

# Annual Report 2011-2012

**Consumer and  
Business Services**

**Report of the Commissioner  
for Consumer Affairs**



**Government of South Australia**  
Attorney-General's Department

31 October 2012  
Consumer and Business Services  
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31 October 2012

Hon. Minister for Business Services and Consumers

I am pleased to submit my Annual Report for the period ending 30 June 2012.

The report has been prepared in accordance with the requirements of section 12 of the *Fair Trading Act 1987*, and the reporting obligations contained in other legislation administered by my office.



**Paul White**

Commissioner for Consumer Affairs

Commissioner for Prices

Commissioner for Corporate Affairs

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## Highlights

The 2011-12 year was a period of continued change and consolidation for Consumer and Business Services (CBS), with the completion of the merger between the former Office of Consumer and Business Affairs (OCBA) and the Office of the Liquor and Gambling Commissioner (OLGC). CBS is being redesigned to fully integrate and streamline its various customer service and regulatory functions.

### Core service delivery

During the year the advisory service responded to almost 50 000 enquiries about various consumer issues. Of the 4458 complaints received, a quarter of them related to building and renovation issues. With the growing popularity of group buying websites (or 'deal of the day' sites) complaints also increased in this area.

There were also more than 114 000 enquiries regarding rental rights, responsibilities and bond matters. Staff conciliated 1529 rental disputes and investigated 2610 Residential Tenancies Tribunal (the Tribunal) files to attempt to resolve matters without the need for a hearing. Overall there were approximately 9000 hearings at the Tribunal.

CBS held more than \$180 million in rental bonds, with 62 195 bonds lodged and 52 826 bonds refunded during the year. The occupational licensing register held records of approximately 67 000 licences and registrations, with 8181 applications processed during the year for new or upgraded licences. Registers were also maintained for 19 483 incorporated associations, 107 co-operatives and 96 046 business names prior to the transfer of business names legislation to the Commonwealth in May 2012.

There was a small increase in the number of birth, death, marriage and change of name registrations. Overall approximately 117 000 certificates were issued. Marriages at the Registry increased by 9%, and 17 250 marriage records previously held on microfilm were computerised, reducing the time for record searches.

Further detailed statistics are contained in the appendices to this report.

### Monitoring and compliance

CBS also continued to monitor the marketplace for compliance, and took action where breaches were detected. Court action was taken against 28 individuals and companies for breaches of fair trading and related legislation. Outcomes include fines, convictions and compensation orders for consumers. Other enforcement activities resulted in 1408 written warnings and 104 expiation notices being issued, and 18 written assurances were received.

CBS product safety officers inspected thousands of items resulting in 100 product lines being removed from sale and three recalled. A particular focus for this year was second hand baby goods, hot water bottles and blind and curtain cord products. Inspectors visited retail stores and regional field days and also checked show bags at the Royal Adelaide Show.

In supporting national product safety surveillance programs CBS checked 230 product lines ranging from aquatic toys to bicycles, basketball rings and children's car seats. This resulted in five products being removed from sale.

## Legislative reform

On the legislative front, the new *Building and Construction Industry Security of Payment Act 2009* commenced on 10 December 2011 to help contractors, subcontractors and suppliers to claim money that is owing to them. Payment disputes can now be resolved through adjudication instead of having to go to Court or hire a debt collector.

A review of the *Land and Business (Sale and Conveyancing) Act 1994* progressed with proposed changes to include: preventing agents from advertising vague price ranges; requiring agents to provide comparable sales data to justify their estimate of the selling price; and reducing red tape for the industry. The review of the *Residential Tenancies Act 1995* also progressed with the release of a discussion paper. The reforms aim to improve protections for landlords, tenants and rooming house residents.

The *Family Relationship (Parentage) Amendment Act 2011* commenced allowing female same-sex partners to be recognised as a co-parent on birth certificates, provided that eligibility criteria are met.

Preparations continued for the National Occupational Licensing System (NOLS) which is anticipated to commence in 2013 for selected occupations. The national system will allow licence holders to work anywhere in Australia without the need to pay and apply for an additional licence in another state or territory. The system will reduce overlapping and inconsistent legislation and bring consistency to licensing eligibility requirements and licensing processes. Implementation of NOLS in South Australia will require the passage of local legislative amendments and/or making of regulations.

Several new projects commenced to reduce the regulatory burden for South Australian businesses. These included: an online service for cremation permit applications; online applications and renewals for occupational licences; and a review of occupational licensing processes to further streamline requirements and reduce processing times.

## Educating consumers and business

There was a strong focus on educating vulnerable consumers to empower them with information and the confidence to assert their rights. New education initiatives launched during the year include: the *Savvy Seniors* guide for older South Australians; *Do Not Knock* stickers to stop unwanted contact from door to door salespeople; and the national “*Out of Credit*” DVD to help young Indigenous consumers avoid pitfalls with mobile phone contracts. CBS also commenced presenting regular interviews on Radio Adelaide’s “*Paper Tracker*” program for Aboriginal consumers.

Builders and tradespeople were targeted with two significant campaigns. The roof truss safety campaign promoted two new information resources and a roadshow across South Australia. The new Security of Payment legislation was promoted through advertisements in press, radio and construction sites. CBS also supported three national campaigns: educating consumers about their rights with faulty goods or services; warning about the risks of dealing with itinerant traders; and promoting the safe use of vehicle jacks and ramps with DIY work on cars.

A new mobile website ‘*The Right Door*’ was also developed jointly with four other agencies to help point consumers in the right direction for help with a variety of consumer issues. Since its launch in March 2012 the site has received over 5000 page views. The former OCBA website received approximately 3 million page views from 1 million consumers and businesses.

## Statutory Functions

Statutory functions of the Commissioner for Consumer Affairs include:

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

Legislation administered by CBS is outlined in Appendix 2.

## CBS Strategic Framework

The AGD Strategic Plan 2012-14 outlines the vision, mission, and approach of the Attorney-General's Department (AGD).

The plan is supported by four strategic goals, which relate to four of the targets identified in South Australia's Strategic Plan.

- 1. To keep people safe in their homes, community and work**  
Ensuring public safety
- 2. To champion fair and transparent access to justice**  
Promoting diversity and social inclusion  
Enabling the public to make informed decisions  
Protecting and supporting vulnerable people, including victims and witnesses
- 3. To protect people's rights and promote public confidence in our institutions and services**  
Providing fair and equitable customer service  
Making effective civil and criminal law
- 4. To be a high performing organisation**  
Investing in our people  
Reducing red tape

As a business unit within AGD, CBS supports the priority areas identified in the strategic plan. CBS has a clear focus on protection of people through its product safety and enforcement functions, with education of the public, in particular the more vulnerable consumer, being of paramount importance. Advice, conciliation and judicial processes further assist South Australians in their access to justice.

## **CBS Activity in 2011-12**

**Strategic Goal 1: To keep people safe in their homes, community and work**

### **Ensuring public safety**

#### **Protection from dangerous products**

CBS plays a vital role in improving and promoting product safety through ongoing compliance and education activities. Action is taken to remove goods from sale which are banned or do not comply with mandatory safety standards, and traders face penalties under the Australian Consumer Law (ACL) for supplying unsafe goods.

CBS product safety officers inspected thousands of items for compliance with safety legislation through market place surveillance and in response to consumer complaints, with 100 product lines being removed from sale and three recalled (refer to Appendix 3).

#### **Consumer education**

CBS led the development of a mobile website to contribute to a national DIY vehicle maintenance safety campaign. The consumer education campaign targeted the safe use of vehicle jacks and ramps to reduce the incidence of death and injury associated with the use of these products during home car maintenance.

#### **Targeted monitoring exercises**

Product safety officers maintained an active program of inspections examining second hand baby goods, hot water bottles and blind and curtain cord products for compliance with mandatory safety standards. Continued proactive surveillance of the market is essential in preventing death and injury associated with these goods.

The annual Royal Adelaide Show show bag inspections yielded very pleasing results with no breaches detected in 236 bags containing a total of 1346 items. This result is in line with prior inspections conducted in other states and reflects the ongoing effort of regulators working together as show bag suppliers move across jurisdictions.

Regional Field Days are a regular feature on the inspections calendar, with all goods subject to bans and mandatory standards scrutinised. Trader compliance appears to have increased with a reduction in the number of non-compliant goods removed from sale at the three field days held in the reporting period.

#### **National Surveillance Program**

CBS participated in national market place surveillance programs coordinated by the Australian Competition and Consumer Commission (ACCC) by undertaking surveillance across a range of goods including aquatic toys, children's bicycles, basketball rings and backboards and children's car seats. A total of 230 product lines were assessed for compliance with seven mandatory safety standards, resulting in the removal from sale of five products.



## **Fair trading monitoring**

Monitoring programs targeted a range of traders during the year to ensure compliance with fair trading laws. In November and December 2011 over 340 small to medium retailers across SA were visited by CBS officers. The focus of this exercise was to educate retailers concerning the changes to refund rights, lay-by sales and guarantees under the ACL. Officers examined refund signs, receipts and lay-by dockets and discussed trading practices with retailers.

The majority of retailers were found to be compliant, however many were unaware of the new requirements for lay-by sales. CBS officers gave advice and handed out education material on changes associated with the ACL.

CBS continues to undertake onsite monitoring visits, especially during peak sales periods, to ensure consumers receive accurate information about their rights.

