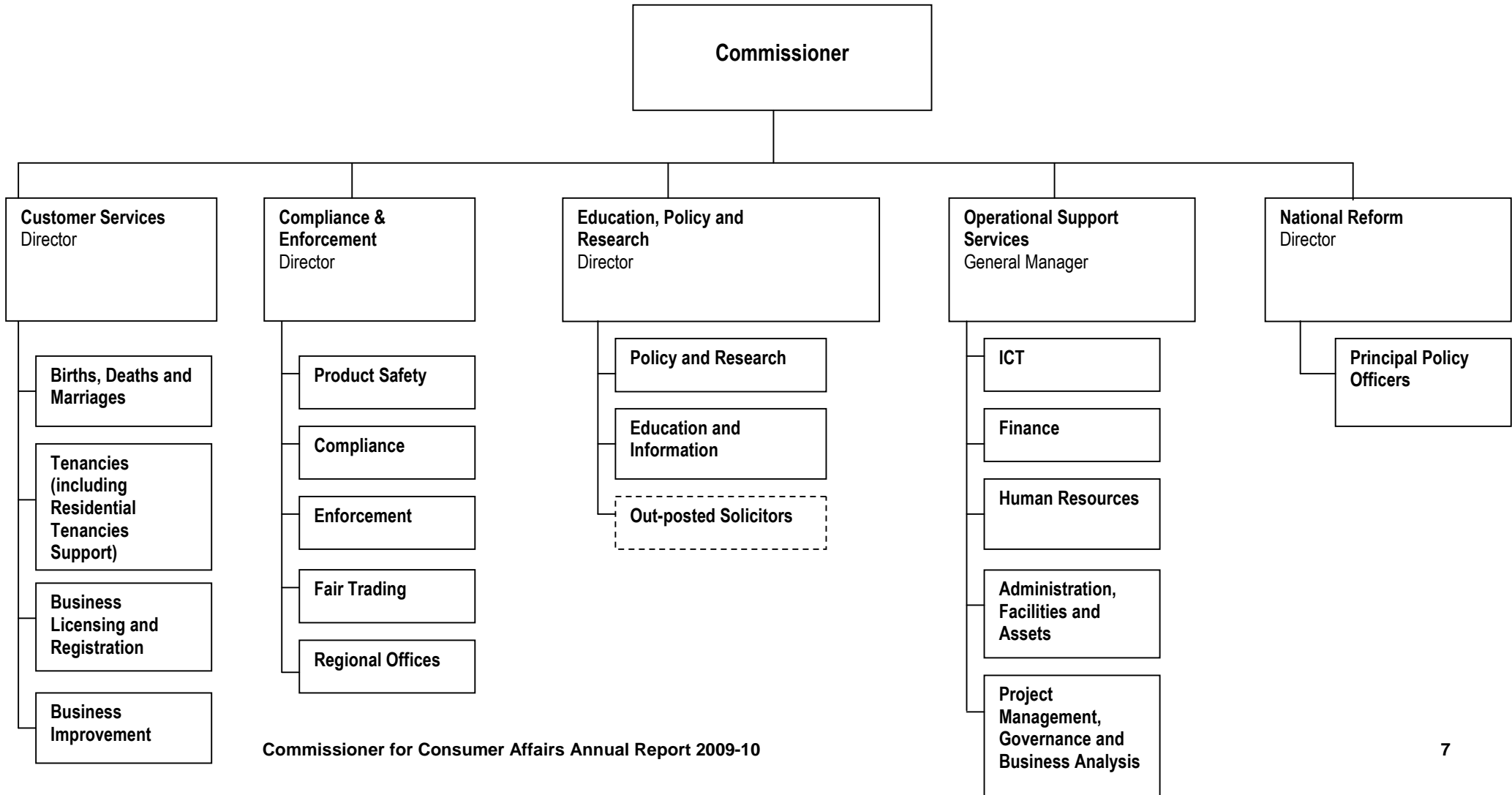
Statutory functions of the Commissioner for Consumer Affairs include:

- Giving advice on consumers' and traders' rights and obligations under the Fair Trading Act 1987 and other consumer laws.
- Conducting research and education programs, publishing reports and informing consumers about consumer issues.
- Conciliating disputes between consumers and traders.
- Monitoring business activities and investigating practices that may adversely affect consumers' interests.
- Encouraging the development, promotion and enforcement of fair trading codes of practice to safeguard consumers' interests.
- Producing fair trading guidelines for traders.
- Enforcing consumer laws.
- Licensing and registering nominated traders.
- Reporting 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.

OCBA Organisation Chart

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.



Strategic Plans

The Justice Portfolio, which includes OCBA, has five strategic goals and 23 priorities that are linked to South Australia's Strategic Plan (SASP) and supported by each individual agency's planning processes. This provides clear direction for decision making, while ensuring strong alignment with government and portfolio policies and priorities.

OCBA's work mainly supports Goal 5 of the Justice Portfolio Strategic Directions Plan 2008-14, which states "To excel in service delivery, innovation and government efficiency". This goal links with the following objectives of the SASP:

- T1.7 Performance in the public sector - customer and client satisfaction with government services: increase in the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter.
- T1.8 Performance in the public sector - government decision-making: become, by 2010, the best-performing jurisdiction in Australia in timeliness and transparency of decisions which impact the business community (and maintain that rating).
- T1.9 Performance in the public sector - administrative efficiency: increase the ratio of operational to administrative expenditure in state government by 2010, and maintain or better that ratio thereafter.

OCBA Activity in 2009-10

Community Wellbeing - Ensuring public safety

Protection from dangerous products

One of OCBA's vital roles is ensuring that consumer products offered for sale in SA are safe and comply with relevant product safety legislation. OCBA takes action where products don't meet specific safety or information standards or where they present other safety risks. The primary concern is the safety of the public and the first option is always to seek the immediate withdrawal of the product from the marketplace to reduce the risk to the community. The actions open to OCBA range from issuing public warnings and infringement notices to seizing unsafe products, introducing new safety standards and recalling products or banning them (via a declaration of dangerous goods).

Of the thousands of items checked during the year by OCBA's product safety inspectors, 71 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:

- Sky lanterns which use an open flame to propel into the air. They pose a significant fire and injury risk as the consumer is unable to control the route or landing of the lantern.
- Toy-like novelty cigarette lighters which are appealing to children. Misuse could cause fire or injury to unsuspecting consumers.

OCBA conducted monitoring of toy-like novelty lighters after the announcement of the ban. Nine product lines were found to be non-compliant goods and OCBA worked with the traders involved to rectify any outstanding issues regarding the ban.

Harmonisation of safety standards and bans

OCBA Product Safety officers continue to work towards the impending implementation of the Australian Consumer Law. As a member of the National Product Safety Consultative Committee, OCBA is contributing to the harmonisation of safety standards and bans which is expected to come into operation nationally from January 2011.

Targeted monitoring exercises

In addition to the ongoing product safety monitoring of recalled and potentially unsafe products, OCBA conducted a number of targeted monitoring campaigns. The results of these targeted campaigns are outlined in Appendix 3 and a brief summary is provided below.

- Monitoring conducted during the Riverland and Paskeville Field Days resulted in 20 unsafe product lines being withdrawn from sale, including 10 trolley jacks. Hydraulic trolley jacks have been associated with two deaths in South Australia in recent years.
- Prior to the opening of the Royal Adelaide Show, 208 show bags were inspected, with two items failing mandatory standards and removed accordingly.

- A pre-Christmas product safety monitoring exercise focused on the testing of toys for children under the age of three. Eighteen items failed safety standards and were withdrawn from sale. Two banned monkey bikes were also removed from sale.
- Testing of Easter-themed toys resulted in the recall of six products, including soft toys and a novelty bag.

National Surveillance Program

OCBA participated in the National Product Safety Surveillance Program, co-ordinated by the Australian Competition and Consumer Commission (ACCC), by surveying and reporting on hydraulic trolley jacks and prams and strollers.

A total of 35 product lines were inspected. One trolley jack was found to breach the mandatory standard and was subsequently removed from sale. A second-hand stroller was also removed from sale due to non-compliance with the standard.

Community Wellbeing - Promoting diversity and social inclusion

OCBA recognises the cultural diversity of consumers, businesses and industry representatives. To cater for the different needs of its clients, OCBA offers specific programs and regularly undertakes new initiatives that are developed to empower and educate these groups.

Service delivery for culturally and linguistically diverse clients

OCBA provides many services in a variety of formats, as outlined below;

- Translating and interpreting services are offered to clients from non-English speaking backgrounds, with a selection of translated information available both online and in hard copy.
- Information about consumer rights is available in audio format for Pitjantjatjara and Yankunytjatjara Aboriginal people.
- OCBA promotes consumer awareness of specific issues through regular interview segments on a range of community and multicultural radio stations.
- Regular information sessions and basic consumer rights seminars are held for various groups, including migrant groups and welfare organisations.
- Illustrations on the 2009-10 Birth Registration Statement, required to be completed by all new parents, reflect the diversity of the South Australian community by portraying babies from various cultural backgrounds.
- OCBA offers the assistance of the Translating and Interpreting Service to assist enquirers. Registry weddings may be solemnised in a range of languages with the use of interpreters. Cultural marriage traditions are also accommodated within the limitation of Australian marriage law. Couples married at the Registry represented over 90 different countries of birthplace.

Community Wellbeing - Enabling the public to make informed decisions

Information sessions and events

More than 40 information sessions on rights and obligations relating to residential tenancy agreements were presented to tenants, landlords and property managers. A number of seminars were also presented to migrants (including international students), refugees and other vulnerable consumers through tertiary institutions, tenant support organisations and welfare groups. Regular interviews were provided on six commercial and community radio stations: 5AA, Fresh FM (youth), Radio Adelaide, 5EBI (ethnic), 5RPH (print disability) and Coast FM (southern suburbs).

Communication via the media

Key messages are regularly communicated through media releases and interviews to ensure that the public is informed about new developments, legislative changes, the outcomes of OCBA's product safety inspection and testing program and warnings about dangerous products. As well as alerting the public to immediate issues, this approach helps to ensure that consumers know their rights and make informed purchases, and that traders are aware of and abide by their obligations under fair trading and other relevant legislation.

Information resources

OCBA has several signature brochures that are distributed in response to orders via phone, email and online. Members of the public order materials according to their interest or concerns, while various government and community organisations order large quantities to distribute to their target groups. In this way, OCBA's information resources reach a variety of consumers, ranging from newcomers to South Australia to first home owners and people who are buying their first car.

Approximately 80 000 items were distributed by OCBA during the 2009-10 financial year. This included items printed by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission, as well as those produced by OCBA. The feedback on OCBA publications is positive.

During 2009-10 a new mobile phones brochure was designed and printed, with copies sent to mobile phone outlets throughout the state.

An audio CD was produced, based on the *Talk about Shopping* booklet (APY Lands version). The CD includes translations into Pitjantjarjara and Yankunytjatjara, and features theme music composed and performed by the Iwantja Band, which is made up of musicians from the Lands.

Various publications were reprinted during the year, including *Autocheck*, *Public Officer Responsibilities* and the *Residential Tenancies Tribunal* brochure.

A new DVD, called *Resolving Rental Disputes* was also produced for both landlords and tenants.

Web-based information

The OCBA website received more than 24 million 'hits' from around 900 000 consumers and businesses who visited the site to access information, lodge applications and conduct

transactions. This is an increase from 21 million hits (from 730 000 consumers and businesses) received during 2008-09.

In addition, OCBA released a new commemorative birth certificate capitalising on the appeal of Adelaide's two new pandas, Wang Wang and Funi. This new certificate has proven to be extremely popular with consumers.

OCBA also introduced an online service for South Australian Business Names Registrations, making it more convenient for many people to register a new business. Since the service was launched in August 2009 OCBA has received nearly 7000 applications online.

A range of consumer and business Information is available in audio format and translated material is also provided.

Discussion papers, media releases and public warnings are posted on the website, along with most forms and publications and the public registers for occupational licensing, business names and assurances.

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

Consumer advice and dispute resolution

The number of enquiries decreased during the year. More than 82 400 enquiries were received from consumers seeking advice about their rights on various consumer issues, compared with 90 400 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 residential building and construction and general consumer goods.

Complaints also fell slightly, with 6009 complaints received during 2009/10. Appendix 5 shows the complaints recorded for each product or service category, with the top five complaints relating to:

1. Building/Renovating
2. General consumer products
3. Scams & schemes
4. General services
5. Motor Vehicles and Transport products.

The number of insulation-related complaints increased by more than 300%, coinciding with a federal rebate initiative which saw a number of inexperienced and fraudulent operators enter the market. In response, the Commonwealth Government announced a program that would assist affected consumers to have inspections carried out and any unsafe insulation to be rectified at no cost to the homeowner.

In previous years, Communication and Information products such as mobile phones have generated a high number of complaints. Efforts by state and national consumer protection agencies to encourage telecommunications companies and phone manufacturers to develop a better understanding of consumer warranty rights has seen the number of complaints in this area fall from 490 to 390 - a decrease of almost 20% .