## **National Project on Consumer Guarantees**

Suppliers within the telecommunications, whitegoods and electronic goods industries were targeted in a national Consumer Guarantees project. The aim of the project was to ensure awareness of, and compliance with, the consumer guarantee provisions of the ACL. The collaborative approach saw fair trading officers in each state review retail websites to check refund policies, conduct on-site visits to identify the level of the supplier's understanding of their obligations, and conduct mystery shopping to check for compliance. The next step for this project is to determine what additional action is required by fair trading agencies to ensure compliance.

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

Regular monitoring and investigation of consumer complaints is used to identify traders in breach of legislation administered by CBS. Depending on the nature of the breach, action taken by CBS may include: written warnings; expiation notices; public warnings; receiving written assurances; or action through the courts.

## **Real estate compliance**

There was particular emphasis on the real estate industry during the year to monitor ongoing compliance with real estate regulatory controls. CBS staff visited 283 open inspections, attended 13 auctions, and examined files at one real estate agent's premises. Compliance officers also monitored advertisements and sales activities. 50 written warnings and eight expiation notices were issued to agents for failing to carry their registration card.

## **Written Warnings**

Written warnings are issued to traders where the offending is technical in nature and no consumer detriment is evident. During the year 1408 written warnings were issued.

## **Public warnings**

A number of public warnings were issued to alert consumers to particular and concerning conduct by traders. Where the breaches are quite serious or the risk to consumers is significant traders may be publicly named. Public warnings were issued in relation to unsafe products and itinerant traders who adopted unlawful business practices.

## Expiations

During the year 104 expiation notices were issued. These included: 87 expiation notices to landlords and property agents who failed to lodge rental bonds within the prescribed time; eight expiations to real estate agents and sales representatives for failing to carry their registration card; four expiation notices to retailers for failing to comply with mandatory safety standards; four expiation notices to second-hand motor vehicle dealers and an auction house for failing to ensure a notice was displayed in vehicles offered for sale; and an expiation notice to a land agent who operated under an unregistered business name.

Expiation notices issued ranged from \$75 up to \$1200.

## Assurances

Written assurances were received from 18 companies and individuals who stated they would refrain from engaging in specified unlawful conduct. The assurances were received from seven builders, three land agents, one gasfitter and seven second-hand vehicle dealers. A register of assurances received is publicly available on the CBS website, and a summary of the assurances received during 2011-12 is provided at Appendix 13.

## Court action

During the year CBS undertook prosecution or disciplinary action against 28 individuals and companies who breached fair trading and occupational licensing laws. In taking prosecution action relating to the *Building Work Contractors Act 1995*, the Commissioner successfully secured compensation orders totalling \$56 762 for consumers who had suffered loss.

An overview of each of the 28 court matters is provided in Appendix 15. Of particular note are the following court actions:

- John McMahon was convicted for carrying on business as a building work contractor whilst unlicensed. The Court ordered him to pay costs and a fine totalling \$14 800 plus \$4874 in compensation to his client. McMahon failed to complete a house extension and the work he performed was found to be defective.
- Simon Brownrigg was convicted for: breaching a District Court order prohibiting him from carrying on business as a plumbing contractor; contracting for gas and plumbing work whilst unlicensed; and for falsely representing to clients that he was licensed. Brownrigg was ordered to pay costs and a fine totalling \$28 600 plus \$2520 in compensation to his client.
- Angelo Gajewski was convicted of carrying on business as a building work contractor whilst unlicensed. He contracted to construct a stone extension to heritage property and to landscape the garden area. There were major defects in the building work and he failed to complete the project. Gajewski was ordered to pay costs and a fine totalling \$17 000 plus \$20 000 in compensation to his client.
- Daniel Overduin, a registered land agent, had a potential conflict of interest when he sold an elderly woman's property to a developer friend of his brother. The court viewed Mr Overduin's conduct as a serious neglect of his duty and a serious departure from the standard expected of a land agent. He was reprimanded and fined \$14 000.

## Strategic Goal 2: To champion fair and transparent access to justice

### Promoting diversity and social inclusion

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

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

CBS services can be accessed in a variety of formats, catering for consumers from non-English speaking backgrounds, Indigenous consumers and people with a disability.

- Translated publications are available on the website and also proactively distributed to migrants and international students.
- Translating and interpreting services are offered to clients from non-English speaking backgrounds.
- Specific consumer issues are discussed in depth through regular interview segments on a range of community and multicultural radio stations.
- Audio material is available on the CBS website including radio interviews and translated information for Pitjantjatjara and Yankunytjatjara Aboriginal people.
- Video material is available on the CBS YouTube channel covering topics such as: pram safety; buying a second-hand vehicle; and resolving a rental dispute (a multilingual version).
- Information sessions are presented to migrant groups, international students, carers, Aboriginal consumers and others from disadvantaged or low literacy backgrounds. Additionally, advice is provided to individuals at expos and other targeted events.
- Illustrations on the 2011-12 Birth Registration Statement, required to be completed by all new parents, reflect the diversity of the South Australian community by portraying babies from diverse cultural backgrounds.
- CBS engages with interpreters to enable registry weddings to be solemnised in a range of languages. Cultural marriage traditions are also accommodated within the limitation of Australian marriage law.

New additions to CBS services and the suite of materials available include:

- A mobile website called “The Right Door” to help migrants understand their consumer rights and which agency or services to contact for help. This is a joint project with the ACCC, ASIC, Equal Opportunity Commission, and the Migrant Resource Centre;
- The “Out of Credit” DVD to teach young Indigenous consumers about avoiding the pitfalls with mobile phone contracts. The DVD is a collaborative development by all State and Territory consumer agencies; and
- Regular interviews on Radio Adelaide’s “Paper Tracker” program for Aboriginal consumers.

## Enabling the public to make informed decisions

### Information sessions and events

Thirty information seminars on residential tenancy rights and obligations were presented to tenants, landlords and property managers by CBS staff. In addition, 45 information sessions were presented to migrants, refugees, Aboriginal consumers at the Ngura Wiru Winkiku cultural centre in Port Adelaide, and to other vulnerable consumers through tertiary institutions, tenant support organisations and welfare groups. Regular interviews were provided on four community radio stations: 5EBI (ethnic), 5RPH (visually-impaired); Coast FM (southern suburbs); and Radio Adelaide's Paper Tracker program (Aboriginal consumers).

### Communication via the media

Key messages are regularly communicated through the media to ensure that the public is informed about new developments, legislative changes, the outcomes of CBS product safety inspection and testing program, and warnings about dangerous products.

CBS has a proactive approach to media liaison which helps ensure that consumers know their rights and make informed purchases, and that traders are aware of and abide by their obligations under the ACL and other relevant legislation.

### Consumer Law Campaigns

CBS continued to work with the other consumer agencies across Australia to inform businesses and consumers of their rights and responsibilities under the ACL. Three national campaigns ran during the year.

- An advertising campaign ran over five months to inform consumers of their rights under consumer guarantees, with the slogan Repair, Replace Refund... If it's not right – use your rights.
- The "Travelling Conmen" campaign alerted consumers to the risks of dealing with itinerant tradespeople. The campaign achieved extensive news and current affairs exposure and resulted in more than 6000 calls to the national hotline. With the cooperation of state police agencies, Crime Stoppers and the federal Department of Immigration, 21 conmen were arrested and deported.
- A campaign to prevent death or serious injury for people who undertake DIY work on their vehicles. The "Don't be a jackass with jacks" campaign warned of the risks of not lifting and supporting a vehicle correctly. The main target audience for the campaign was men aged 18 to 40 who do DIY vehicle maintenance.

### Savvy Seniors project

A new consumer guide was launched specifically for older South Australians. *Savvy Seniors* is a collaborative project with the Disability, Ageing and Carers Branch of the Department for Families and Communities, as part of their Improving with Age initiatives. Over 50 000 copies of the publication were produced. CBS has received extremely positive feedback about the publication; it is demonstrably the most successful new publication produced and indicates how well it has met a serious need in the community.

### Do Not Knock stickers

A new sticker was produced aimed at protecting consumers, especially vulnerable South Australians, from unwanted approaches by door-to-door salespeople. The stickers state "Do Not Knock. No door-to-door salespeople please". The stickers have been distributed at regional events and via local councils, seniors groups and carers organisations. CBS has been overwhelmed by demand for the stickers, with consumers of all ages keen to use them.

By 30 June 2012 approximately 45 000 stickers had been distributed.

## **Business Campaigns**

### Roof truss project

CBS project-managed an awareness campaign about the importance of safety when dealing with roof trusses. The project came about as a result of recommendations from a coronial inquest into the death of two people when the Riverside Golf Club roof collapsed in 2002. A working party was formed with representatives from CBS, industry associations, Planning SA and building consultants. A publication, *Raising the Roof*, was produced and mailed to nearly 30 000 licensed tradespeople. CBS produced an educational video, starring well known SA carpenter identity Clayton Lush, and short films of extended interviews with the seven subject experts from the main video. The resources are available on the campaign website ([www.raisingtheroof.com.au](http://www.raisingtheroof.com.au)). Within the first month the website received over 10 000 hits.

Other initiatives have been implemented by the South Australian Government, including amendments to the Development Regulations, an online checklist and building advisory notices.

### Security of Payment

The *Building and Construction Industry Security of Payment Act 2009* commenced on 10 December 2011 to address concerns about contractors, subcontractors and suppliers not being paid for work performed or goods and services supplied. As part of the Act's commencement CBS conducted a major education campaign for the construction industry including radio and press advertising, a mail-out to licensees, brochures and online videos. Since commencement there have been nearly 13 000 hits to the Security of Payment section of the CBS website and 200 enquiries made to CBS regarding how to claim payments under the new Act.

## **Web-based information**

The former OCBA website received approximately 3 million page views from approximately 1 million consumers and businesses who visited the site to access information, lodge online applications and conduct transactions.

To promote the merger of OCBA and OLGC, CBS developed a new 'splash page' to notify the public of the agency's name change as well as latest news, online services and general information. This is the first initiative in improving the CBS web presence and went live in May 2011. Since its launch, CBS has received more than 75 000 page views.

A new section was added to the CBS website dedicated to the Security of Payment legislation which commenced in December 2011. This provides a new scheme to improve rights to payment in the building and construction industry.

With commencement of the National Business Names Registration Service in May 2012, CBS added a new section on the website to promote the transition of the business names services to the Commonwealth. Since this site was introduced CBS has received over 5000 page views.

'*The Right Door*' mobile website was introduced to allow consumers quick and easy access to their consumer rights and engage users with mobile-specific features. Since this site was launched in March 2012 CBS has received over 5000 page views from consumers.

### **Small Business Commissioner**

The *Retail and Commercial Leases Act 1995* was committed to the Minister for Small Business under the *Administration Arrangements (Administration of Retail and Commercial Leases Act) Proclamation 2012* which came into operation on 22 March 2012.

As a result, the Small Business Commissioner was given specific responsibility for the administration of the *Retail and Commercial Leases Act 1985* (previously administered by the Commissioner for Consumer Affairs).

This change recognises the importance of the small business sector and gives the Commissioner a role in the resolution of retail tenancy disputes and in promoting fairness between tenants and landlords in the retail sector.

## Protecting and supporting vulnerable people, including victims and witnesses

### Consumer advice and dispute resolution

This year both the number of enquiries and complaints lodged with CBS decreased. Almost 50 000 enquiries were received from consumers seeking advice about rights on various consumer issues, compared with 76 173 enquiries received during the previous financial year. Appendix 4 shows the breakdown of the enquiries received, with almost 42 percent of all enquiries relating to general consumer goods and services.

The reduction in calls can be, in part, attributed to the ease in which consumers can access basic information about their rights over the internet. Websites such as CBS, ACCC and the ACL, all provide information about consumer rights. Many consumers now look up information for themselves to solve simple problems, and tend only to phone for advice on more complex matters.

Complaints decreased by 15 percent from the previous year, with 4 458 complaints received during 2011-12. Appendix 5 shows the complaints recorded for each product or service category, with the top five complaints relating to:

1. General consumer products
2. Building/renovating
3. General services
4. Motor vehicles and transport products
5. Travel and hospitality.

Building and renovation complaints continued to be high on the list. 2011-12 saw a significant number of building complaints relating to the supply and installation of small-scale solar photovoltaic (PV) systems. State and Federal governments offered attractive rebates and feed in tariffs for consumers who installed solar (PV) panel systems under a sustainable energy program. The complaint numbers have started to decrease since the rebate schemes have been scaled back, and it is anticipated that complaint numbers will continue to fall.

Real estate complaints increased this year, which can be attributed to consumers having a better understanding of their rights and being more vigilant when buying or selling property.

In previous years, scams and schemes have been a high area of complaint. Ongoing efforts by State and National consumer protection agencies to educate consumers and the introduction of the SCAMwatch website run by the ACCC, have all contributed to a 70% decrease in the number of scam complaints lodged with CBS.

Group buying websites (also known as 'deal of the day') are becoming increasingly popular in Australia. These sites sell coupons for goods and services usually at a discounted rate. Most of the deals have an expiry date for the use the coupon and often have limited stocks available or restrictions on when the offer can be used. In some instances the potential demand for the offer exceeds the availability and CBS has experienced an increase in complaints about these issues.

There has been a substantial drop in the number of enquiries received by telephone about product safety issues. This may be attributed to the introduction of the new Product Safety Australia website administered by the ACCC on behalf of state regulators. This site provides extensive information and advice.

Appendix 6 details the 4458 complaints according to the nature of the complaint, with common complaints stemming from:

- The quality of products or services;
- Contracts not being adhered to or delays in supply of goods;
- Warranties not being honoured; and
- Representations made to customers.

### **Electronic lodgements and applications**

The Births, Deaths and Marriages Registration Office (BDM) continued to focus on offering electronic lodgements and applications including:

- Introduction of a new system for online credit card validation;
- Continued promotion of online services to funeral directors with 49% of funeral directors registering deaths online and 21% applying for cremation permits online. BDM continued to work closely with funeral directors in providing support as they transitioned to the online only cremation permit application service from 1 July 2012;
- Promotion of the online certificate application facility through the CBS website, with over 34 200 certificates ordered online; and
- The South Australian Genealogy Society and CBS entered into an agreement whereby the Society would offer online birth, death and marriage indexes on their website, with a link to the CBS website for certificate ordering. Indexes available through the Society include: births from 1842 to 1928; deaths from 1842 to 1972; and marriages from 1842 to 1937.

### **National Identity Security Strategy**

South Australian agencies (CBS, SA Police and the Department of Planning, Transport and Infrastructure) participate under the COAG Inter-Government Agreement to implement the National Identity Security Strategy. BDM is represented on the National Identity Security Strategy working group, which aims to prevent identity fraud by ensuring that individuals cannot use stolen, forged or altered identity documents when accessing government services, obtaining benefits or undertaking financial transactions.

Under a Memorandum of Understanding with the Commonwealth Attorney-General's Department, BDM participates as an issuer agency in the Document Verification Service which enables other agencies to determine whether a certificate presented for identification purposes has been issued by BDM and is a valid document.

### **Tenancies advice**

CBS continued to provide advice to landlords, tenants, property agents and residential park operators and residents. More than 114 000 enquiries were received from people regarding their rights and responsibilities or about rental bond matters.

The most common issues of enquiry remained the same this period, including:

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



CBS also sought to conciliate rental disputes, with approximately 53% of matters successfully resolved without the need for a subsequent Tribunal hearing. CBS also provides operational and administrative support for the Tribunal.

The CBS Tenancies Branch conducted 30 information sessions to educate landlords, property managers, tenants and other stakeholders on rights and obligations relating to residential tenancy agreements. A number of these sessions were presented to organisations which cater for or assist vulnerable people, including international students at Flinders University and the University of South Australia, and through Community Partnerships and Growth. The Tenancies Branch also presents a module for the Real Estate Institute of South Australia as part of their Certificate in Property Management course.

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## **Strategic Goal 3: To protect people's rights and promote public confidence in our institutions and services**

### **Providing fair and equitable customer service**

#### **Access for regional customers**

Eleven regional Service SA centres provide a range of CBS services. These service centres are located in Berri, Port Augusta, Mount Gambier, Naracoorte, Whyalla, Port Lincoln, Port Pirie, Gawler, Kadina and Murray Bridge. BDM certificate application forms are also available from Post Offices. Customers can also apply for certificates online with the certificates sent by registered person-to-person mail or the customer can collect from BDM.

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

BDM maintains registers of all births, deaths, marriages, name changes, adoptions and sexual reassignments that occur in SA. Appendix 9 provides a summary of events registered during 2011-12. Notable statistics include:

- 1087 marriages solemnised at the Registry (an increase of 9% from the previous year), representing 13% of all marriages registered in South Australia;
- Approximately 117 000 certificates issued, with 31% of applications made online;
- A marginal increase over the previous year (1.1%) in the total number of birth, death, marriage and change of name registrations);
- A slight increase in the number of commemorative certificates ordered online;
- Approximately 38% of all deaths were registered by funeral directors using the online facility; and
- 8917 cremation permits issued (an increase of 3.3% from the previous financial year).

17 250 marriage registrations that were previously held on microfilm were computerised, providing customers with improved service delivery by reducing processing times. BDM continued to participate in national initiatives to minimise identity crime and also provided data for research, epidemiology and national statistics.

In December 2011 BDM introduced registration of same sex parentage following an amendment to the *Family Relationships Act 1975* in June 2011. This has resulted in the recognition of a female same-sex partner as a co-parent of a child.

#### **Licensing of occupations**

The CBS licensing register contains approximately 67 000 licences and registrations for certain occupations with 8181 new or upgrading applications for licences and registrations processed during the financial year. Licensed occupations include builders, plumbers, gas fitters, electricians, security and investigation agents, travel agents, second-hand vehicle dealers, conveyancers and land agents. Appendix 7 provides statistical information for each of the licensing areas.

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

CBS maintained a register for business names up to 25 May 2012. After this date a national business names registration service managed by the Australian Securities and Investments Commission replaced current state/territory systems. There were 96 046 registered business names transferred to the national business names register.

CBS continues to maintain a register for incorporated associations and co-operatives that can be accessed by members of the public. As at 30 June 2012 there were 19 483 incorporated associations and 107 co-operatives.

Statistical information about all of these registers is provided at Appendix 8.