The introduction of real estate industry reforms in 2008-09 contributed to an initial spike in enquiry and complaint levels. Since then there has been a 13% reduction in these sorts of complaints and enquiries (i.e. from 165 to 143) which was to be expected as industry practitioners have become better acquainted with the changes.

Appendix 6 summarises the nature of the complaints, 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.

Increased focus on electronic lodgements and applications

The Births, Deaths and Marriages Registration Office (BDM) introduced new electronic services and also further developed existing e-services aimed at increased efficiency and better customer service. These include:

- The recruitment of more funeral directors to the existing system of electronic lodgement of death registrations and associated applications for death certificates;
- More hospitals using electronic lodgement of birth notifications;
- Changes to the online certificate application facility to make it more user-friendly;
- Streamlining identification processes for online applications; and
- Developing an online application for cremation permits for introduction in the next period.
- This last point will assist with handling the increase in cremation permits issued (up 14% since January 2010). The increase has mainly occurred because country courts staff no longer issue permits on BDM's behalf.

National Identity Security Strategy

The main aim of the National Identity Security Strategy is 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.

During the year Births, Deaths and Marriages (BDM) signed a Memorandum of Understanding with the Commonwealth Attorney-General's Department to participate as an 'issuer' agency in the Document Verification Service (DVS), which allows other agencies to determine the legitimacy of an identification document that has supposedly been issued by Births, Deaths and Marriages. BDM is represented on the DVS Advisory Board and other National Identity Security Strategy working groups.

Tenancies advice

OCBA continued to provide advice to landlords, tenants, property agents and residential park operators and residents. More than 110 000 portfolio statement enquiries were received from people regarding their rights and responsibilities or about rental bond matters. The most common issues continued to involve :

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

OCBA has continued to offer conciliation for clients, with 50 percent of matters successfully resolved without the need for a subsequent Residential Tenancies Tribunal hearing. OCBA also provides operational and administrative support for this tribunal.

Fair trading monitoring

Monitoring programs targeted a range of traders during the year to ensure compliance with fair trading laws. During the year, more than 850 small to medium size retailers across SA were visited, with problems found at 35 stores. The stores had misrepresented consumers' refund rights by making statements such as 'no refund' or 'exchange only'. Twenty-two formal warnings were issued. Incorrect refund signs were removed and there were follow up visits with the stores involved, to check compliance.

National audit of major retailers for bait advertising

Major variety retailing outlets across the nation were targeted in a bait advertising audit. The audit program was initiated by a national fair trading working group to assess whether retailers openly adopted the practice of holding insufficient stock to meet anticipated demands during sale periods.

The collaborative approach saw fair trading officers in each state visit up to five outlets of five major retailers, seeking identical items from catalogues which were distributed nationally. The outlets were required to provide information on the amount of stock on hand and scheduled deliveries to satisfy officers that stock was available and that the stores were not attempting to 'bait' consumers to visit their store even though it was known some items would not be available.

Generally the results were very good, with all the retailers offering consumers some form of 'raincheck' where goods had sold out quickly or where extra stock had not arrived during the sale period.

Trade measurement inspections

The accuracy of products sold by weight or measure was evaluated in inspections of approximately 3260 traders this period. Trade Measurement inspectors checked 28 364 pre-packed goods for compliance with labelling requirements. They also checked whether the actual weight or measure of items matched the statement on the packaging.

Inspectors also checked 10 285 measuring instruments such as scales, petrol pumps and spirit measures for accuracy. Warning notices were issued to traders where discrepancies were found and traders were required to address problems immediately.

Enforcement of consumer and business laws

Regular OCBA monitoring and investigation of consumer complaints is used to detect traders in breach of legislation. Depending on the nature of the breach and the potential detriment to consumers, enforcement action may include: written warnings; expiation notices; public warnings; written assurances; or court action as outlined below:

Real estate compliance

Compliance with real estate legislation was monitored over this period. Overall, OCBA staff attended 127 open inspections and 27 auctions, and also examined files at real estate agents' premises resulting in 34 written warnings and eight expiation notices issued to agents.

Written Warnings

OCBA continued to target landlords and agents who failed to lodge rental bonds within the prescribed time, with the number of warning letters increasing significantly again this year from a greater number of unlicensed building work contractors were also detected. In total there were 3306 warning letters issued, compared with 2714 written warnings (including Trade Measurement notices) last year.

Public warnings

Matters that involve serious breaches or where the risk to consumers is significant then traders may be publicly named. Two traders were named during the year. The

public were warned against dealing with Andrew Pike, trading as Newfview Kennels. He received payment for puppies but failed to supply them.

A public warning was also issued in relation to the activities of an unlicensed car dealer trading as Emacord Autos-Classic Cars.

Further public warnings were issued in relation to itinerant traders who performed unlicensed building work at exorbitant prices. Generally the work performed by the itinerant traders was of a poor standard.

Expiations

There were 177 expiation notices issued during the year, representing an 11 percent increase from the 159 expiation notices issued in the previous reporting year. The majority of expiations were issued to landlords and real estate agents who had not lodged rental bonds within the prescribed time.

Assurances

Written Assurances were received from 23 companies and individuals who stated they would refrain from engaging in specified unlawful conduct. The assurances were received from six builders, two land agents, 11 second-hand vehicle dealers, and one security agent. In addition three traders gave assurances that they would not breach the *Fair Trading Act 1987*. A register of assurances received is publicly available on the OCBA website, and a summary of the assurances received during 2009-10 year is provided at Appendix 13.

Court action

During the year OCBA took prosecution or disciplinary action against 20 individuals and companies who breached fair trading and occupational licensing laws, including: four security agents, seven builders, four car dealers and five traders.

An overview of each of the 20 court matters is provided in Appendix 13, including the offenders, breaches and outcomes. Of particular note are the court actions taken against the following:

- The Marie Beardsley College of Beauty Specialists claimed to provide nationally accredited training to students when it was unable to do so. Marie Beardsley was convicted and fined \$6500 and ordered to pay costs of \$10 000.
- Disciplinary action was taken against Cherry Galea, a licensed second-hand motor vehicle dealer who allowed another person to carry on the business whilst unlicensed to do so. The court ordered that Ms Galea be disqualified from being licensed until further order and prohibited her from being employed or otherwise engaged in the business of a dealer unless with the approval of the Commissioner. Galea was also prohibited from being a director of a company that is a dealer until further order.
- Dean and Barry Harper were each convicted and fined \$6000 for carrying on business as building work contractors and plumbing contractors whilst unlicensed.

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

Access for regional customers

Ten regional Service SA centres provide a range of OCBA services. 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. These service centres are located in Berri, Port Augusta, Mount Gambier, Naracoorte, Whyalla, Port Lincoln, Port Pirie, Gawler, Kadina and Murray Bridge.

Registration of births, deaths and marriages

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 2009-10. Notably, marriages at the Registry continued to increase. Of the 8187 marriages registered in South Australia, 936 were solemnised at the Registry which is the highest number in the last 15 years.

There were 20 155 births and 12 601 deaths registered.

More than 123 000 certificates were issued to individuals and other authorised persons in accordance with the access policy, with almost one quarter of certificate applications made online. A popular addition to the Commemorative Birth Certificates range is the 'Pandas' certificate, introduced to mark the arrival of the Giant Pandas in Adelaide.

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

Licensing of occupations

OCBA's licensing register contains approximately 65 000 licences and registrations for occupations including builders, plumbers, gas fitters, electricians, security and investigation agents, travel agents, second-hand vehicle dealers, conveyancers and land agents. During the financial year 7921 applications for new licences and registrations were processed. Appendix 7 provides statistical information for each of the licensing areas.

Registration of business names, incorporated associations and cooperatives

Registers for business names, incorporated associations and co-operatives are maintained by OCBA and can be accessed by members of the public. As at 30 June 2010 there were approximately 94 200 registered business names, 19 000 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 of OCBA's Tenancies Branch, rental bonds are held by the Commissioner as an independent third party.

More than \$139 million in bonds were held including residential, retail and residential park bonds. During the year there were around 54 000 residential bonds lodged and 48 000 bonds refunded; approximately 625 retail bonds were lodged and 245 bonds were refunded; and 269 residential park bonds were lodged and 233 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

New Commissioner's powers

Reforms have been brought into operation 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.
- Giving the Commissioner the power to immediately suspend an occupational licence in some circumstances.
 - To date the Commissioner has not had the need to convene a compulsory conference under the Fair Trading Act. In some cases, where traders were reluctant to conciliate, the prospect of a compulsory meeting has influenced their approach to dispute resolution, resulting in voluntary attendances with better outcomes for the consumers.
 - OCBA has recently used the new powers to administratively suspend the license of a Second Hand Vehicle Dealer who had caused financial detriment to a number of consumers. In the past such action would have taken a number of months through a court process. Under the new powers, consumers were able to be protected with immediate effect.

Real estate reforms

A review of Parts 4 and 4A of the Land and Business (Sale and Conveyancing) Act 1994 sought to ensure existing legislation continued to adequately protect house buyers by regulating the way properties are advertised and sold, the way consumers engage the services of a real estate agent, and the way auctions are conducted. Public consultation on the legislative review took place during March and April 2010 and included meetings with industry and consumer. The report is to be tabled in Parliament in the second half of 2010.

Residential Tenancy Databases

National model legislation was developed 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 amend listings that are false or incorrect. It is proposed that South Australia will adopt the model legislation through the process of the review of the *Residential Tenancies Act 1995*.

Revocation of regulations

Substantial work was carried out in preparation for the expiration of several regulations on 1 September 2010. Eight sets of regulations required minor amendments, and preparations began for the remaking of the Retail and Commercial Leases Regulations 1995 (including consultation which is scheduled to occur early in the new financial year).

Second-hand vehicle dealers

Changes to the Second-hand Vehicle Dealers Act 1995 passed through Parliament and will commence towards the end of 2010. The changes include: a two-day cooling off period in which the buyer can reconsider prior to the purchase; introducing a negative licensing

scheme for salespeople; increased penalties and expiation fees; and broadening the definition of a dealer to include buying and selling vehicles.

Residential Tenancies Tribunal Fee

Preparations were made for the introduction of a Residential Tenancies Tribunal application fee on 1 July 2010. This included the filming for a DVD to educate tenants and landlords about the Tribunal and its operations (as mentioned earlier in this report).

The revenue collected from the fee will be used to benefit both landlords and tenants through education initiatives, more advocacy support and the provision of financial counselling services.

Organisational Capability - Investing in our people

Encouraging staff to take on the challenges of development and growth

OCBA's 188 staff members (equivalent to 177.6 full time employees) are informed of important changes and news via regular Newsflash emails. An OCBA Star Award system has been implemented to reward employees for excellence.

Relevant training is promoted by managers and temporary positions are available within the organisation which provide opportunities for staff development.

Around 130 Performance Management discussions took place during the year. This regular Performance Development process supports staff in assessing their skills and planning for career growth through identifying training and development areas to be explored.

All staff were invited to participate in the Attorney-General's Department staff survey and focus groups. This provided an opportunity to take part in the planning for the new Departmental organisation and ongoing feedback is being sought from employees.

Providing a safe work environment

OCBA is committed to achieving and maintaining high standards of safety to minimise risks, prevent harm to employees and to provide a harmonious workplace. Staff receive training in occupational health and safety issues, including the training of several new members of the OCBA Occupational Health Safety and Welfare Committee. As a division of the Attorney-General's Department, many health and safety issues are reported on and handled by the Department. However, OCBA continues to manage local health and safety matters that arise and to pursue improvements in work practices and procedures.

Organisational Capability - Reducing red tape

During 2009-10 OCBA contributed to significant progress on five major initiatives under the Council of Australian Government's (COAG) business and competition reform program.

Australian Consumer Law

The main legislation establishing a new Australian Consumer Law (ACL) was developed during 2009-10 and passed by the Federal Parliament in June 2010.

The ACL aims to enhance consumer protection and provide a single regulatory framework for businesses across Australia through a new unfair contract terms law; a new national product safety framework; a new national consumer guarantees law (which replaces implied warranties and conditions for consumer goods and services contracts); and other reforms drawing on best practices.

Once fully implemented in 2011, following the passage of application laws in each State and Territory, major parts of 17 jurisdictional consumer protection laws will be reduced to one law to be jointly enforced by the Commonwealth and State and Territory fair trading agencies.

National occupational licensing system

In July 2008 COAG agreed to establish a national licensing system, and the framework for this system was developed in 2009-10.

A single National Occupational Licensing Authority (NOLA) will set policy on licence categories, scope and eligibility criteria for selected occupations. State and Territory regulators will administer the scheme on behalf of NOLA. Once a licence is issued to an eligible person, the licence holder will be able to work anywhere in Australia without additional paperwork or cost.

Legislation enabling the national licensing system is to be passed by each State and Territory in 2010-11 and the first wave of four occupations is set to come under NOLS from July 2012.

Business names registration

The principles for the National Business Names Registration (NBNR) regime were developed, with draft core legislation released for public comment in May 2010. Under the NBNR a business will need to register their name only once and pay a single fee to operate anywhere in Australia.

National Consumer Credit Law

During 2009-10 the detailed arrangements for a new Commonwealth administered Consumer Credit regulatory regime were finalised. The necessary legislative powers to enable the new law were referred to the Commonwealth in June 2010.

From 1 July 2010 all Consumer Credit matters are the responsibility of the Australian Securities and Investment Commission (ASIC). Consumer protection is enhanced through a requirement for credit providers to be registered with ASIC and comply with new responsible lending requirements.

National Trade Measurement Reforms

OCBA's Trade Measurement functions were transferred to the Commonwealth's National Measurement Institute on 1 July 2010 to become part of a single national system of trade measurement. New national laws commenced on 1 July 2009 to allow for transitional arrangements, prior to the Commonwealth assuming full responsibility for trade measurement.

The national laws enhance protection for consumers and reduce the regulatory burden on traders through the establishment of an effective, national trade measurement infrastructure. Business will benefit from removal of some testing fees and reduced complexity from operating under a single law and a national regulator for all trade measurement matters.

Further Red Tape Reduction Initiatives

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

- Removal of the requirement to pay a licence fee for installers of floating floors, providing a saving of approximately \$5000 per annum.
- Three separate projects aimed at streamlining occupational business licensing processes (such as the methodology for assessing financial and business experience criteria) are expected to decrease waiting times for the issuing of licenses. A review into the application process for lapsed licenses will also look to decrease the burden on businesses and shorten timeframes.

As previously mentioned in this report, the ApplyOnLine business names registration system was introduced which allows business names to be registered online, resulting in red tape savings valued at \$500,000.

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 1987).

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/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 the *Retail and Commercial Lease Act 1995* applies.

Related Act refers 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 2009-10

Products Withdrawn or Recalled	Outcome/Reason
<i>Baby Products Monitoring July 2009 - (9 product lines).</i>	
Kid's Folding Chair	Recalled - Failed mandatory safety standard
Oeuf Sparrow Cot	Recalled - Failed mandatory safety standard
Baby Play Centre Activity Table	Recalled - Failed mandatory safety standard
Roger Armstrong Elyse Stroller	Recalled - Failed mandatory safety standard
Emma Junga Pram (Second hand)	Withdrawn - Failed mandatory safety standard
Baby Love Duolite Stroller (Second hand)	Withdrawn - Failed mandatory safety standard
Children's Cot (Second hand)	Withdrawn - Failed mandatory safety standard
Baby Dimensions Cot (Second hand)	Withdrawn - Failed mandatory safety standard
Children's Cot (Second hand)	Withdrawn - Failed mandatory safety standard
<i>Royal Adelaide Show August 2009 (2 product lines).</i>	
Adelaide Football Club Temporary Tattoos	Withdrawn prior to sale - Failed Information standard
Toy Stroller	Withdrawn prior to sale - Entrapment hazard
<i>Paskeville and Riverland Field Days September/October 2009 (20 product lines)</i>	
Laser Toy Gun	Recalled - Banned dangerous goods
Children's Nightwear	Withdrawn - Failed mandatory safety standard
Children's Nightwear	Withdrawn - Failed mandatory safety standard
Wooden Toy	Withdrawn - Failed mandatory safety standard
4 Lines of Clothing	Withdrawn - Failed mandatory safety standard
10 types of Hydraulic and Vehicle Jacks	Withdrawn - Failed mandatory safety standard
Luggage Strap	Withdrawn - Failed mandatory safety standard
Expanding Novelty Toy	Withdrawn - Banned dangerous goods
<i>Christmas Monitoring November 2009 (19 product lines).</i>	
Sand Series Toys	Recalled - Failed mandatory safety standard
Decorative Art Candle	Recalled - Failed mandatory safety standard
Dora/Cars Children's Folding Chairs	Recalled - Failed mandatory safety standard
Fun with ABC's Magnetic Letters	Recalled - Failed mandatory safety standard
Natural Wood Fire Engine	Recalled - Failed mandatory safety standard
Montego One Speed Bicycle	Recalled - Failed mandatory safety standard
Montego Three Speed Bicycle	Recalled - Failed mandatory safety standard
Mexicali Bicycle	Recalled - Failed mandatory safety standard
Funny Car Truck Set	Recalled - Failed mandatory safety standard
Sonic Stationery Magnetic Letters	Recalled - Failed mandatory safety standard
Sponge Bob Children's Folding Chair	Recalled - Failed mandatory safety standard
Musical Animal	Recalled - Failed mandatory safety standard
Baby Joy Orthodontic Pacifiers	Withdrawn - Failed mandatory safety standard (previously recalled)
Charming Pull Toy	Withdrawn - Failed mandatory safety standard
Classic Craft Magnetic Letter Set	Withdrawn - Failed mandatory safety standard
Toxophily Bow and Arrow set	Withdrawn - Removable unsafe small parts
Monkey Bike (Zoot)	Withdrawn - Banned dangerous goods
Monkey Bike (Brickworks)	Withdrawn - Banned dangerous goods
Safety First Swim Suit	Withdrawn - Failed mandatory safety standard
<i>Blind Cord Monitoring February 2010 (1 product line)</i>	
Second hand blinds	Withdrawn - Banned dangerous goods

Easter Monitoring March 2010 (6 product lines)

Hana Deka Tan Plush Toy	Recalled - Failed mandatory safety standard
Hana Deka Beagle	Recalled - Failed mandatory safety standard
Novelty Easter Bag	Recalled - Failed mandatory safety standard
Peter Rabbit Plush Toy	Recalled - Failed mandatory safety standard
Flopsy Plush Toy	Recalled - Failed mandatory safety standard
Jemima Plush Toy	Recalled - Failed mandatory safety standard

Port Lincoln Monitoring May 2010 (1 product line)

Trolley Jack	Withdrawn - Failed mandatory safety standard
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General Monitoring

Products Withdrawn or Recalled

Outcome/Reason

August 2009 (1 product line)

Sky Lanterns	Withdrawn - Banned dangerous goods
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October 2009 (1 product line)

Novelty Torch Lighter	Withdrawn - Unsafe design
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March 2010 (9 product lines).

9 types of Novelty Cigarette Lighters	Withdrawn - Banned dangerous goods
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June 2010 (2 product lines).

Children's Folding Chair	Recalled - Failed mandatory safety standard
Steelcraft Stroller (Second hand)	Withdrawn - Failed mandatory safety standard

Appendix 4 Analysis of Fair Trading Enquiries Received

Analysis of Enquiries¹ Received by Category 1 July 2009 to 30 June 2010

Main Category	Variation	2009-10	2008-09
1 Referred Matters	-4%	20 887	21 648
2 General Goods	-11%	18 148	20 471
3 General Services	15%	11 350	9 834
4 Building & Construction	9%	10 907	10 012
5 Motor Vehicles	4%	8 064	7 747
6 Trade Measurement/Product Safety & Standards	42%	4 020	2 828
7 Other	-55%	3 186	7 025
8 Communication	-27%	2 522	3 467
9 Scams & Schemes	-17%	2 386	2 889
10 Real Estate & Accommodation.	-37%	1 655	2 613
11 Travel, Hospitality & Tourism	-33%	1 314	1 951
12 Credit & Finance	-41%	871	1 486
13 Marketing Methods	-12%	631	720
14 Insurance	-1%	547	553
TOTAL for Period	-7%	86 488	93 244

*Note 1 - The OCBA Advisory Service provides free fair trading advice to consumers and traders.
Enquiries include contacts by telephone and in person.*

Appendix 5

Analysis of Complaints¹ Received by Product or Service

1 July 2009 to 30 June 2010

Category	Variation	2009-10		2008-09	
		Sub-total	Total	Sub-total	Total
1 Residential Building Construction²	30%		1360		1045
Air conditioning, heating installation		58		40	
Building & decorating products		92		59	
Carpentry, joinery		7		13	
Pest control services		6		13	
Concrete work, foundations, brickwork, paving		65		80	
Electrical		40		32	
Fences, garden walls, gates		49		43	
Garages, carports, sheds, water tanks		93		89	
Gardening & outdoor products		11		7	
Home Construction, extensions, renovations		397		367	
Painting, decorating, plastering		18		24	
Plumbing - water, gas, drainage		52		44	
Roofing, insulation, roof treatments ²		326		69	
Swimming pools, spas, hot tubs		29		43	
Tiling		19		18	
Other		98		104	
2 General Consumer Products	-1%		1301		1314
Air conditioners		33		51	
Literature, Stationery, CDs & DVDs		48		42	
Clothes		86		92	
Electrical goods - other		91		71	
Food products		86		74	
Footwear		22		23	
Furnishings		80		73	
Furniture - lounge suites		54		60	
Furniture - other		77		107	
Haberdashery, clothing materials & accessories		10		4	
Heaters & hot water systems		68		47	
Household Appliances		28		21	
Jewellery, clocks and watches		45		45	
Pets & pet products		37		21	
Photographic equipment & supplies		10		24	
Health & cleaning products		55		64	
Sports & camping equipment		23		13	
Televisions, VCRs & DVD players		105		100	
Whitegoods - other		24		28	
Whitegoods - refrigerators		27		30	
Whitegoods - washing machines		23		22	
Other general goods		269		302	

3 Scams and Schemes⁶	-12%		928		1051
Scams (eg Nigerian Scam)		844		931	
Get Rich Quick Schemes ⁶		84		120	
4 General Services⁵	3%		653		635
Dry Cleaning		16		18	
Education & training		40		31	
Employment		10		11	
Health & Fitness (Gyms) ⁵		27		62	
Furniture removals		33		21	
Health services		21		28	
Household services		78		75	
Introduction Agencies		10		9	
Transport services		24		25	
Personal services		89		80	
Professional & technical services		67		58	
Utilities & fuel supply		32		52	
Sport, culture & recreation ⁵		29		34	
Other services		177		131	
5 Motor vehicles and Transport Products	13%		547		486
Purchase of new motor vehicles		58		44	
Purchase of new & used motor cycles		47		43	
Purchase of used motor vehicles		175		142	
Consignment sales		2		5	
Automotive repair & servicing		154		140	
Spare parts & accessories		55		57	
Other transport vehicles & equipment		56		55	
6 Communication & Information³	-20%		390		490
Telephone services & products		164		190	
Internet		37		47	
Television & other services		10		29	
Computers and software ³		179		224	
7 Travel, Hospitality and Tourism	-9%		318		349
Travel Agents		48		58	
Tours		21		19	
Hotels, Motels, Hostel		38		57	
Other		211		215	
8 Trade Standards	-35%		202		312
Product safety/standards & hazardous products		105		178	
Trade measurements		97		134	
9 Real estate, accommodation⁴	-13%		143		165
Property sales and listings		73		88	
Property Management		13		17	
Other - Accommodation and Real Estate		57		60	
10 Credit, finance, investment	-24%		75		99
Credit & finance		68		79	
Investment		7		20	

11 Marketing Methods	-25%		69		92
Mail Order		3		1	
Discount & gift voucher schemes		17		21	
Other		49		70	
12 Insurance	-4%	23	23	24	24
TOTAL FOR PERIOD	-1%		6009		6062

Note 1 - Complaints comprised of consumer/ trader disputes and written consumer complaints or concerns about trading practices.

Note 2 - The 30 % increase for Residential Building Construction is mainly due a 372% increase of complaints about with insulation services associated with the Commonwealth economic stimulus package. Other building areas also experienced increased complaint numbers, in particular building and decorating products (Solar hot water & power generating systems).

Note 3 - The decrease for Communication & Information is mainly attributable to a 20% decrease in computer and software complaints and 14% decrease in mobile phone complaints.

Note 4 - Real Estate complaints decreased by 13% as industry practices improved following the introduction of industry reforms in 2008.

Note 5 - General Services complaints only rose by 3%. This is significantly lower than last year which saw a large number of complaints lodged when two large fitness groups collapsed.

Note 6 - The incidence of reported Scams dropped by 12% due to greater consumer awareness and greater utilisation of the national SCAMwatch reporting mechanism.

Appendix 6

Analysis of Complaints Investigated by Practice

Analysis of Complaints by Practice
1 July 2009 to 30 June 2010

	Practice	Variation	2009-10	2008-09
1	Quality	8%	1615	1493
2	Contracts	10%	1150	1045
3	Scams and Schemes	-8%	968	1051
4	Warranties	7%	556	521
5	Miscellaneous Conduct	89%	446	236
6	Representations	-30%	358	509
7	Price	-11%	323	361
8	Advertising	-13%	255	293
9	Product Safety/Standards & Hazardous Products	-41%	105	178
10	Trade Measurements	-28%	97	134
11	Sale Methods	-53%	85	180
12	Credit	-7%	40	43
13	Product Labelling	22%	11	9
	TOTAL	-1%	6009	6053

Appendix 7 Occupational Licensing and Registration

Licences and registrations issued 2009-10

- OCBA administers registers containing over 65 000 licences/registrations under seven separate pieces of legislation.
- Staff handle around 1430 general telephone enquiries weekly.
- The average answer time for calls is around 59 seconds.
- Over 7200 applications for new and upgraded licences/registrations have been processed.