## **Residential and commercial tenancies**

Over \$180 million in rental bonds was held during 2011-12, including residential, retail and residential park bonds. During the year there were approximately 62 000 residential bonds lodged and 52 000 bonds refunded, 617 retail bonds were lodged and 384 bonds were refunded, and 238 residential park bonds were lodged and 230 refunded. CBS also provided operational and administrative support for approximately 9000 Residential Tenancies Tribunal hearings. For further statistical information see Appendix 10.

## **Residential Tenancies Tribunal Review**

A review of the Tenancies Branch was conducted to identify opportunities for improvements in business processes, practices and technologies and to assess resource levels. This resulted in 31 recommendations being endorsed. While the review encompassed all areas of the Tenancies Branch including advice, bonds management, Residential Tenancies Tribunal and the Tribunal Support Section, it identified most opportunity for improvement within the Tribunal.

A raft of changes have been implemented which have resulted in a sharp reduction in waiting times for vacant possessions; reducing from 33 calendar days to an average of 13 calendar days. Similarly, bond and compensation application waiting times have reduced from over 90 calendar days to an average of 23 calendar days.

In June 2012, the RTT conducted a pilot program of a Pre-Hearing Conciliation model. Due to the success of the pilot the model is now being fully implemented. The model requires parties to attend the RTT with the aim of conciliating the dispute prior to the matter escalating to a hearing. Efficiencies are gained as matters are group listed for conciliation conferences with the intention of:

- Resolving multiple matters in one 'sitting';
- Reducing the number of disputes requiring a RTT determination;
- Reducing the waiting time for matters to be heard at the RTT;
- Reducing RTT matters requiring administrative support; and
- Providing a framework for parties to resolve their dispute in a professional, supported environment.

Improvement initiatives continue to be implemented to further improve business and provide an improved service at the RTT.

## **Customer Service Centre**

As part of the CBS commitment to continuous improvement and high quality customer service, all customer-facing counter functions will be brought into one single Customer Service Centre. This will provide a single point of contact for all customers of CBS in a convenient location, with appropriate access and services. It will also deliver a safer, custom-built environment for staff and customers as well as a sustainable customer service model.

The design phase for the Customer Service Centre is almost complete with construction scheduled to begin in late 2012. The Centre will open with services commencing in stages:

- Occupational Licensing and Advice and Conciliation (December 2012)
- Residential Tenancies Bonds unit (January 2013)
- Births, Deaths and Marriages (February 2013).

## Making effective civil and criminal law

### Real estate reforms

Buying a property is a major financial investment for most people. Our real estate laws must be effective and robust, to reassure both vendors and purchasers that their transactions will be handled professionally and ethically. Good laws also strike a balance between giving consumers proper safeguards and keeping red tape and paperwork for agents to a minimum.

In 2007 legislation was introduced to establish higher standards for land agents in their professional behaviour. A review of Parts 4 and 4A of the *Land and Business (Sale and Conveyancing) Act 1994* commenced in February 2010 and a report was tabled in Parliament in September 2010.

Submissions received included observations and comments on all aspects of the legislation. With many of these in mind the Minister for Business Services and Consumers announced in February 2012 that there would be further reforms to South Australia's real estate industry.

Measures proposed include:

- Eliminating the practice of agents advertising price ranges such as \$500 000+ and 'mid \$500 000s';
- Requiring agents to provide the vendor with comparable sales data to justify their estimate of the selling price of the property;
- Extending the two-day cooling off period to bodies corporate;
- Relaxing the time requirement for agents to deliver agent's certificates and sales agency agreements to vendors;
- Allowing an extension of the current 90 day limit on sales agency agreements;
- Removing the time consuming requirement for standard conditions of auctions to be read out loud before the auction of residential land; and
- Allowing a number of forms to be delivered electronically.

### Residential Tenancies Act Review

The review of the *Residential Tenancies Act 1995* progressed with the release of a discussion paper, outlining proposed reforms to the Act. Public consultation closed in June 2012. The proposed reforms are designed to benefit both landlords and tenants as well as improve the efficiency of the Residential Tenancies Tribunal. The reforms also propose to improve protections for rooming house residents and introduce the national model provisions for the regulation of residential tenancy databases.

### Same Sex Parentage Provisions

In June 2011 the *Family Relationship (Parentage) Amendment Act 2011* was passed, resulting in the recognition of a female same-sex partner as a co-parent of a child. To be eligible as a co-parent under the Act the couple must be in a qualifying relationship at the time of the child's conception and the child must be conceived through an assisted fertilisation procedure to which the partner consented.

Initially BDM experienced a high volume of enquiries from couples seeking advice on the procedures for including co-parent details on birth certificates. BDM developed information sheets for co-parents, a new birth registration statement for registering new births, and an 'Application to add a co-parent' form for amending existing birth registrations. The BDM database and commemorative certificates were modified to include provision for co-parents details.

### **Security of Payment**

The *Building and Construction Industry Security of Payment Act 2009* commenced on 10 December 2011 to address concerns about contractors, subcontractors and suppliers not being paid for work performed or goods and services supplied. The Act creates a statutory right to progress payments and establishes a new procedure for resolving payment disputes through adjudication, as an alternative to going to Court or hiring a debt collector.

The Minister for Business Services and Consumers has authorised six nominating authorities whose role it is to nominate adjudicators and issue adjudication certificates. Each nominating authority maintains access to a number of trained and qualified adjudicators. Similar legislation is now in place in every State and Territory in Australia.

There has been a small number of adjudications since commencement of the Act; it is anticipated this figure will increase during 2012-13 once an understanding of the Act and its role are more fully appreciated by industry.

### **Fair Trading Act 1987 - Code of Conduct Amendments**

The Health and Fitness Industry Code and the Pre-paid Funerals Industry Code were amended in 2011-12 to include a declaration that a breach of the code is subject to a civil penalty. The two codes are made under the *Fair Trading Act 1987* to regulate their respective industries.

The amendments came as a result of the *Small Business Commissioner Act 2011*. This provides a framework where disputes can be resolved for small business operators and provide information and education to improve the capacity of small businesses to manage their affairs, so that disputes are less likely to occur.

Upon commencement of the Small Business Commissioner Act the transitional provisions removed the criminal penalty provisions contained in the Health and Fitness Code and the Pre-Paid Funerals Code.

Regulations were amended to prescribe civil penalties and expiation fees for a breach of any of the Code provisions. The introduction of expiation fees provides a simple and effective deterrent and allows a less costly process for enforcing the Codes. The amendments fixed expiation fees under these codes at \$500. The maximum civil penalty under the *Fair Trading Act 1987* is \$50 000 for a body corporate and \$10 000 for a natural person.

## **Strategic Goal 4: To be a high performing organisation**

### **Investing in our people**

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

Regular communication takes place with all CBS staff via staff information sessions, working groups and program updates. Relevant training and temporary assignments in other business units are encouraged in order to promote staff development. Performance development plans are discussed between staff members and managers in order to develop skills and identify any training opportunities or requirements. Staff are encouraged to regularly consult the Attorney-General's Department (AGD) Corporate Training intranet pages for suitable career development opportunities.

CBS promotes the services of the AGD Employee Assistance program, which aims to support and help staff at all levels of organisation, including a manager's hotline and free wellbeing seminars on various topics. Specific sessions have been tailored and offered to all CBS staff and these will continue throughout the program's lifecycle.

CBS has committed to developing a comprehensive HR strategy, including career progression opportunities and succession planning. This also includes a customer service training package to enhance the skills of front line staff. Business unit redesign has included greater career progression opportunities and offers the potential to cross skill in other areas where possible.

A business improvement training program has also begun. All staff in the Licensing and Registration business unit have taken part in development workshops and there will be further roll out of the program across the organisation.

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

During 2011-12 the former OCBA and OLGC health and safety committees were disbanded and a new CBS committee was created with new terms of reference. Management and staff representatives were recruited to represent the new business structure. The membership of this committee will again be reviewed once the restructure of CBS and all accommodation moves are finalised.

A major focus for the OHSW committee during 2011-12 was to undertake a review of its systems in key areas which were to be the subject of a work cover audit. Key areas that were covered included manual handling, ergonomics and violence/bullying. Worksite inspections were also carried out on each floor and any identified deficiencies were addressed. A comprehensive evidence file was compiled for presentation to the work cover auditor.

During 2012-13 work will commence on the development of a hazard risk register and ensuring adequate treatments are identified and communicated to staff. The committee will also assist the AGD Corporate OHSW committee with the review and roll out of new and revised policies and procedures for promulgation throughout the Attorney-General's Department.

## **Change Program**

The Change Program continued during the year, focusing on organisational redesign and service delivery improvement programs. With the merger of OLG and OCBA to form CBS, several business units have been realigned creating several new units including Regulatory Services, Investigations and Inspections and Advice and Conciliation. The Advice and Conciliation unit will provide greater dispute resolution services for consumers and businesses alike in the consumer affairs and tenancies fields. These changes have included relocating staff and customer services to Chesser House. Further business unit restructures are underway to deliver the organisational redesign.

An extensive accommodation program is underway which will see all CBS staff located in one building. Some staff accommodation is also being updated to co-locate new business units.

## **Change Agents**

Change Agents have been part of the Change Program since its inception in 2010-11. As the Change Program progresses, the role of Change Agents has been reviewed and a more proactive and interactive program for 2012-13 is being developed. Staff who take up the role of a Change Agent are provided with training to assist in the promotion and integration of cultural change and business improvement projects across CBS. Change Agents will communicate with and support colleagues as well as assisting in embedding changes throughout the organisational culture.