Builders

Builders who contract for building work must be licensed. Individuals who supervise building work for a contractor must be registered.

<i>Licences</i>	2009-10	2008-09
Held by bodies corporate (usually companies)	3 729	3 529
Held by natural persons (individuals or members of partnerships)	19 297	18 934
Held by building work supervisors registrations only	2 996	2 780
Total	26 022	25 243

	2009-10	2008-09
<i>Licences</i>		
- Any building work	1 456	1 513
- Light commercial/industrial and/or residential	5 917	5 785
- Specified building work	15 653	15 165
<i>Registrations</i>		
- Any building work	1 480	1 530
- Light commercial/industrial and/or residential	4 832	4 709
- Specified building work	15 981	15 475

<i>Licence Applications</i>	2009-10	2008-09
Applications for new licences/registrations processed	2 256	1 904
Applications for change to licence/registration conditions	116*	469

**The process to apply for a change to licence/registration conditions has been amended over the last financial year, and as such this figure is inaccurate. These applications are now processed in the same way as new applications, and therefore the figure for new applications will also include applications to change licence/registration conditions.*

Plumbers, Gas Fitters and Electricians

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.

	2009-10	2008-09
<i>Licences</i>		
- Plumbing	1 674	1 589
- Gas Fitting	1 154	1 080
- Electrical	4 784	4 605
<i>Registrations</i>		
- Plumbing	4 710	4 545
- Gas Fitting	3 673	3 479
- Electrical	18 732	17 862
Total	34 727	33 160

<i>Licence Applications</i>	2009-10	2008-09
Applications for new licences/registrations processed	2 523	1 914
Applications for change to licence/registration conditions	130*	978**

**The process to apply for a change to licence/registration conditions has been amended over the last financial year, and as such this figure is inaccurate. These applications are now processed in the same way as new applications, and therefore the figure for new applications will also include applications to change licence/registration conditions.*

*** Please also note that this figure has been corrected for the 08-09 financial year.*

Land Agents

<i>Registrations</i>	2009-10	2008-09
Held by bodies corporate (usually companies)	787	760
Held by natural persons	1 799	1 743
Total	2 586	2 503

<i>Registration Applications</i>	2009-10	2008-09
Applications for new registrations processed	272	278

Real Estate Sales Representatives & Auctioneers

The requirement for sales representatives and auctioneers to be registered commenced in July of 2008 as part of the real estate reforms.

<i>Registrations</i>	2009-10	2008-09
Held by natural persons	2 136	1 962
Total		

<i>Registration Applications</i>	2009-10	2008-09
Applications for new registrations processed	482	1 996

Conveyancers

<i>Registrations</i>	<i>2009-10</i>	<i>2008-09</i>
Held by bodies corporate (usually companies)	60	56
Held by natural persons	612	602
Total	672	658

<i>Registrations Applications</i>	<i>2009-10</i>	<i>2008-09</i>
Applications for new registrations processed	40	29

Security and Investigation Agents

<i>Licences</i>	<i>2009-10</i>	<i>2008-09</i>
Held by bodies corporate (usually companies)	334	319
Held by natural persons	8 363	8 170
Total	8 697	8 489

<i>Licence Applications</i>	<i>2009-10</i>	<i>2008-09</i>
Applications for new licences processed	1 579	1 696
Applications for change to licence conditions	9*	69

**The process to apply for a change to licence conditions has been amended over the last financial year, and as such this figure is inaccurate. These applications are now processed in the same way as new applications, and therefore the figure for new applications will also include applications to change licence conditions.*

Second-hand Vehicle Dealers

<i>Licences</i>	<i>2009-10</i>	<i>2008-09</i>
Held by bodies corporate (usually companies)		
- second-hand vehicle dealers	367	364
- second-hand motor cycle dealers	34	33
Held by natural persons		
- second-hand vehicle dealers	762	780
- second-hand motor cycle dealers	60	56
Total	1 223	1 233

<i>Licence Applications</i>	<i>2009-10</i>	<i>2008-09</i>
Applications for new licences processed:		
- second-hand vehicle dealers	76	74
- second-hand motor cycle dealers	4	9
Registration of trading premises	52	59

Travel Agents

<i>Licences</i>	<i>2009-10</i>	<i>2008-09</i>
Held by bodies corporate (usually companies)	148	145
Held by natural persons	71	77
Total	219	222

<i>Licence Applications</i>	<i>2009-10</i>	<i>2008-09</i>
Applications for new licences processed	17	8

Photographic Images Captured for Occupational Licences

5183 digital photographic images have been captured during the year. Of these, 3589 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 807 general telephone enquiries weekly, with an average answer time of 82 seconds.

Below is a summary of the work performed by OCBA's Registration Unit.

Business Names Act 1996

	2009-10	2008-09	2007-08	2006-07
Business names on the register (at 30 June)	94 285	92 702	93 708	93 728
New registrations	13 967	12 381	12 830	13 602
Renewals	19 414	18 722	18 451	18 387
Changes	5 961	6 511	6 619	7 338
Cessations	743	837	930	907
Transactions	84 634	76 922	82 019	93 869

Associations Incorporations Act 1985

	2009-10	2008-09	2007-08	2006-07
Incorporated associations on the register (at 30 June)	19 046	18 802	18 615	18 368
Incorporated during the year	364	327	407	362
De-registered and wound-up	91	126	138	83
Periodic returns lodged	863	882	1 153	1 265
Searches of the public register	847	980	826	586

Co-operatives Act 1987

	2009-10	2008-09	2007-08	2006-07
Co-operatives on the register (at 30 June)	59	56	56	56
Incorporations	1	0	0	0
Foreign registrations	2	0	0	0
De-registrations	0	0	0	0

Appendix 9 Births, Deaths and Marriages

REGISTRATIONS	2009-10 YTD	2008-09	% Movement
Births	20 155	19 844	1.6
Still-births	79	86	-8.1
<i>Total Births</i>	<i>20 234</i>	<i>19 930</i>	<i>1.5</i>
Deaths	12 601	12 729	-1.0
Marriages	8 187	8 144	0.5
Change of Name Registration	2 983	3 041	-1.9
CON - Court Order/Interstate	184	179	2.8
CON - Rejected	5	7	-28.6
<i>Total CON</i>	<i>3 172</i>	<i>3 227</i>	<i>-1.7</i>
Adoptions - Open	0	1	-100
- Closed	36	20	80.0
Reassignment of sex	5	5	0
Legitimations	108	115	-6.1
Cremation Permits	7 968	7 507	6.1

DOCUMENTS ISSUED (Mail, Counter, SSA)			
Std Certificates - Births	41 912	45 916	-8.7
Std Certs (from commems) - Births	10 918	11 167	-2.2
Certificates - Deaths	11 907	12 081	-1.4
Certificates - Marriages	16 067	16 231	-1.0
Std Certs (from commems) - Marriages	97	62	56.5
Certificates - Change Of Name	2 522	2 481	1.7
<i>Sub-total Certificates</i>	<i>83 423</i>	<i>87 938</i>	<i>-5.1</i>
DOCUMENTS APPLIED FOR ONLINE			
Online Certificates - Births	16 153	15 861	1.8
Online Certificates - Deaths	5 035	5 041	-0.1
Online Certificates - Marriages	8 006	7 171	11.6
Online Certificates - CON	2	2	0
<i>Sub-total Online Certificates</i>	<i>29 196</i>	<i>28 075</i>	<i>4.0</i>
<i>Total commem certificates</i>	<i>11 485</i>	<i>11 638</i>	<i>-1.3</i>
Grand Total Certificates	123 634	127 242	-2.8

REGISTRY MARRIAGES			
Notices given	1 165	1 165	0
Marriages solemnised	936	914	2.4
Registry marriages as % of all SA marriages	11.4	11.2	

Appendix 10 Residential and Retail Tenancies

Bonds	June 2010	June 2009	June 2008
Total tenant provided bonds held	94 531	92 000	88 019
Total SAHT provided bonds held	411	461	522
Total SAHT bond guarantees held	26 763	23 544	22 961
Total residential bonds held	121 705	116 005	111 502
Tenant provided bonds (\$)	113 038 837	100 666 323	86 036 953
SAHT provided bonds (\$)	176 120	197 374	222 865
SAHT bond guarantees (\$)	21 183 984	16 572 230	14 605 560
Total residential bonds held (\$)	134 398 941	117 435 929	100 865 378
Residential bonds lodged	54 113	48 951	52 406
Residential bonds refunded	48 405	47 817	46 550
Total retail bonds held	3 272	2 757	
Total retail bonds held (\$)	4 688 832.68	3 799 323	
Retail bonds lodged	626	514	512
Retail bonds refunded	245	289	307
Total residential park bonds held	665	396	386
Total residential park bonds held (\$)	247 875	113 064	98 312
Residential park bonds lodged	269	265	475
Residential park bonds refunded	233	255	89
Incoming residential bond calls	44 699	50 705	48 857
Average speed of answer (secs)	90	35	39
Average duration of calls (secs)	157	148	167

Advice	June 2010	June 2009	June 2008
Requests for assistance	409	408	479
Tribunal files investigated	2 794	3 450	3265
Customer contacts (phone & counter)	82 476	100 154	95 978
Average speed of answer (secs)	121	129	75
Average duration of calls (secs)	228	242	210

Tribunal Support Section	June 2010	June 2009	June 2008
Applications lodged	14 660	15 156	15 737
Hearings listed - metro	9 702	9 970	10 595
Hearings listed - country	957	727	730
Hearings listed – country by video conference	657	744	723
Hearings actually conducted	10 050	9 701	10 025

Residential Tenancies Tribunal Listings by Category

	June 2010		June 2009		June 2008	
	No.	%	No.	%	No.	%
Bond and compensation	3 464	32.5	3 259	30.5	2 922	25.7
Vacant possession	5 999	56	6 099	57.0	6 963	61.4
Immediate termination	47	0.4	46	0.4	30	0.2
Miscellaneous	461	4.3	462	4.3	560	4.9
Retirement Villages	18	0.2	8	0.1	4	0.1
Vary or set aside	499	4.7	542	5	508	4.7
Exemptions	2	0.1	6	0.1	5	0.1
Termination due to tenant conduct	175	1.8	194	1.8	333	2.9
Total	10 665		10 697		11 325	

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.

	\$
Companies Liquidation Account	
Balance at 1 July 2008	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 2009	94 244.40

	\$
Co-operatives Liquidation Account	
Balance at 1 July 2008	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 2009	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 were no new registrations and no de-registrations during the year with the total number of limited partnerships registered as 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 2009 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 2010 are due to be lodged with the Corporate Affairs Commission by the end of October 2010.

Trustee Companies Act 1988

As of 5 May 2010 any companies granted trustee company status no longer report to the Corporate Affairs Commission. Since 6 May 2010 trustee companies report to the Australian Securities and Investment Commission.

Appendix 13 Assurances and Court Actions

Assurances

No.	Trader	Date	Act	Section	Undertaking
812	Robert Edward McIntyre	1-Aug-2009	<i>Building Work Contractors Act 1995</i>	6(1)(a); 6(1)(b)	Will refrain from carrying on business as a building work contractor without a building work contractors licence; holding out as being entitled to carry on business as a building work contractor without a building work contractors licence.
813	Craig Francis Mitchell	1-Sep-2009	<i>Fair Trading Act, 1987</i>	72	Will refrain from delivering documents to persons in connection with the sale of advertisement where those documents have not been approved by the Commissioner. Will refrain from publishing advertisements without first delivering documents approved by the Commissioner to the person on whose behalf the advertisement will be published. Will refrain from asserting a right to payment for the sale of print advertising without reasonable cause to believe it was authorised.
814	Adepto Publications Pty Ltd	1-Sep-2009	<i>Fair Trading Act, 1987</i>	72	Will refrain from delivering documents to persons in connection with the sale of advertisements where those documents have not been approved by the Commissioner. Will refrain from publishing advertisements without first delivering documents approved by the Commissioner to the person on whose behalf the advertisement will be published. Will refrain from asserting a right to payment for the sale of print advertising without reasonable cause to believe it was authorised.