## **Momentum Middle Management Program**

In partnership with Adelaide University's Executive Education unit, the Momentum program is designed to develop an understanding of what it is to be an effective leader and build the skills needed by the organisation's future leaders. 10 CBS staff successfully completed this program in 2011-12.



## **Reducing red tape**

In 2011-12 CBS undertook significant reviews of its processes and online capabilities, providing significant reductions in red tape for business in South Australia.

### **Licence Applications and Renewals**

In February 2012 CBS introduced a new service which allows clients to apply for a trade licence online. There were over 600 online licence applications. Online licence renewals were introduced in April 2012, with more than 2000 renewals received.

A broad review of occupational licensing processes commenced in 2012, with the aim of further streamlining requirements and reducing processing times. Industry bodies and representatives attended an Industry Round Table Meeting in April 2012 to put forward their views. CBS is now working on implementing over 30 suggestions from industry and staff. They include system, process and legislative changes. Most of these are expected to be finalised in 2012-13.

### **Business names registration**

On 28 May 2012 the Australian Securities and Investments Commission took over the management and administration of business names registrations. Under the national service, businesses need only register once and pay a single fee to operate anywhere in Australia.

Previously, it cost \$159 to register a new business name for three years in South Australia and more than \$1 000 to register in every State and Territory. The new fee for Australia-wide registration is \$70 for three years, delivering a saving of approximately \$3.5 million a year to South Australia's business sector.

CBS worked with other jurisdictions and the Commonwealth to develop national and local legislation to refer the matter of business names registration to the Commonwealth and set up the new national system. CBS also developed and implemented transitional business processes to support the transition of South Australian registered businesses to the Commonwealth system.

### **Online Cremation Permit applications**

CBS commenced a project to streamline the process for receipting and issuing cremation permits to enable BDM to maintain service standards while managing an increased number of cremation permit applications. Permits are required by crematoriums prior to the disposal of human remains, and generally they are provided by BDM on the day they are received from the funeral director.

From 1 July 2012 BDM will only offer an online service for making applications for cremation permits. Funeral directors were given six months notice of this change to enable them to cater for these new arrangements.

## Appendix 1 Terminology

**ACCC** - Australian Competition and Consumer Commission

**ACL** - Australian Consumer Law

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

**CBS** - Consumer and Business Services

**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.

**NBNR** - National Business Names Register

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

**OLGC** - Office of the Liquor and Gambling Commissioner

## Appendix 2 Legislation Administered

The Commissioner for Consumer Affairs administers the following Acts:

*Australian Consumer Law (SA) 2010*  
*Building and Construction Industry (Security of Payment) Act 2009*  
*Building Work Contractors Act 1995*  
*Conveyancers Act 1994*  
*Fair Trading Act 1987*  
*Hairdressers Act 1988*  
*Land Agents Act 1994*  
*Land and Business (Sale and Conveyancing) Act 1994*  
*Land Valuers Act 1994*  
*Plumbers, Gas Fitters and Electricians Act 1995*  
*Prices Act 1948*  
*Residential Parks Act 2007*  
*Residential Tenancies Act 1995*  
*Retail and Commercial Leases Act 1995 (part year)*  
*Second-hand Vehicle Dealers Act 1995*  
*Security and Investigation Agents Act 1995*  
*Travel Agents Act 1986*

The *Misrepresentation Act 1972* also provides important consumer rights.

The Commissioner for Prices administers the

*Prices Act 1948*

The Commissioner for Corporate Affairs administers the following Acts:

*Associations Incorporation Act 1985*  
*Business Names Act 1996 (part year)*  
*Companies (Administration) Act 1982*  
*Co-operatives Act 1997*

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*

*Marriage Act 1961 (administration of Commonwealth Act in SA)*

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

*Adoption Act 1988*

*Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981*

*Coroner's Act 2003*

*Cremation Act 2000*

*Criminal Investigation (Covert Operations) Act 2009*

*Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953*

*Family Relationships Act 1975*

*Evidence Act 1929, under Section 49 (7)*

*Maralinga Tjarutja Land Rights Act 1984*

*Partnership Act 1891*

*Sexual Reassignment Act 1988*

*Trustee Companies Act 1988*

*Witness Protection Act 1996.*

### Appendix 3 Products Withdrawn or Recalled 2011-2012

Surveillance	Products withdrawn or recalled	Outcome/Reason
General Market Surveillance July 2011 (4 product lines)	Household cot (2nd hand) Strollers (2nd hand) Yoyo ball	Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard Recalled - Banned product
National Surveillance Program July 2011 (9 product lines)	Blind cord products	Withdrawn - Failed mandatory safety standard
National Surveillance Program August 2011 (62 product lines)	Household cot Blind cord products	Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard
General Market Surveillance September 2011 (1 product line)	Baby bean bag	Recalled - Failed mandatory safety standard
Yorke Peninsula Field Days September 2011 (2 product lines)	Trolley jacks	Withdrawn - Failed mandatory safety standard
General Market Surveillance March 2012 (5 product lines)	Blind cord products	Withdrawn - Failed mandatory standard
National Surveillance Program March 2012 (10 product lines)	Newborn nightie Children's dressing gowns Children's pyjamas Temporary tattoos	Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard
National Surveillance Program April 2012 (4 product lines)	Children's dressing gowns Baby bodysuit Temporary tattoos	Withdrawn - Failed mandatory standard Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard
General Market Surveillance May 2012 (1 product line)	Hot water bottle	Withdrawn - Failed mandatory standard
General Market Surveillance June 2012 (5 product lines).	Hot water bottle Hot water bottle Stroller Baby Dummy	Recalled - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard Withdrawn - Failed mandatory safety standard

## Appendix 4

### Analysis of Fair Trading Enquiries Received

Analysis of Enquiries<sup>1</sup> Received by Category

1 July 2011 to 30 June 2012

Main Category	Variation	2011-12	2010-11
1 General Goods	-21%	11 387	14 442
2 Building & Construction	-35%	6 274	9 682
3 Motor Vehicles	-22%	5 398	6 944
4 Travel, Hospitality & Tourism	-35%	808	1 243
5 Communication	-40%	1 018	1 692
6 Insurance	-44%	280	499
7 Credit & Finance	-34%	385	581
8 Real Estate & Accommodation	-43%	983	1 715
9 Marketing Methods	-47%	417	791
10 General Services	-28%	9 360	13 045
11 Referred Matters	-29%	8 274	11 677
12 Scams & Schemes	-56%	1 438	3 254
13 Product Safety & Standards	-97%	27	904
14 Other	-62%	3 706	9 704
<b>TOTAL for Period</b>	<b>-35%</b>	<b>49 755</b>	<b>76 173</b>

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

## Appendix 5

### Analysis of Complaints Received by Product or Service

1 July 2011 to 30 June 2012

Category	Variation	2011-12		2010-11	
		Sub-total	Total	Sub-total	Total
<b>1 Residential Building Construction</b>	<b>9%</b>		<b>1148</b>		<b>1055</b>
Air conditioning, heating installation		27		49	
Building & decorating products		45		71	
Carpentry, joinery		11		7	
Pest control services		11		9	
Concrete work, foundations, brickwork, paving		42		61	
Electrical (incl solar panel systems)		394		185	
Fences, garden walls, gates		17		24	
Garages, carports, sheds, water tanks		76		77	
Gardening & outdoor products		20		10	
Home construction, extensions, renovations		278		283	
Painting, decorating, plastering		21		16	
Plumbing - water, gas, drainage		28		44	
Roofing, insulation, roof treatments		62		79	
Swimming pools, spas, hot tubs		35		43	
Tiling		24		11	
Other		57		86	
<b>2 General Consumer Products</b>	<b>-18%</b>		<b>1078</b>		<b>1322</b>
Air conditioners		9		15	
Literature, stationery, CDs & DVDs		34		40	
Clothes		80		61	
Electrical goods - other		46		71	
Food products		49		77	
Footwear		29		27	
Furnishings		55		70	
Furniture - lounge suites		51		54	
Furniture - other		73		97	
Haberdashery, clothing materials & accessories		7		6	
Heaters & hot water systems		27		34	
Household appliances		19		26	
Jewellery, clocks and watches		37		42	
Pets & pet products		24		33	
Photographic equipment & supplies		12		15	
Health & cleaning products		97		248	
Sports & camping equipment		19		27	
Televisions, VCRs & DVD players		47		73	
Whitegoods - other		25		17	
Whitegoods - refrigerators		31		28	
Whitegoods - washing machines		22		17	
Other general goods		285		244	