815	Geof Kurtze Pty Ltd	15-Sep-2009	<i>Land Agents Act 1994</i>	6(1)	Will refrain from engaging unlicensed Sales Representatives.
816	Ronald Maxwell Heneker	26-Oct-2009	<i>Second-hand Vehicle Dealers Act 1995</i>	16(1) 17(1)	Will refrain from selling second-hand vehicles without a formal contract. Will refrain from exposing cars for sale which do not have attached a prescribed notice.
817	Salvatore Monachello	24-Nov-2009	<i>Fair Trading Act 1987</i>	72	Will refrain from publishing (either personally or through any company of which he is a director) any print advertisements in journals or directories, unless documents have been delivered to the persons real or corporate situated within SA on whose behalf the ad is being published and those persons have endorsed the publication; asserting (either personally or through any company of which he is a director) a right to payment for the sale of print advertising in a directory or journal without reasonable cause to believe that the making of the entry in the directory or journal has been authorised by the person for whom it is made.
818	Ronald William HALL	14-Dec-2009	<i>Second-hand Vehicle Dealers Act 1995</i>	7(1), 16(1), 17(1) and 41.	Will refrain from carrying on the business of a second-hand vehicle dealer unlicensed, offering or exposing a second-hand vehicle for sale without a notice in the prescribed form and as a dealer, selling a second-hand vehicle without a written contract and making a false or misleading statement
819	Asim KRIVDIC	10-Feb-2009	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
820	Raad AL ZOUBIDI	10-Feb-2009	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.

821	Fioraldo TADDEO	10-Mar-2010	<i>Second-hand Vehicle Dealers Act 1995</i> <i>Second-hand Vehicle Dealers Regulations 1995</i>	14(1); 16(1); 17(1) 20(1)	Will refrain from carrying on business as a second hand vehicle dealer except at registered premises. Will refrain from offering or exposing vehicles for sale without the prescribed notice. Will refrain from selling vehicles without a complying contract of sale. Will refrain from advertising vehicles for sale without LVD and dealers number included in advertisement.
822	Steve VOZZO	19-Mar-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	s 7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
823	Rocky TIGANI	23-Apr-2010	<i>Building Work Contractors Act 1995</i> <i>Fair Trading Act 1987</i> <i>Business Names Act 1996</i>	6(1)(a) & 6(1)(b) 58(f) 7(1)(b)	Will refrain from carrying on business as a building work contractor whilst unlicensed, will refrain from advertising with an unregistered business name, and will refrain from making false representations by quoting a false building work contractors licence number and Australian Business Number.
824	Mathew MCKINNON	10-May-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
825	Dalton John O'BRIEN	21-May-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
826	Teresa Bernadette SAKRA	21-May-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
827	Gary KING	18-May-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	7 (1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.

828	Allan Robert BROWN	31-May-2010	<i>Building Work Contractors Act 1995</i> <i>Plumbers Gasfitters & Electricians Act 1995</i>	6(1)(a) & 28(2) 6(1)(a)	Will refrain from contracting for building work outside licence conditions. Will refrain from entering into building contracts that do not comply with legislative requirements, and engaging electrical workers that do not hold an appropriate electrical workers registration.
829	David John PERRY	10-Jun-2010	<i>Building Work Contractors Act 1995</i>	6(1)(a); 6(1)(b), 28(2) & 34	Will refrain from contracting for building work without a licence; or hold himself out as being entitled to contract for building work without a licence. Will refrain from undertaking domestic building work without a written contract; will refrain from undertaking building work without the appropriate Indemnity Insurance.
830	Sean Andrew SMITH	15-Jun-2010	<i>Building Work Contractors Act 1995</i>	6(1)(a) & 6(1)(b)	Will refrain from carrying on business as a building work contractor, contract for building work, or hold himself out as being entitled to contract for building work without a licence.
831	David Wayne SHELTON	21-Jun-2010	<i>Second-hand Vehicle Dealers Act 1995</i>	34(1)	Will refrain from interfering with the odometer on a second-hand vehicle.
832	Brendan MELVILLE	21-Jun-2010	<i>Building Work Contractors Act 1995</i>	6(1)(a) & 6(1)(b)	Will refrain from carrying on business as a building work contractor, contracting for building work, or holding himself out as being entitled to contract for building work without a licence.

833	Francesco Bagyo CARBONE	24-Jun-2010	<i>Security and Investigation Agents Act 1995</i>	25(1)(e)(ii)	<p>1. Will make an application to the Commissioner to have my licence conditions amended such that I am only approved to perform the following work: (i) investigation agent collection work;(ii) investigation agent inquiry work; and (iii) security agent guard work;</p> <p>2. Will seek approval from the Commissioner prior to employing anyone in my business;</p> <p>3. Will provide the Commissioner with details of my current business & financial interests including a statement of income and liabilities for the year 2009-10 by 30 September 2010;</p> <p>4. Will provide the Commissioner with details of my business and financial interests including a statement of income and liabilities in relation to the following financial year periods: 1 July 2010 to 30 June 2011, 1 July 2011 to 30 June 2012 and 1 July 2012 to 30 June 2013 within 3 months of end of each financial period;</p> <p>5. Will provide the Commissioner with my current residential address and current principal place of business by 30 June 2010 and will inform the Commissioner of any change to either address within 7 days of the change occurring;</p> <p>6. Will not become a director of a body corporate that is an agent or an agent of a specified class prior to 1 July 2017.</p>
834	Jock Gilbert Real Estate Pty Ltd	22-Jun-2010	<i>Land Agents Act 1994</i>	6B(1)	Will refrain from engaging persons who are not the holders of an auctioneer's registration.

Court Actions

Name	Act	Section	Allegations	Outcome
Kevin Andrew Bednarz	<i>Second-hand Vehicle Dealers Act</i> <i>Fair Trading Act</i>	7(1), 34 58(a)	Carried on business as a second-hand vehicle dealer while a not being the holder of a license. Interfered with vehicle odometers and misrepresented the history of a second-hand vehicle.	14 July 2009 Convicted and entered into a good behaviour bond for 2 years in the amount of \$5000. The condition of the bond is that he not sell any second-hand cars to the public either as a principal or employee.
Harry Stuart Wheeler	<i>Building Work Contractors Act</i>	6(1)(a) & (b)	Carried on business as a building work contractor while unlicensed and held himself out as being entitled to carry on business as a builder.	24 July 2009 Convicted and sentenced to 240 hours of community service to be completed within a period of 9 months. Ordered to pay \$800 prosecution costs.
Marie Beardsley	<i>Fair Trading Act</i>	58(e), 67(a)(ii) 81(1)	Made false representation regarding tuition being offered and the issuing of statements of attainment. Accepted payment from a student for tuition which was materially different from tuition offered. Acted contrary to an Assurance accepted by the Commissioner.	7 September 2009 Ms Convicted and fined \$6500 and ordered to pay \$10 000 in costs.
Seville Homes Pty Ltd	<i>Fair Trading Act</i>	81(1)	The company acted contrary to an Assurance accepted by the Commissioner.	17 September 2009 Convicted and fined \$750 and ordered to pay \$400 in costs.
Dariusz Pawel Szczepanski	<i>Fair Trading Act</i>	90(3)	As director of Seville Homes Pty Ltd he is vicariously liable for the offences committed by the company. The company acted contrary to an Assurance accepted by the Commissioner.	17 September 2009 Convicted and fined \$750 and ordered to pay \$400 in costs.

Paul Shaw	<i>Building Work Contractors Act</i>	6(1)(a)	Carried on business as a building whilst unlicensed.	22 September 2009 Convicted, fined \$2000 and ordered to pay \$6444.41 in compensation to the consumer for rectification work.
Cherry Galea	<i>Second-hand Vehicle Dealers Act</i>	27(1)(c)	Another person conducted the business of Cherry Galea whilst unlicensed in breach of the Second-hand Vehicle Dealers Act 1995.	21 October 2009 <ul style="list-style-type: none"> Disqualified from being licensed until further order. Prohibited from being employed or otherwise engaged in the business of a dealer unless with the approval of the Commissioner. Prohibited from being a director of a company that is a dealer until further order.
Brenton Evan Hounslow	<i>Second-hand Vehicle Dealers Act</i>	27(1)(h)	As a director of a company that is a dealer he is liable for improper conduct by the company whilst it was engaged in the business of a dealer. He acted improperly and unlawfully whilst engaged in the business of a dealer. He carried on business as a dealer whilst unlicensed. He does not now meet the eligibility criteria to be granted a license.	23 October 2009 <ul style="list-style-type: none"> Disqualified from being licensed until further order and prohibited from being employed or otherwise engaged in the business of a dealer. Disqualified from being a director or having an interest in a body corporate that is a dealer.
Mark Leslie Grillett	<i>Second-hand Vehicle Dealers Act</i>	7(1)	Carried on business as a second-hand vehicle dealer while not being the holder of a license.	4 November 2009 Convicted and fined \$1200 and ordered to pay costs of \$1580.
Mark Steven Higgins formerly Smith	<i>Security and Investigation Agents Act</i>	25(1)(b)	Acted improperly, negligently and/or unfairly in the course of performing functions as an agent.	23 November 2009 Reprimanded

June Ratcliffe	<i>Fair Trading Act</i>	72(2) 58(d)	As a director of Fifty Plus Lifestyle News Pty Ltd is vicariously liable for the offences committed by the company. The company demanded payment for unauthorised advertising and falsely asserted that a particular person had agreed to place the advertising.	26 November 2009 Convicted and fined \$5000.
Michael John Gilmour	<i>Security and Investigation Agents Act</i>	25(1)(e)(ii) 25(1)(b)	Made a false statement by failing to disclose a criminal conviction on his licence Annual Return. Is the holder of a security and investigation agents license. He does not now meet the eligibility criteria to be granted a licence, because he was convicted of a prescribed offence.	2 December 2009 The condition of crowd controller endorsed on his licence suspended for 2 years commencing 1 February 2010.
Aleksander Zmuda	<i>Security and Investigation Agents Act</i>	25(1)(e)(ii) 25(1)(f)	Is the holder of a security and investigation agents license. He does not now meet the eligibility criteria to be granted a license, because he was convicted of a prescribed offence. Not a fit and proper person to be the holder of a security agents licence.	15 December 2009 <ul style="list-style-type: none"> • Licence cancelled. • Disqualified from holding a security and investigation agents licence. • Prohibited from being employed or otherwise performing the functions of an agent or as an agent of a specified class. • Prohibited from being a director of a body corporate that is an agent or an agent of a specified class.
Luigi Belperio	<i>Building Work Contractors Act</i>	6(1)(a)	Carried on business as a building work contractor while unlicensed.	8 December 2009 Convicted and fined \$3000.

Adcom Publishing Pty Ltd	<i>Fair Trading Act</i>	72(2) 58(d) & 58(f)	Demanded payment for unsolicited advertising. Falsely asserted that a particular person had agreed to place the advertising. Represented that the company had sponsorship, approval, or affiliation that it did not have.	19 January 2010 Convicted and fined \$4000.
Barry Stewart Harper	<i>Building Work Contractors Act</i> <i>Plumbers, Gas Fitters and Electricians Act</i>	6(1)(a) 6(1)(a)	Carried on business as a building, and plumbing contractor whilst unlicensed.	4 February 2010 Convicted and fined \$6000.
Dean Paul Harper	<i>Building Work Contractors Act</i> <i>Plumbers, Gas Fitters and Electricians Act</i>	6(1)(a) 6(1)(a),	Carried on business as a building, and plumbing contractor whilst unlicensed.	4 February 2010 Convicted and fined \$6000.
Christopher Dallas Chapman	<i>Building Work Contractors Act</i>	6(1)(a), 34(a),	Carried on business as a builder whilst unlicensed. Failed to take out a policy of indemnity insurance.	24 March 2010 Fined \$1000. No conviction was recorded.
Graham John McNamara	<i>Building Work Contractors Act</i> <i>Fair Trading Act</i>	6(1)(a)) 81(1)	Carried on business as a building work contractor, while unlicensed. Acted contrary to an Assurance accepted by the Commissioner.	11 June 2010 Fined \$700. No conviction was recorded.
Bryan Kleinberg	<i>Security and Investigation Agents Act</i>	6(1)(a), 6(1)(b)	As a director of True Security and Protection Pty Ltd is vicariously liable for offences committed by the company. The company carried on business as a security and investigation agent whilst unlicensed and held itself out as being entitled to carry on business as an agent.	17 June 2010 Convicted and fined \$4000.

Appendix 14

Financial Statements and Audit Reports

The attached financial statements as at 30 June 2010 are presented in draft format, since at the time of the printing of this report the audit has not been completed by the Auditor-General.

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the 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 2010. 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 Commissioner for Consumer Affairs, the Director, Business and Financial Services, Attorney-General's Department and the General Manager, Operational and Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

The responsibility of the Commissioner for Consumer Affairs for the financial statements

The 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 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 2010, 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
15 March 2011

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 2010 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.