Category	Variation	2011-12		2010-11	
		Sub-total	Total	Sub-total	Total
<b>3 General Services</b>	<b>19%</b>		<b>670</b>		<b>563</b>
Dry cleaning		7		16	
Education & training		26		36	
Employment		8		7	
Health & fitness (gyms)		49		34	
Furniture removals		15		20	
Health services		13		14	
Household services		60		60	
Introduction agencies		8		7	
Transport services		26		25	
Personal services		106		104	
Professional & technical services		49		47	
Utilities & fuel supply		54		45	
Sport, culture & recreation		35		36	
Other services		214		112	
<b>4 Motor Vehicles and Transport Products</b>	<b>-5%</b>		<b>444</b>		<b>469</b>
Purchase of new motor vehicles		39		38	
Purchase of new & used motor cycles		15		15	
Purchase of used motor vehicles		154		177	
Consignment sales		4		1	
Automotive repair & servicing		130		135	
Spare parts & accessories		42		54	
Other transport vehicles & equipment		60		49	
<b>5 Travel, Hospitality and Tourism</b>	<b>-34%</b>		<b>250</b>		<b>378</b>
Travel agents		28		24	
Tours		9		11	
Hotels, motels, hostel		42		40	
Other		171		303	
<b>6 Scams and Schemes</b>	<b>-70%</b>		<b>240</b>		<b>805</b>
Scams (eg Nigerian scam)		220		754	
Get rich quick schemes		20		51	
<b>7 Communication &amp; Information</b>	<b>-30%</b>		<b>224</b>		<b>318</b>
Telephone services & products		106		154	
Internet		21		21	
Television & other services		14		8	
Computers and software		83		135	
<b>8 Real estate, accommodation</b>	<b>23%</b>		<b>148</b>		<b>120</b>
Property sales and listings		71		65	
Property management		18		12	
Other - accommodation and real estate		59		43	
<b>9 Marketing Methods</b>	<b>70%</b>		<b>95</b>		<b>56</b>
Mail order		0		3	
Discount & gift voucher schemes		41		17	
Other		54		36	



Category	Variation	2011-12		2010-11	
		Sub-total	Total	Sub-total	Total
<b>10 Product Safety</b>	<b>-12%</b>		<b>92</b>		<b>105</b>
Product safety/standards & hazardous products		92		105	
<b>11 Credit, finance, investment</b>	<b>-15%</b>		<b>45</b>		<b>53</b>
Credit & finance		41		48	
Investment		4		5	
<b>12 Insurance</b>	<b>-17%</b>	24	<b>24</b>	29	<b>29</b>
<b>TOTAL FOR PERIOD</b>	<b>-15%</b>		<b>4458</b>		<b>5273</b>

*Note 1 - The 9% increase for Residential Building Construction is mainly due to an increase of complaints about solar power generated systems, due to the high demand for systems ahead of changes to rebate schemes.*

*Note 2 - The incidence of reported scams continue to drop (down 70%) due to greater consumer awareness and greater utilisation of the national SCAMwatch reporting mechanism.*

*Note 3 - The 70% increase in Marketing Methods is mainly due to an increase in consumers purchasing goods or services through group buying schemes.*

## Appendix 6

### Analysis of Complaints Investigated by Practice

1 July 2011 to 30 June 2012

Practice	Variation	2011-12	2010-11
1 Quality	-8%	1210	1315
2 Contracts	-13%	1143	1315
3 Warranties	-3%	490	504
4 Miscellaneous Conduct	-2%	444	453
5 Representations	-3%	298	306
6 Price	4%	265	254
7 Scams and Schemes	-70%	240	791
8 Advertising	-37%	171	125
9 Product Safety/Standards & Hazardous Products	-12%	92	105
10 Sales Methods	-6%	72	77
11 Credit	21%	23	19
12 Product Labelling	11%	10	9
<b>TOTAL</b>	<b>-15%</b>	<b>4458</b>	<b>5273</b>

## Appendix 7 Occupational Licensing and Registration

### Licences and registrations issued 2011-2012

- CBS administers registers containing over 67 500 licences and registrations under seven separate pieces of legislation.
- Staff handle approximately 1 595 general telephone enquiries weekly (increase of 17% over previous year).
- 8 181 applications for new and upgraded licences and registrations were processed (increase of 8%).

### Builders

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

<b>Licences (Builders)</b>	<b>2011-12</b>	<b>2010-11</b>
Held by bodies corporate (usually companies)	4 117	3 956
Held by natural persons (individuals or members of partnerships)	19 142	19 418
Held by building work supervisors registrations only	3 296	3 159
<b>Total</b>	<b>26 555</b>	<b>26 533</b>
<b>Builders</b>		
<i>Licences</i>		
- Any building work	1 385	1 419
- Light commercial/industrial and/or residential	6 128	6 108
- Specified building work	15 740	15 871
<i>Registrations</i>		
- Any building work	1 368	1 434
- Light commercial/industrial and/or residential	5 105	4 993
- Specified building work	17 394	16 134
Applications for New Licences/Registrations processed*	2 554	2 497
*Applications to change licence/registration conditions are now processed in the same way as new applications; therefore the figure for new applications also includes applications to change conditions.		

### Security and Investigation Agents

<b>Licences (Security and Investigation Agents)</b>	<b>2011-12</b>	<b>2010-11</b>
Held by bodies corporate (usually companies)	370	358
Held by natural persons	7 956	8 448
<b>Total</b>	<b>8 326</b>	<b>8 806</b>
Applications for New Licences/Registrations processed*	1 215	1 255
*Applications to change licence/registration conditions are now processed in the same way as new applications; therefore the figure for new applications also includes applications to change conditions.		

## Plumbers, Gas Fitters and Electricians

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

<b>Plumbers, Gas Fitters and Electricians</b>	<b>2011-12</b>	<b>2010-11</b>
<i>Licences</i>		
- Plumbing	1 796	1 743
- Gas Fitting	1 297	1 215
- Electrical	5 175	4 958
<i>Registrations</i>		
- Plumbing	5 001	4 860
- Gas Fitting	4 024	3 837
- Electrical	20 280	19 630
<b>Total</b>	<b>37 573</b>	<b>36 243</b>
Applications for New Licences/Registrations processed*	3 517	2 995

\*Applications to change licence/registration conditions are now processed in the same way as new applications; therefore the figure for new applications also includes applications to change conditions.

## Land Agents, Real Estate Sales Representatives and Auctioneers

<b>Licences (Land agents)</b>	<b>2011-12</b>	<b>2010-11</b>
Held by bodies corporate (usually companies)	849	807
Held by natural persons	2 006	1 915
<b>Total</b>	<b>2 855</b>	<b>2 722</b>
Applications for New Licences/Registrations processed	350	281

<b>Licences (Real Estate Sales Representatives &amp; Auctioneers)</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Total (all held by natural persons)</b>	<b>2 201</b>	<b>2 324</b>
Applications for New Licences/Registrations processed	394	486

## Conveyancers

<b>Licences (Conveyancers)</b>	<b>2011-2012</b>	<b>2010-2011</b>
Held by bodies corporate (usually companies)	63	63
Held by natural persons	615	609
<b>Total</b>	<b>678</b>	<b>672</b>
Applications for New Licences/Registrations processed	33	21

## Travel Agents

<b>Licences (Travel Agents)</b>	<b>2011-12</b>	<b>2010-11</b>
Held by bodies corporate (usually companies)	152	147
Held by natural persons	58	66
<b>Total</b>	<b>210</b>	<b>213</b>
Applications for New Licences/Registrations processed	19	17

**Second-hand vehicle dealers**

<b>Licences (Second-hand Vehicle Dealers)</b>	<b>2011-12</b>	<b>2010-11</b>
<i>Held by bodies corporate (usually companies)</i>		
- second-hand vehicle dealers	367	375
- second-hand motor cycle dealers	33	36
<i>Held by natural persons</i>		
- second-hand vehicle dealers	750	763
- second-hand motor cycle dealers	59	64
<b>Total</b>	<b>1 209</b>	<b>1 238</b>
Applications for New Licences/Registrations processed:	87	98
- second-hand vehicle dealers	12	0
- second-hand motor cycle dealers.		
Registration of trading premises	52	68

**Photographic Images Captured for Occupational Licences**

2011-12 saw the ten year anniversary of the photo card. As such, all occupations requiring photo identification were asked to update their photos when lodging the renewal documentation for their licence or registration. This saw a significant increase in the number of images taken, from 8042 in 2010-11 to 18 132 images in 2011-12.

## Appendix 8

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

CBS maintains the registers of incorporated associations, co-operatives within South Australia. The registers are available for inspection by the public upon payment of the prescribed fee at CBS.

CBS maintained the register of business names within South Australia until 28 May 2012. On 29 May 2012 the South Australian register was transferred to the Australian Securities and Investments Commission (ASIC).

Staff currently handle approximately 640 general telephone enquiries weekly.