Paul White
Commissioner for Consumer Affairs

10 March 2011



Andrew Swanson
**Director
Business and Financial Services
Attorney-General's Department**

10 March 2011



John O'Daly
**General Manager, Operational Support Services
Office of Consumer and Business Affairs**

10 March 2011



**SECOND HAND VEHICLES COMPENSATION FUND
STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Income				
Contribution by licensees		303	303	320
Interest revenues		162	217	309
Other income	3	10	7	8
Total income		475	527	637
Expenses				
Claims	4	21	66	128
Administration	5	21	21	32
Other expenses		12	3	4
Total expenses		54	90	164
Net cost of providing services		421	437	473
Other Comprehensive Income				
Net gain/(loss) on financial assets taken to equity		44	(138)	(256)
Total comprehensive result		465	299	217

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 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Current assets				
Cash and cash equivalents	6	2,101	1,798	1,509
Investments		1,317	1,206	1,079
Receivables	7	41	34	13
Total current assets		3,459	3,038	2,601
Non-current assets				
Investments		1,334	1,290	1,428
Total non-current assets		1,334	1,290	1,428
Total assets		4,793	4,328	4,029
Current liabilities				
Payables	8	4	4	4
Total current liabilities		4	4	4
Total liabilities		4	4	4
Net assets		4,789	4,324	4,025
Equity				
Asset revaluation reserve		(144)	(188)	(50)
Retained earnings		4,933	4,512	4,075
Total equity		4,789	4,324	4,025
The total equity attributable to the SA Government as owner		4,789	4,324	4,025

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 2010

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 30 June 2007	206	3,602	3,808
Net result 2007-08	-	423	423
Net loss on financial assets taken to equity	(206)	-	(206)
Error correction	(50)	50	-
Total comprehensive result 2007-08	(256)	473	217
Balance at 30 June 2008	(50)	4,075	4,025
Net result 2008-09	-	299	299
Error correction	(138)	138	-
Total comprehensive result 2008-09	(138)	437	299
Balance at 30 June 2009	(188)	4,512	4,324
Net result 2009-10	-	421	421
Net gain on financial assets taken to equity	44	-	44
Total comprehensive result 2009-10	44	421	465
Balance at 30 June 2010	(144)	4,933	4,789

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 2010

	Note No.	2010 Inflows (Outflows) \$'000	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
Cash flows from operating activities				
Cash inflows				
Interest received		155	196	318
Contribution by licensees		303	303	320
Other receipts		10	7	8
Cash generated from operations		468	506	646
Cash outflows				
Administration		(21)	(21)	(32)
Claims		(21)	(66)	(128)
Other payments		(12)	(4)	(4)
Cash used in operations		(54)	(91)	(164)
Net cash provided by operating activities	9	414	415	482
Cash flows from investing activities				
Cash outflows				
Payments for investments		(110)	(126)	(234)
Cash used in investing activities		(110)	(126)	(234)
Net cash used in investing activities		(110)	(126)	(234)
Net increase in cash and cash equivalents		304	289	248
Cash and cash equivalents at the beginning of the financial year		1,798	1,509	1,261
Cash and cash equivalents at the end of the financial year	6	2,102	1,798	1,509

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 Australian Accounting Standards, AASB 2009-12, 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 2010.

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 2010 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 statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

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

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

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

An error correction has been made to the expenses, asset revaluation reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have been classified as available for sale. Any gains or losses as a result of holding these investments should be recognised through an asset revaluation reserve rather than through profit and loss. The treatment of revaluation gains or losses has been amended to comply with the requirements of AASB 139 and have been recognised directly in the equity of the Fund. Comparative figures have been retrospectively restated from 2006-07 where required, with gains or losses on investments moved to the asset revaluation reserve. The error correction has resulted in a decrease in the value of other expenses in 2009 of \$138,000 and 2008 of \$50,000. There is also an equivalent increase in the retained earnings and decrease in the asset revaluation reserve of the Fund for the same periods. There was no change to 2007 figures.

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 (GST).

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.

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h) Income

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

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

The 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.

i) Expenses

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

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

The 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.

j) Current and Non-current Classification

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

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 in the statement of financial position includes cash at bank and 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 which are subject to insignificant risk of changes in value.

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	50.43%
Cash Common Fund	49.57%

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

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

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

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

Except for AASB 2009-12, which the fund has adopted early, 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 2010. 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

	2010 \$'000	2009 \$'000	2008 \$'000
Management fee recovery	7	7	7
Sundry recovery	3	-	1
Total other income	<u>10</u>	<u>7</u>	<u>8</u>

4. Claims

Payments of \$21,000 (2009 - \$66,000, 2008 - \$128,000) to settle valid unsatisfied claims against 3 (2009 - 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

	2010 \$'000	2009 \$'000	2008 \$'000
Section 21 Deposit Account with the Treasurer	2,101	1,798	1,509
Total cash and cash equivalents	<u>2,101</u>	<u>1,798</u>	<u>1,509</u>

7. Receivables

	2010 \$'000	2009 \$'000	2008 \$'000
Accrued interest	41	34	13
Total receivables	<u>41</u>	<u>34</u>	<u>13</u>

8. Payables

	2010 \$'000	2009 \$'000	2008 \$'000
Accruals	4	4	4
Total payables	<u>4</u>	<u>4</u>	<u>4</u>

9. Cash flow reconciliation

	2010 \$'000	2009 \$'000	2008 \$'000
Reconciliation of cash - cash at year end as per:			
Cash Flow Statement	2,101	1,798	1,509
Statement of Financial Position	2,101	1,798	1,509

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by operating activities	413	415	482
Movement in assets and liabilities			
Increase in receivables	8	22	(9)
Net cost of providing services	<u>421</u>	<u>437</u>	<u>473</u>

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10. Contingent assets and liabilities

The Fund has an estimated contingent liability to pay \$40,000 (2009 - \$25,000, 2008 - \$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 (2009 - \$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 \$2.65 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)
2010					
Financial Assets					
Cash and Cash Equivalents	2,101	(21)	21	-	-
Investments	2,651	-	-	(26)	26
Total increase/(decrease)		(21)	21	(26)	26
2009					
Financial Assets					
Cash and Cash Equivalents	1,798	(18)	18	-	-
Investments	2,496	-	-	(25)	25
Total increase/(decrease)		(18)	18	(25)	25
2008					
Financial Assets					
Cash and Cash Equivalents	1,509	(15)	15	-	-
Investments	2,507	-	-	(25)	25
Total increase/(decrease)		(15)	15	(25)	25

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		
	2010 \$'000	2009 \$'000	2008 \$'000
Income			
Interest revenue	162	217	309
Management fee recovery	-	7	7
Total income	162	224	316
Expenses			
Other expenses	-	4	4
Total other expenses	-	4	4
Financial assets			
Cash and cash equivalents	2,101	1,798	1,509
Investments	2,651	2,496	2,507
Total financial assets	4,752	4,294	4,016



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**To the 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 2010. 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 Commissioner for Consumer Affairs, the Director, Business and Financial Services, Attorney-General's Department and the General Manager, Operational and Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

The responsibility of the Commissioner for Consumer Affairs for the financial statements

The 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 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 2010, 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
15 March 2011

STATEMENT BY EXECUTIVE

We certify that the attached general purpose financial statements for the Agent's Indemnity Fund:

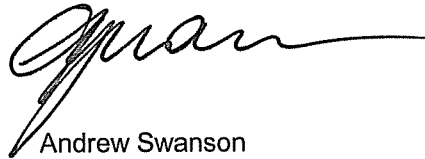
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and the records of the Fund; and
- present a true and fair view of the financial position of the Agent's Indemnity Fund as at 30 June 2010 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.



Paul White
Commissioner for Consumer Affairs

10 March 2011



Andrew Swanson
**Director
Business and Financial Services
Attorney-General's Department**

10 March 2011



John O'Daly
**General Manager, Operational Support Services
Office of Consumer and Business Affairs**

10 March 2011

AGENTS INDEMNITY FUND
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Income				
Interest revenues	3	8,688	11,221	15,628
Other income	4	121	102	119
Total income		8,809	11,323	15,747
Expenses				
Claims	5	-	44	75
Administration		93	276	196
Professional Costs		226	185	225
Other expenses	6	381	737	610
Total expenses		700	1,242	1,106
Net cost of providing services		8,109	10,081	14,641
Other Comprehensive Income				
Net gain/(loss) on financial assets taken to equity		719	(2,243)	(4,156)
Total comprehensive result attributable to the SA Government as owner		8,828	7,838	10,485

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

22

AGENTS INDEMNITY FUND
STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Current assets				
Cash and cash equivalents	7	36,494	30,623	21,692
Investments		17,754	16,189	14,311
Receivables	8	1,939	1,319	2,043
Total current assets		56,187	48,131	38,046
Non-current assets				
Investments		21,649	20,929	23,172
Total non-current assets		21,649	20,929	23,172
Total assets		77,836	69,060	61,218
Current liabilities				
Payables	9	23	75	71
Total current liabilities		23	75	71
Total liabilities		23	75	71
Net assets		77,813	68,985	61,147
Equity				
Asset revaluation reserve		(587)	(1,306)	937
Retained earnings		78,400	70,291	60,210
Total equity		77,813	68,985	61,147
The total equity attributable to the SA Government as owner		77,813	68,985	61,147

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 2010

	Asset revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2007	5,093	45,569	50,662
Net result for 2007-08	-	14,641	14,641
Net loss on financial assets taken to equity 2007-08	(4,156)	-	(4,156)
Total comprehensive result for 2007-08	(4,156)	14,641	10,485
Balance at 30 June 2008	937	60,210	61,147
Net result for 2008-09	-	8,839	8,839
Net loss on financial assets taken to equity 2008-09	(937)	-	(937)
Error correction	(1,306)	1,242	(64)
Total comprehensive result for 2008-09	(2,243)	10,081	7,838
Balance at 30 June 2009	(1,306)	70,291	68,985
Net result for 2009-10	-	8,109	8,109
Net gain on financial assets taken to equity 2009-10	719	-	719
Total comprehensive result for 2009-10	719	8,109	8,828
Balance at 30 June 2010	(587)	78,400	77,813

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 2010

	Note No.	2010 Inflows (Outflows) \$'000	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
Cash flows from operating activities				
Cash inflows				
Interest received		8,068	11,945	15,379
Other receipts		120	102	119
Cash generated from operations		8,188	12,047	15,498
Cash outflows				
Claims		-	(44)	(75)
Administration		(93)	(276)	(196)
Professional Costs		(226)	(174)	(225)
Other payments		(434)	(744)	(581)
Cash used in operations		(753)	(1,238)	(1,077)
Net cash provided by operating activities	10	7,435	10,809	14,421
Cash flows from investing activities				
Cash outflows				
Payments for investments		(1,564)	(1,878)	(3,576)
Cash used in investing activities		(1,564)	(1,878)	(3,576)
Net cash used in investing activities		(1,564)	(1,878)	(3,576)
Net increase in cash and cash equivalents		5,871	8,931	10,845
Cash and cash equivalents at the beginning of the financial year		30,623	21,692	10,847
Cash and cash equivalents at the end of the financial year	7	36,494	30,623	21,692

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

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

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 Australian Accounting Standards, AASB 2009-12, 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 2010.

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 2010 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 statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

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

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

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

An error correction has been made to the expenses, asset revaluation reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have been classified as available for sale. Any gains or losses as a result of holding these investments should be recognised through an asset revaluation reserve rather than through profit and loss. The treatment of revaluation gains or losses has been amended to comply with the requirements of AASB 139 and have been recognised directly in the equity of the Fund. Comparative figures have been retrospectively restated from 2006-07 where required, with gains or losses on investments moved to the asset revaluation reserve. The error correction has resulted in a decrease in the value of other expenses for 2009 of \$1,306,000 and an equivalent increase in the retained earnings and decrease in the asset revaluation reserve of the Fund for the same period. There was no change to 2007 figures.

A correction has been made to 2009 current payables, other expenses and professional fees of the fund to account for Consumer & Agent Education costs and Professional fees payable as at 30 June 2009 that were not recognised as a liability at this date. The error correction has resulted in an increase in Professional Fees of \$11,000, Other Expenses of \$53,000, Current Payables of \$64,000 and a decrease in Retained Earnings of \$64,000.

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 (GST).

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, which are stated with the amount of GST included.

h) Income

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

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

The 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.

i) Expenses

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

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

The 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 2009-10 payments were made to the Australian Institute of Conveyancers and Real Estate Institute of South Australia for these purposes.

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

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

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

j) Current and Non-current Classification

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

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.

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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 in the statement of financial position includes cash at bank and 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 which are subject to insignificant risk of changes in value.

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	54.94%
Cash Common Fund	45.06%

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

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

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

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.

20

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

Except for AASB 2009-12, 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 2010. 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

	2010 \$'000	2009 \$'000	2008 \$'000
Interest from Agents & Conveyancers Trust accounts	5,880	7,904	11,247
Interest on Investments held with Public Trustee	1,626	2,166	3,290
Interest on deposits with the Dept of Treasury and Finance	1,182	1,151	1,091
Total Interest	<u>8,688</u>	<u>11,221</u>	<u>15,628</u>

4. Other income

	2010 \$'000	2009 \$'000	2008 \$'000
Management fee recovery	108	101	105
Sundry recovery	13	1	14
Total other income	<u>121</u>	<u>102</u>	<u>119</u>

5. Claims

No payments (2009 \$44,000, 2008 \$75,000) were made for claims against defaulting conveyancers, mortgage financiers or land agents during 2009-10.