#### Business Names

	2011-12	2010-11	2009-10	2008-09
Business names on the register (at 30 June)	0	95 603	94 285	92 702
New registrations	12 088	13 389	13 967	12 381
Renewals	15 409	19 050	19 414	18 722
Changes	5 428	5 968	5 961	6 511
Cessations	630	666	743	837
Transactions	82 858	87 375	84 634	76 922

#### Incorporated Associations

	2011-12	2010-11	2009-10	2008-09
Incorporated associations on the register (at 30 June)	19 516	19 270	19 046	18 802
Incorporated during the year	332	348	364	327
De-registered and wound-up	78	103	91	126
Periodic returns lodged	724	974	863	882
Searches of the public register	707	901	847	980

#### Co-operatives

	2011-12	2010-11	2009-10	2008-09
Co-operatives on the register (at 30 June)	57	60	59	56
Incorporations	0	1	1	0
Foreign registrations	1	0	2	0
De-registrations	4	0	0	0

## Appendix 9 Births, Deaths and Marriages

<b>REGISTRATIONS</b>	<b>2011-2012</b>	<b>2010-2011</b>	<b>% Difference</b>
Births	20 427	19 801	3.2
Still-births	86	78	10.3
<i>Total Births</i>	<i>20 513</i>	<i>19 879</i>	<i>3.2</i>
Deaths	12 723	12 849	-1.0
Marriages	8 236	8 154	1.0
Change of Name Registration	2 842	2 919	-2.6
Change of Name - Court Order/Interstate	132	157	-16.0
Change of Name - Rejected	3	3	
<i>Total Change of Name</i>	<i>2977</i>	<i>3 079</i>	<i>-3.3</i>
Adoptions - Open	0	1	
- Closed	19	18	5.3
Reassignment of sex	3	6	
Surrogacy Orders	4	-	
Legitimations	52	91	-42.9
Cremation Permits	8 917	8 629	3.3
Corrections	8 920	10 280	-13.2

<b>DOCUMENTS ISSUED (Mail, Counter, SSA)</b>			
Std Certificates - Births	33 869	36 851	-8.1
Std Certs (from commemoratives) - Births	10 395	10 779	-3.6
Certificates – Deaths	10 675	11 297	-5.5
Certificates – Marriages	13 372	14 229	-6.0
Std Certs (from commemoratives) - Marriages	186	155	20.0
Certificates - Change Of Name	2 274	2 300	-1.1
<i>Sub-total Certificates</i>	<i>70 771</i>	<i>75 611</i>	<i>-6.4</i>
<b>DOCUMENTS APPLIED FOR ONLINE</b>			
Online Certificates - Births	18 282	17 692	
Online Certificates - Deaths	5 866	5 237	12.0
Online Certificates - Marriages	9 651	9 234	4.5
Online Certificates – Change of Name	2	4	
<i>Sub-total Online Certificates</i>	<i>33 801</i>	<i>32 167</i>	
<b>TOTAL COMMEMORATIVE CERTIFICATES</b>	<i>10 991</i>	<i>11 316</i>	<i>-2.9</i>
<b>Grand Total Certificates</b>	<b>115 563</b>	<b>119 094</b>	<b>-3.0</b>
<b>MARRIAGES AT THE REGISTRY</b>			
Notices given	1 269	1 274	
Marriages solemnised	1 087	997	
Registry marriages as % of all SA marriages	13.2	12.2	

## Appendix 10 Residential and Retail Tenancies

<b>Bonds</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>			
Total tenant provided residential bonds held	101 661	97 090	94,531			
Total SAHT provided residential bonds held	335	368	411			
Total SAHT residential bond guarantees held	35 231	30 553	26,763			
<b>Total residential bonds held</b>	<b>137 227</b>	<b>128 011</b>	<b>121 705</b>			
Tenant provided residential bonds (\$)	141 394 786	125 618 940	113,038,837			
SAHT provided residential bonds (\$)	142 928	156 944	176,120			
SAHT residential bond guarantees (\$)	33 902 670	26 916 238	21,183,984			
<b>Total residential bonds held (\$)</b>	<b>175 440 385</b>	<b>152 692 122</b>	<b>134 398 941</b>			
Residential bonds lodged	62 195	55 394	54 113			
Residential bonds refunded	52 826	49 049	48 405			
Total retail bonds held	3 536	3 305	3 272			
Total retail bonds held (\$)	5 217 006	4 825 389	4 688 833			
Retail bonds lodged	617	596	626			
Retail bonds refunded	384	320	245			
Total residential park bonds held	472	464	432			
Total residential park bonds held (\$)	184 558	167 118	247 875			
Residential park bonds lodged	238	245	269			
Residential park bonds refunded	230	213	233			
Incoming bond calls	47 850	49 602	44 699			
Incoming emails requesting advice	1 904	1 137	670			
<b>Advice</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>			
Requests for assistance ( <i>files</i> )	256	384	409			
Tribunal files investigated	2 610	2 345	2 794			
Customer contacts ( <i>inc outgoing calls and counter</i> )	7 432	4 830				
Incoming tenancy advice calls	56 068	68 084	82 476			
Incoming emails requesting advice	2 220	1 616	1 330			
Education sessions	30	40				
Expiation notices issued by the Branch	87	146	161			
<b>Tribunal Support Section</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>			
Applications lodged	11 410	10 537	14 660			
Hearings listed - metro	9 257	7 646	9 702			
Hearings listed - country	361	697	957			
Hearings listed - country video conference	733	590	657			
Hearings actually conducted	8 944	6 933	10 050			
Incoming emails relating to hearings	2 262	1 141	670			
<b>RTT Listings by category</b>	<b>2011-12</b>		<b>2010-11</b>		<b>2009-10</b>	
	#	%	#	%	#	%
Vacant possession	6 213	65	4 809	58	5 999	56
Bond and compensation	2 394	25	2 399	29	3 464	32.5
Miscellaneous	409	4.2	637	7	461	4.3
Vary or set aside	361	3.6	333	4	499	4.7
Termination due to tenant conduct	133	1.2	113	1.4	175	1.8
Immediate termination	54	.5	43	0.4	47	0.4
Retirement Villages	51	.4	8	0.1	18	0.2
Exemptions	3	.1	1	0.1	2	0.1
<b>Total metro and country</b>	<b>9 618</b>		<b>8 343</b>		<b>10 665</b>	



## Retail and Commercial Leases Act 1995 - Disputes Lodged

For the purposes of s78(2)(a) of the *Retail and Commercial Leases Act 1995* this table details the number of disputes lodged with the Magistrates Court of South Australia.

<b>Court</b>	<b>Old*</b>	<b>S12</b> Disclosure statement	<b>S20</b> Bond refund	<b>S68</b> Jurisdiction of the Magistrates Court	<b>S77</b> Exemptions	<b>Grand total</b>
Adelaide	1		4	16	1	<b>22</b>
Berri				2		<b>2</b>
Elizabeth		1	1	1		<b>3</b>
Holden Hill		1		2		<b>3</b>
Mount Barker				1		<b>1</b>
Port Adelaide			1			<b>1</b>
Tanunda				1		<b>1</b>
<b>Total</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>23</b>	<b>1</b>	<b>33</b>

\*Old - Application under *Landlord and Tenant Act 1936*

## Appendix 11

### Companies and Co-operatives Liquidation Accounts

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

	\$
<b>Companies Liquidation Account</b>	
Balance at 1 July 2011	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 2012	94 244.40

	\$
<b>Co-operatives Liquidation Account</b>	
Balance at 1 July 2011	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 2012	64 992.85

## Appendix 12

### Miscellaneous Corporate Affairs Commission Responsibilities

#### ***Evidence Act 1929***

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

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

Part 3 of the *Partnership Act 1891* provides for the registration of a limited partnership. There was one new registration and no de-registrations during the year with the total number of limited partnerships registered as 29. 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 2011 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 2012 are due to be lodged with Consumer and Business Services by the end of October 2012.

## Appendix 13 Assurances and Court Actions

### Assurances

No.	Trader	Date	Act	Section	Undertaking
864	Peter Michael MENSFORTH	22 Jul 2011	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor without a licence.
865	Tarnia Pitt Real Estate Pty Ltd	5 Oct 2011	<i>Land Agents Act 1994</i>	6(1)	Will refrain from carrying on business as a land agent whilst unregistered
866	Liam SNEDDON	1 Dec 2011	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor.
867	Eriks DRAISKA	25 Nov 2011	<i>Land Agents Act 1994</i>	6(1)	Will refrain from: carrying on business as a land agent whilst unregistered; and making false representation about being a registered agent. Unless registered as an agent, will refrain from entering into sales agency agreements, accepting payments from consumers and maintaining a trust account in the capacity of an agent. Once registered as an agent will ensure that any trust account maintained is audited.
868	Venn Blaik Pty Ltd	11 Jan 2012	<i>Land and Business (Sale and Conveyancing) Act 1994</i>	20(1)(a)(ii) 24A(2)(a) 20(1)(c)(ii)	Will refrain from: specifying the agent's genuine estimate of the selling price as a price range where the upper limit exceeds 110% of the lower limit; making a representation as to the likely price of land that is less than the prescribed minimum advertising price; acting on behalf of a vendor where the duration of the sales agency agreement exceeds the prescribed number of days.
869	Marek JURKOWSKI	10 Feb 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	14(1) 16(1)	Will refrain from displaying vehicles for sale at a premises other than that registered with CBS. Will refrain from displaying vehicles for sale without displaying the required notice in the prescribed form.
870	Clayjar Pty Ltd	17 Feb 2012	<i>Plumbers Gasfitters &amp; Electricians Act 1995</i>	12	Will refrain from engaging plumbing, gas fitting, or electrical workers that are not appropriately registered to carry out the work performed by the company.

No.	Trader	Date	Act	Section	Undertaking
871	Lochlee Pty Ltd	29 Feb 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	20(1)	Will refrain from exposing vehicles for sale that do have the required notices on display.
872	True Value Solar Pty Ltd	19 Mar 2012	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor without a licence.
873	Skylar KOOPMANS	4 May 2012	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor without a licence.
874	Michael RYAN	15 May 2012	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor without a licence.
875	Solaworx Pty Ltd	25 May 2012	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from carrying on business as a building work contractor whilst unlicensed.
876	Mark Robert Philip MOODY	25 May 2012	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Will refrain from being a director of a company which carries on the business of contracting for building work without holding a relevant licence.
877	Pasqualuzzo LOILO	6 Jun 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	14(1) 16(1)	Will refrain from displaying vehicles for sale at a premises other than that registered with CBS. Will refrain from displaying vehicles for sale without displaying the required notice in the prescribed form.
878	Patros Pty Ltd	6 Jun 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	14(1) 16(1)	Will refrain from displaying vehicles for sale at a premises other than that registered with CBS. Will refrain from displaying vehicles for sale without displaying the required notice in the prescribed form.
879	Troy Beaton	20 Jun 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer without a licence.
880	Kevelle Pty Ltd	21 Jun 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer without a licence.
881	Malcolm Pearce	21 Jun 2012	<i>Second-hand Vehicle Dealers Act 1995</i>	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer without a licence.