6. Other expenses

	2010 \$'000	2009 \$'000	2008 \$'000
Consumer & Agent Education	352	731	608
Audit fees	6	6	2
Other	23	-	-
Total other expenses	<u>381</u>	<u>737</u>	<u>610</u>

7. Cash and cash equivalents

	2010 \$'000	2009 \$'000	2008 \$'000
Section 21 Deposit Account with the Treasurer	36,494	30,623	21,692
Total cash and cash equivalents	<u>36,494</u>	<u>30,623</u>	<u>21,692</u>

8. Receivables

	2010	2009	2008
	\$'000	\$'00	\$'000
Accrued interest	1,939	1,319	2,043
Total receivables	<u>1,939</u>	<u>1,319</u>	<u>2,043</u>

9. Payables

	2010	2009	2008
	\$'000	\$'000	\$'000
Creditors	17	69	67
Accruals	6	6	4
Total payables	<u>23</u>	<u>75</u>	<u>71</u>

10. Cash flow reconciliation

	2010	2009	2008
	\$'000	\$'000	\$'000
Reconciliation of cash - cash at year end as per:			
Cash flow statement	36,494	30,623	21,962
Statement of Financial Position	36,494	30,623	21,962

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by operating activities	7,435	10,809	14,421
Movement in assets and liabilities			
Increase/(Decrease) in receivables	622	(724)	249
(Increase)/Decrease in payables	52	(4)	(29)
Net cost of providing services	<u>8,109</u>	<u>10,081</u>	<u>14,641</u>

11. Contingent liabilities and contingent assets

The Fund has no estimated contingent liability (2009 \$189,000, 2008 \$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 \$6,200 (2009 \$6,000, 2008 \$2,000). 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.

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b. Credit Risk

At reporting date funds totalling \$39.4 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.

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)
2010					
Financial Assets					
Cash and Cash Equivalents	36,494	(365)	365	-	-
Investments	39,403	-	-	(394)	394
Total increase/(decrease)		(365)	365	(394)	394
2009					
Financial Assets					
Cash and Cash Equivalents	30,623	(306)	306	-	-
Investments	37,118	-	-	(371)	371
Total increase/(decrease)		(306)	306	(371)	371
2008					
Financial Assets					
Cash and Cash Equivalents	21,692	(217)	217	-	-
Investments	37,483	-	-	(375)	375
Total increase/(decrease)		(217)	217	(375)	375

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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		
	2010	2009	2008
	\$'000	\$'000	\$'000
Income			
Interest revenue	2,808	3,317	4,381
Management fee recovery	108	101	105
Total income	<u>2,916</u>	<u>3,418</u>	<u>4,486</u>
Expenses			
Administration	93	276	196
Audit Fees	6	6	2
Total expenses	<u>99</u>	<u>282</u>	<u>198</u>
Financial assets			
Cash and cash equivalents	36,494	30,623	21,692
Accrued interest	746	531	183
Investments	39,403	37,118	37,483
Total financial assets	<u>76,643</u>	<u>68,272</u>	<u>59,358</u>

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**To the 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 2010. 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 Commissioner for Consumer Affairs, the Director, Business and Financial Services, Attorney-General's Department and the General Manager, Operational and Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

The responsibility of the Commissioner for Consumer Affairs for the financial statements

The 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

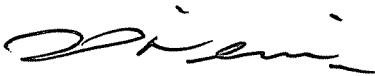
My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical 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 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 Residential Tenancies Fund as at 30 June 2010, 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
15 March 2011

STATEMENT BY EXECUTIVE

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

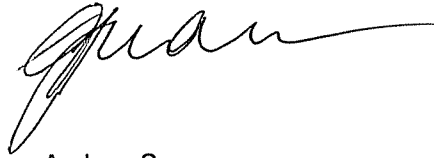
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and the records of the Fund; and
- present a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2010 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.



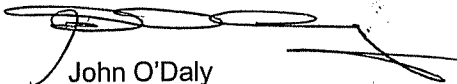
Paul White
Commissioner for Consumer Affairs

10 March 2011



Andrew Swanson
**Director
Business and Financial Services
Attorney-General's Department**

10 March 2011



John O'Daly
**General Manager, Operational Support Services
Office of Consumer and Business Affairs**

10 March 2011

RESIDENTIAL TENANCIES FUND
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Income				
Interest revenue		5,376	6,622	8,063
Other income	3	328	254	212
Total income		5,704	6,876	8,275
Expenses				
Staffing costs	4	3,995	3,762	3,521
Accommodation		658	439	375
Depreciation	5	171	226	96
Other expenses	6	927	869	1,120
Total expenses		5,751	5,296	5,112
Net cost of providing services		(47)	1,580	3,163
Other Comprehensive Income				
Net gain/(loss) on financial assets taken to equity		1,549	(4,295)	(5,552)
Changes in property, plant and equipment revaluation reserve		-	123	-
Total comprehensive result		1,502	(2,592)	(2,389)

The net result is attributable to the SA Government as owner

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

201

RESIDENTIAL TENANCIES FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Current assets				
Cash and cash equivalents	7	9,400	12,375	12,382
Investments		51,490	34,343	29,885
Receivables	8	1,804	1,390	232
Total current assets		62,694	48,108	42,499
Non-current assets				
Plant and equipment	9	71	247	327
Investments		62,051	60,502	55,797
Total non-current assets		62,122	60,749	56,124
Total assets		124,816	108,857	98,623
Current liabilities				
Security bonds lodged	10	53,484	44,504	40,478
Payables	11	3,334	1,559	3,715
Total current liabilities		56,818	46,063	44,193
Non-current liabilities				
Security bonds lodged	10	62,794	59,087	48,131
Total non-current liabilities		62,794	59,087	48,131
Total liabilities		119,612	105,150	92,324
Net assets		5,204	3,707	6,299
Equity				
Asset revaluation reserve		(3,606)	(5,155)	(983)
Retained earnings		8,810	8,862	7,282
Total equity		5,204	3,707	6,299

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 2010

	Asset revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2007	4,569	4,119	8,688
Net result for 2007-08	-	1,387	1,387
Net loss on financial assets taken to equity	(3,776)	-	(3,776)
Error correction	(1,776)	1,776	-
Total comprehensive result 2007-08	(5,552)	3,163	(2,389)
Balance at 30 June 2008	(983)	7,282	6,299
Net result for 2008-09	-	(2,715)	(2,715)
Changes in property, plant and equipment revaluation reserve	123	-	123
Error correction	(4,295)	4,295	-
Total comprehensive result 2008-09	(4,172)	1,580	(2,592)
Balance at 30 June 2009	(5,155)	8,862	3,707
Net result for 2009-10	-	(47)	(47)
Net gain on financial assets taken to equity	1,549	-	1,549
Total comprehensive result 2009-10	1,549	(47)	1,502
Change in asset recognition policy	-	(5)	(5)
Balance at 30 June 2010	(3,606)	8,810	5,204

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

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

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RESIDENTIAL TENANCIES FUND
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2010

	Note No.	2010 Inflows (Outflows) \$'000	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
Cash flows from operating activities				
Cash inflows				
Interest received		4,962	5,464	8,246
Bond lodgements		66,152	59,435	55,198
Bond guarantee receipts		3,253	2,802	2,680
Other receipts		328	254	212
Cash generated from operations		74,695	67,955	66,336
Cash outflows				
Administration		(3,804)	(7,164)	(3,607)
Bond refunds		(53,466)	(44,522)	(40,478)
Bond guarantee payments		(3,253)	(2,802)	(2,680)
Other payments		-	(16)	(80)
Cash used in operations		(60,523)	(54,504)	(46,845)
Net cash provided by operating activities	12	14,172	13,451	19,491
Cash flows from investing activities				
Cash outflows				
Payments for investments		(17,147)	(13,458)	(21,737)
Payments for property, plant and equipment		-	-	(10)
Cash used in investing activities		(17,147)	(13,458)	(21,747)
Net cash used in investing activities		(17,147)	(13,458)	(21,747)
Net (decrease) increase in cash and cash equivalents		(2,975)	(7)	(2,256)
Cash and cash equivalents at the beginning of the financial year		12,375	12,382	14,638
Cash and cash equivalents at the end of the financial year	7	9,400	12,375	12,382

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

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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 Australian Accounting Standards, AASB 2009-12, 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 2010.

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.

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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 2010 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 statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

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

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

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

An error correction has been made to the expenses, asset revaluation reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have been classified as available for sale. Any gains or losses as a result of holding these investments should be recognised through an asset revaluation reserve rather than through profit and loss. The treatment of revaluation gains or losses has been amended to comply with the requirements of AASB 139 and have been recognised directly in the equity of the Fund. Comparative figures have been retrospectively restated from 2006-07 where required, with gains or losses on investments moved to the asset revaluation reserve. The error correction has resulted in a decrease in the value of other expenses in 2009 \$4,295,000 and 2008 \$1,776,000. There is also an equivalent increase in the retained earnings and decrease in the asset revaluation reserve of the Fund for the same periods. There was no change to 2007 figures.

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 (GST).

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

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

The 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.

Net gain on 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 to the extent that it is probably that the flow of economic benefits from the Fund will occur and can be reliably measured.

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

The 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.

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

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

The value of leasehold is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

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

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

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

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 in the statement of financial position includes cash at bank and 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 which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

Receivables

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

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled 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.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is realised when there is objective evidence that the fund will not be able to collect the debt. 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	36.65%
Balanced	18.00%
Cash Common Fund	45.35%

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

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

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

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. Non-current assets are subsequently measure at fair value less accumulated depreciation. Where assets are acquired at no value or minimal value they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal cost as part of a restructuring of administrative arrangements then the assets are recorded at book value i.e. the amount recorded by the transferor Public Authority prior to restructure.

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

Revaluation of Non-Current Assets

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

Every three years, the Fund revalues its 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.

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

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

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

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.

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 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

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

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 Housing SA. In the event of a claim by a landlord, a payment is made by the Residential Tenancies Fund. Housing SA then reimburses the Residential Tenancies Fund. The value of bond guarantees lodged at 30 June 2010 is \$20.6 million (2009 \$16.1 million).

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

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

A change in accounting policy was adopted by the fund with effect from 1 July 2009. Assets will now be expensed in the period in which they are acquired if they have an acquisition cost of less than \$10,000. The change in accounting policy resulted in a decrease in the carrying amount of assets in the Statement of Financial Position for the year ended 30 June 2010 of \$5,000

Except for AASB 2009-12, 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 2010. 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

	2010 \$'000	2009 \$'000	2008 \$'000
Management fee recovery	284	254	210
Sundry recovery	44	-	-
Trainee salary recovery	-	-	2
Total other income	328	254	212

4. Staffing costs

	2010 \$'000	2009 \$'000	2008 \$'000
Salaries and wages	3,165	2,956	2,796
Payroll tax and superannuation expenses	508	492	452
Annual Leave	212	211	187
Long service leave expenses	110	103	86
Total staffing costs	3,995	3,762	3,521

5. Depreciation

	2010 \$'000	2009 \$'000	2008 \$'000
Leasehold improvements	125	141	40
Information technology	-	37	48
Plant and equipment	46	48	8
Total depreciation	171	226	96

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6. Other expenses

	2010 \$'000	2009 \$'000	2008 \$'000
Administration	683	611	771
Information and communications technology	154	57	217
Legal fees	43	60	53
Travel	26	40	26
Other	21	101	53
Total other expenses	<u>927</u>	<u>869</u>	<u>1,120</u>

7. Cash and cash equivalents

	2010 \$'000	2009 \$'000	2008 \$'000
Deposits with Treasurer	9,129	12,375	12,382
Cash and cheques in transit	271	-	-
Total cash and cash equivalents	<u>9,400</u>	<u>12,375</u>	<u>12,382</u>

8. Receivables

	2010 \$'000	2009 \$'000	2008 \$'000
Accrued interest	1,803	1,388	230
Other receivables	1	2	2
Total receivables	<u>1,804</u>	<u>1,390</u>	<u>232</u>

9A. Plant and equipment

At 30 June 2010

	Cost/Valuation 2010 \$'000	Accumulated Depreciation 2010 \$'000	Written Down Value 2010 \$'000
Leasehold improvements (1)	317	265	52
Information technology	293	293	-
Plant and equipment (1)	128	109	19
	<u>738</u>	<u>667</u>	<u>71</u>

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
	<u>759</u>	<u>512</u>	<u>247</u>

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
	<u>928</u>	<u>601</u>	<u>327</u>

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(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 2009	179	3	65	247
Depreciation	(125)	-	(46)	(171)
Write Back Of Assets	(2)	(3)	-	(5)
Carrying amount 30 June 2010	<u>52</u>	<u>-</u>	<u>19</u>	<u>71</u>
Carrying amount 1 July 2008	264	40	23	327
Additions	-	-	22	22
Revaluation	56	-	68	124
Depreciation	(141)	(37)	(48)	(226)
Carrying amount 30 June 2009	<u>179</u>	<u>3</u>	<u>65</u>	<u>247</u>
Carrying amount 1 July 2007	304	78	31	413
Additions	-	10	-	10
Depreciation	(40)	(48)	(8)	(96)
Carrying amount 30 June 2008	<u>264</u>	<u>40</u>	<u>23</u>	<u>327</u>

10. Security bonds lodged

	2010 \$'000	2009 \$'000	2008 \$'000
Current			
Bonds lodged	53,463	44,489	40,459
Sale of goods	12	12	12
Rent held pursuant to Tribunal direction	9	3	7
Total current security bonds lodged	<u>53,484</u>	<u>44,504</u>	<u>40,478</u>

	2010 \$'000	2009 \$'000	2008 \$'000
Non Current			
Bonds lodged	62,794	59,087	48,131
Total non-current security bonds lodged	<u>62,794</u>	<u>59,087</u>	<u>48,131</u>

11. Payables

	2010 \$'000	2009 \$'000	2008 \$'000
Creditors	3,317	1,541	3,698
Accruals	17	18	17
Total payables	<u>3,334</u>	<u>1,559</u>	<u>3,715</u>

20

12. Cash flow reconciliation

	2010 \$'000	2009 \$'000	2008 \$'000
Reconciliation of cash - cash at year end as per:			
Cash Flow Statement	9,400	12,375	12,382
Statement of Financial Position	9,400	12,375	12,382
Reconciliation of net cash provided by operating activities to net cost of providing services:			
Net cash provided by operating activities	14,172	13,451	19,491
Add non cash items			
Depreciation	(171)	(226)	(96)
Non-current assets accrual in payables	-	22	-
Non cash movement in security bonds	-	(70)	-
Movement in assets and liabilities			
Increase in receivables	414	1,159	(182)
(Increase)/Decrease in payables	(1,775)	2,156	(1,330)
Increase in security bonds	(12,687)	(14,912)	(14,720)
Net cost of providing services	<u>(47)</u>	<u>1,580</u>	<u>3,163</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 2010 is \$146,000 (2009 - \$193,000, 2008 - \$183,000).

14. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$16,500 (2009 - \$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 2009-10 financial year were

Residential Tenancies Tribunal

Mrs 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
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:

	2010 \$'000	2009 \$'000	2008 \$'000
\$0 - \$9 999	-	1	4
\$10 000 - \$19 999	2	1	2
\$20 000 - \$29 999	-	1	1
\$30 000 - \$39 999	-	1	3
\$40 000 - \$49 999	2	-	2
\$50 000 - \$59 999	3	2	2
\$60 000 - \$69 999	3	2	2
\$70 000 - \$79 999	-	2	-
\$80 000 - \$89 999	-	2	-
\$90 000 - \$99 999	3	1	2
\$100 000 - \$109 999	1	-	1
\$110 000 - \$119 999	1	1	-
\$120 000 - \$129 999	-	-	1
\$130 000 - \$139 999	-	1	-
\$240 000 - \$249 999	-	-	1
\$260 000 - \$269 999	1	1	-
Total number of members	16	16	21

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 \$1.26 million (2009 - \$1.27million, 2008 - \$1.17million).

Amounts paid to a superannuation plan for board/committee members was \$106,000 (2009 - \$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 \$113.5 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

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)
2010					
Financial Assets					
Cash and Cash Equivalents	9,400	(94)	94	-	-
Investments	113,541	-	-	(1135)	1135
Total increase/(decrease)		(94)	94	(1135)	1135
2009					
Financial Assets					
Cash and Cash Equivalents	12,375	(123.8)	123.8	-	-
Investments	94,845	-	-	(948.5)	948.5
Total increase/(decrease)		(123.8)	123.8	(948.5)	948.5
2008					
Financial Assets					
Cash and Cash Equivalents	12,382	(123.8)	123.8	-	-
Investments	85,682	-	-	(856.8)	856.8
Total increase/(decrease)		(123.8)	123.8	(856.8)	856.8

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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		
	2010	2009	2008
	\$'000	\$'000	\$'000
Income			
Interest revenue	5,376	6,622	8,063
Management fee recovery	328	254	210
Total income	5,704	6,876	8,273
Expenses			
Staffing costs	3,995	3,762	3,521
Accommodation	658	439	375
Other expenses	-	16	15
Total expenses	4,653	4,217	3,911
Financial assets			
Cash and cash equivalents	9,400	12,375	12,382
Accrued interest	1,803	1,388	230
Investments	113,541	94,845	85,682
Total financial assets	124,744	108,608	98,294
Financial liabilities			
Creditors	3,317	1,541	2,499
Total financial liabilities	3,317	1,541	2,499



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**To the 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 2010. 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 Commissioner for Consumer Affairs, the Director, Business and Financial Services, Attorney-General's Department and the General Manager, Operational and Support Services, Office of Consumer and Business Affairs, Attorney-General's Department.

The responsibility of the Commissioner for Consumer Affairs for the financial statements

The 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 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 2010, 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
15 March 2011

STATEMENT BY EXECUTIVE

We certify that the attached general purpose financial statements for the Retail Shop Leases Fund:

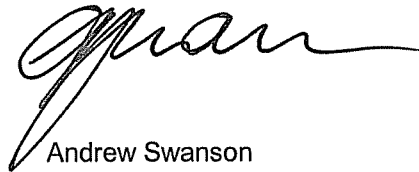
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and the records of the Fund; and
- present a true and fair view of the financial position of the Retail Shop Leases Fund as at 30 June 2010 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.



Paul White
Commissioner for Consumer Affairs

10 March 2011



Andrew Swanson
**Director
Business and Financial Services
Attorney-General's Department**

10 March 2011



John O'Daly
**General Manager, Operational Support Services
Office of Consumer and Business Affairs**

10 March 2011

RETAIL SHOP LEASES FUND
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Income				
Interest revenue		200	251	286
Other income		12	11	8
Total income		212	262	294
Expenses				
Administration	3	81	81	74
Total expenses		81	81	74
Net cost of providing services		131	181	220
Other comprehensive income				
Net gain/(loss) on financial assets taken to equity		69	(225)	(154)
Total comprehensive result		200	(44)	66

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

RETAIL SHOP LEASES FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note No.	2010 \$'000	2009 \$'000	2008 \$'000
Current assets				
Cash and cash equivalents	4	917	300	1,267
Investments		1,973	1,800	1,608
Receivables	5	68	51	10
Total current assets		2,958	2,151	2,885
Non-current assets				
Investments		2,356	2,287	1,262
Total non-current assets		2,356	2,287	1,262
Total assets		5,314	4,438	4,147
Current liabilities				
Security bonds lodged	6	500	384	413
Other	7	165	84	150
Total current liabilities		665	468	563
Non-current liabilities				
Security bonds lodged	6	3,896	3,417	2,987
Total non-current liabilities		3,896	3,417	2,987
Total liabilities		4,561	3,885	3,550
Net assets		753	553	597
Equity				
Asset revaluation reserve		(186)	(255)	(30)
Retained earnings		939	808	627
Total equity		753	553	597
The total equity attributable to the SA Government as owner		753	553	597

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 2010

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2007	124	407	531
Net result 2007-08	-	190	190
Net loss on investments taken to equity 2007-08	(124)	-	(124)
Error correction	(30)	30	-
Total comprehensive result 2007-08	(154)	220	66
Balance at 30 June 2008	(30)	627	597
Net result 2008-09	-	(44)	(44)
Error correction	(225)	225	-
Total comprehensive result 2009-10	(225)	181	(44)
Balance at 30 June 2009	(255)	808	553
Net result 2009-10	-	131	131
Net gain on investments taken to equity 2009-10	69	-	69
Total comprehensive result 2009-10	69	131	200
Balance at 30 June 2010	(186)	939	753

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 2010

	Note No.	2010 Inflows (Outflows) \$'000	2009 Inflows (Outflows) \$'000	2008 Inflows (Outflows) \$'000
Cash flows from operating activities				
Cash inflows				
Interest received		183	210	289
Bond lodgements		1,096	785	822
Other receipts		12	11	8
Cash generated from operations		1,291	1,006	1,119
Cash outflows				
Administration		-	(147)	-
Bond refunds		(500)	(384)	(413)
Cash used in operations		(500)	(531)	(413)
Net cash provided by operating activities	8	791	475	706
Cash flows from investing activities				
Cash outflows				
Payments for investments		(174)	(1,442)	(231)
Cash used in investing activities		(174)	(1,442)	(231)
Net cash used in investing activities		(174)	(1,442)	(231)
Net (decrease)/increase in cash and cash equivalents		617	(967)	475
Cash and cash equivalents at the beginning of the financial year		300	1,267	792
Cash and cash equivalents at the end of the financial year	4	917	300	1,267

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

2010

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 Australian Accounting Standards, AASB 2009-12, 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 2010.

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 2010 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 specific accounting standards and/or accounting policy statements have required a change.

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

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

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

An error correction has been made to the expenses, asset revaluation reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have been classified as available for sale. Any gains or losses as a result of holding these investments should be recognised through an asset revaluation reserve rather than through profit and loss. The treatment of revaluation gains or losses has been amended to comply with the requirements of AASB 139 and have been recognised directly in the equity of the Fund. Comparative figures have been retrospectively restated from 2006-07 where required, with gains or losses on investments moved to the asset revaluation reserve. The error correction has resulted in a decrease in the value of decrement on revaluation of investments in 2009 of \$225,000 and 2008 of \$30,000. There is also an equivalent increase in the retained earnings and decrease in the asset revaluation reserve of the Fund for the same periods. There was no change to 2007 figures.

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 (GST).

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

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

The 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.

i) Expenses

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

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

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

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

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 and bank and 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 which are subject to insignificant risk of changes in value.

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	17.79%
Balanced	36.63%
Cash Common Fund	45.58%

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

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

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

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 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.

1
2011

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

Except for AASB 2009-12, 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 2010. 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

	2010 \$'000	2009 \$'000	2008 \$'000
Staffing costs	72	73	66
Other	9	8	8
Total administration expenses (1)	<u>81</u>	<u>81</u>	<u>74</u>

(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

	2010 \$'000	2009 \$'000	2008 \$'000
Deposits with Treasurer	917	300	1,267
Total cash and cash equivalents	<u>917</u>	<u>300</u>	<u>1,267</u>

5. Receivables

	2010 \$'000	2009 \$'000	2008 \$'000
Accrued interest	68	51	10
Total receivables	<u>68</u>	<u>51</u>	<u>10</u>

6. Security bonds lodged

	2010 \$'000	2009 \$'000	2008 \$'000
Current			
Bonds lodged	500	384	413
Total current security bonds lodged	<u>500</u>	<u>384</u>	<u>413</u>
Non Current			
Bonds lodged	3,896	3,417	2,987
Total non-current security bonds lodged	<u>3,896</u>	<u>3,417</u>	<u>2,987</u>

201

7. Other current liabilities

	2010	2009	2008
	\$'000	\$'000	\$'000
Creditor – Attorney-General's Department	160	79	145
Accruals	<u>5</u>	<u>5</u>	<u>5</u>
Total other current liabilities	<u>165</u>	<u>84</u>	<u>150</u>

8. Cash flow reconciliation

	2010	2009	2008
	\$'000	\$'000	\$'000
Reconciliation of cash - cash at year end as per:			
Cash Flow Statement	917	300	1,267
Statement of Financial Position	917	300	1,267
Reconciliation of net cash provided by operating activities to net cost of providing services:			
Net cash provided by operating activities	791	475	706
Movement in assets and liabilities			
Increase in receivables	17	41	(3)
Increase/(Decrease) in other current liabilities	(81)	66	(74)
Increase in Security Bonds	<u>(596)</u>	<u>(401)</u>	<u>(409)</u>
Net cost of providing services	<u>131</u>	<u>181</u>	<u>220</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 \$4,700 (2009 - \$4,500, 2009 - \$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 \$4.33 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)
2010					
Financial Assets					
Cash and Cash Equivalents	917	(9)	9	-	-
Investments	4,329	-	-	(43)	43
Total increase/(decrease)		(9)	9	(43)	43
2009					
Financial Assets					
Cash and Cash Equivalents	300	(3)	3	-	-
Investments	4,087	-	-	(41)	41
Total increase/(decrease)		(3)	3	(41)	41
2008					
Financial Assets					
Cash and Cash Equivalents	1,267	(13)	13	-	-
Investments	2,870	-	-	(29)	29
Total increase/(decrease)		(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, financial assets and financial liabilities 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		
	2010	2009	2008
	\$'000	\$'000	\$'000
Income			
Interest revenue	200	251	286
Management fee recovery	-	11	8
Total income	<u>200</u>	<u>262</u>	<u>294</u>
Expenses			
Other expenses	-	5	5
Total expenses	<u>-</u>	<u>5</u>	<u>5</u>
Financial assets			
Cash and cash equivalents	917	300	1,267
Investments	4,329	4,087	2,870
Total financial assets	<u>5,246</u>	<u>4,387</u>	<u>4,137</u>
Financial liabilities			
Creditor – Attorney-General's Department	160	79	145
Total financial liabilities	<u>160</u>	<u>79</u>	<u>145</u>