**Court Actions**

<b>Name</b>	<b>Act</b>	<b>Section</b>	<b>Allegations</b>	<b>Outcome</b>
Tony Moubarak	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Carried on business as a building work contractor whilst unlicensed.	18 July 2011 Convicted and fined \$2,500.
	<i>Plumbers, Gas Fitters and Electricians Act 1995</i>	13(a)	Performed gas fitting work & electrical work whilst unregistered.	
	<i>Fair Trading Act 1987</i>	58(a)	Made a false representation about the standard and quality of good supplied.	
Carlo Smania	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Carried on business as a building work contractor while unlicensed.	20 July 2011 Convicted and fined \$9,000. Ordered to pay total of \$2,647.75 in compensation to his client.
		6(1)(b)	Falsely held himself out as being entitled to carry on business as a building work contractor.	
	<i>Fair Trading Act 1987</i>	67(1)(a)	Failed to provide goods and services for which he received payment.	
Craig Ricciuto	<i>Second-hand Vehicle Dealers Act 1995</i>	7(1)	Carried on business as a second-hand vehicle dealer without a licence.	31 August 2011 Fined \$2,500 without conviction.
Christopher Nicholls	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Carried on business as a building work contractor while unlicensed	31 August 2011 Convicted and fined \$3,000. Ordered to pay total of \$2,400 compensation to his clients.
John Joseph McMahon	<i>Building Work Contractors Act 1995</i>	6(1)(a) 34(a)	Carried on business as a building work contractor while unlicensed. Failed to take out a policy of building indemnity insurance.	7 September 2011 Convicted and fined \$14,000. Ordered to pay total of \$4,874.31 in compensation to his client.
Samuel Charles Francis	<i>Building Work Contractors Act 1995</i>	6(1)(a) & 6(1)(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.	9 September 2011 Convicted and fined \$8,000. Ordered to pay total of \$6,020 in compensation to his clients.
Paul Emmerich Duin	<i>Fair Trading Act 1987</i>	67(a)	Failed to provide goods and services for which payment was made.	9 September 2011 Convicted and placed on a 3 good behaviour bond.

Name	Act	Section	Allegations	Outcome
				Ordered to pay total of \$18,300 in compensation to his clients.
Keith Sutherland	<i>Building Work Contractors Act 1995</i>	6(1)(b)	Held himself out as a building work contractor whilst not licensed.	20 September 2011 Convicted and fined \$2,000.
John Roger McLean	<i>Building Work Contractors Act 1995</i>	21(1)(c) & 21(1)(e)	Acted improperly, negligently and unlawfully whilst engaged in the business of a builder. Events have occurred such that Mc Lean does not now meet the licensing eligibility criteria	30 September 2011 Orders were made prohibiting Mr Mclean from: being employed or otherwise engaged in the business of a building work contractor; carrying on business as a building consultant; and being employed, or otherwise engaged in the business of a building consultant. The prohibition orders remain in place until further order.
Simon Blake Brownrigg	<i>Plumbers, Gas Fitters and Electricians Act 1995</i>  <i>Fair Trading Act 1987</i>	6(1)(a)  25(a)  58(a)	Carried on business as a plumbing and gas fitting contractor whilst unlicensed. Operated in breach of a disciplinary order. Falsely represented that he was licensed.	14 October 2011 Convicted and fined \$27,000. Ordered to pay total of \$2,520 in compensation to his client.
Basil Steven Georgiou	<i>Security and Investigation Agents Act 1995</i>	25(1)(e)(ii)	Holds a security agents licence. Does not now meet the eligibility criteria to be granted a licence.	18 October 2011 Security agents licence cancelled.
William Page	<i>Plumbers, Gas Fitters and Electricians Act 1995</i>	20(2)(b)	Acted improperly, negligently and unlawfully in the course of performing work as an electrical worker.	25 November 2011 Disqualified from being licensed as an electrical contractor and from being a director of a body corporate that is an electrical contractor until further order. Also ordered to successfully complete an AS 3000 Wiring Rules course at TAFE College within 12 months from 18 November 2011.
Angelo Gajewski	<i>Building Work Contractors Act 1995</i>	6(1)(a)	Carried on business as a builder while unlicensed.	9 December 2011 Convicted and fined \$6,000. Ordered to pay total of \$20,000 in compensation to his client.

Name	Act	Section	Allegations	Outcome
Taza Pty Ltd	<i>Land Agents Act 1994</i>	43(1)(c)	Acted improperly whilst engaged in the business of a land agent	16 December 2011 Court elected not to make orders against Taza Pty Ltd.
Zane Pitt	<i>Land Agents Act 1994</i>	43(1)(c)	As a director of Taza Pty Ltd is vicariously liable for the company's improper conduct as a land agent.  The company acted improperly whilst in the business of a land agent.	16 December 2011 Reprimanded and fined \$8,000.
Nicholas Brett Martin	<i>Building Work Contractors Act 1995</i>	21(1)(c) 21(1)(e)	Acted improperly, negligently and unlawfully in the course of carrying on business as a building work contractor.  Events have occurred such that Martin does not now meet the licensing eligibility criteria.	16 December 2011 Disqualified from being licensed. Prohibited from: being employed or otherwise engaged in the business of a building work contractor; and being a director of a body corporate that is a building work contractor. The orders remain in force until further order.
Unique Building Pty Ltd	<i>Building Work Contractors Act 1995</i>	34(a) 28(2)	Failed to provide a certificate of building indemnity insurance. Failed to commit the contract to writing.	22 December 2011 Fined \$6,000. No conviction was recorded
Damian Boots	<i>Building Work Contractors Act 1995</i>	34(a) 28(2)	As a director of Unique Building Pty Ltd is vicariously liable for offences committed by the company.  Failed to provide a certificate of building indemnity insurance. Failed to commit the contract to writing.	22 December 2011 Fined \$6,000. No conviction was recorded.
Golden Boss Pty Ltd	<i>Building Work Contractors Act 1995</i>	6(1)(a) & (b)	Carried on business as a building work contractor while unlicensed. Held out as being entitled to carry on business as a builder.	18 January 2012 Convicted and fined \$6,000.
Lu Ning Yang	<i>Building Work Contractors Act 1995</i>	6(1)(a) & (b)	As a director of Golden Boss Pty Ltd is vicariously liable for offences committed by the company.  Carried on business as a	18 January 2012 Fined \$6,000. No conviction was recorded.



Name	Act	Section	Allegations	Outcome
			building work contractor while unlicensed. Held out as being entitled to carry on business as a builder.	
Jie Ying Shen	<i>Building Work Contractors Act 1995</i>	6(1)(a) & (b)	As a director of Golden Boss Pty Ltd is vicariously liable for offences committed by the company.  Carried on business as a building work contractor while unlicensed. Held out as being entitled to carry on business as a builder.	18 January 2012 Fined \$6,000. No conviction was recorded.
Shane Lynch	<i>Building Work Contractors Act 1995</i>	6(1)(a) & (b)	Carried on business as a building work contractor while unlicensed. Held himself out as being entitled to carry on business as a builder.	9 February 2012 Convicted and fined \$6,000.
Samir Eid	<i>Plumbers, Gas Fitters and Electricians Act 1995</i>	20(1)(c )  21(1)(d)	Acted negligently in the course of conducting his business as an electrical contractor.  Events have occurred such that he is no longer fit and proper to hold an electrical contractors licence.	13 February 2012 Prohibited from being a director of a body corporate that is an electrical contractor until further order. Disqualified from: being licensed until further order; and being registered as a worker until he completes Unit UEENEEG005B-verify compliance and functionality of general electrical installations from UEE007 Electro Technology training package run by TAFE SA or equivalent as approved by the Commissioner.
John Adrian McLellan	<i>Fair Trading Act 1987</i>  <i>Australian Consumer Law</i>	67(1)(a)  158(7)	Failed to provide goods and services for which payment was made.  Accepted payment but failed to supply all of the goods and services within a reasonable time.	10 February 2012 Convicted and fined \$4,000.
Stavros Giorginis	<i>Plumbers, Gas Fitters and Electricians Act 1995</i>	20(2)(b)	Acted unlawfully and negligently in the course of acting as a plumbing worker	2 February 2012 Fined \$500. Conditions placed on workers registration requiring him to: successfully complete

Name	Act	Section	Allegations	Outcome
				skills assessment relevant to his plumbing workers registration at Regency TAFE; provide to the Commissioner a copy of any written recommendations of the skills assessment; attend and complete any training recommended by the skills assessment to determine competency to his present level of registration; provide evidence to the Commissioner's satisfaction of completion of training. Registration suspended until completion of the conditions.
Daniel Christian Overduin	<i>Land Agents Act 1994</i>	43(1)(c)	Acted improperly, negligently, or unfairly whilst engaged in the business of a land agent.	21 March 2012 Reprimanded and fined \$14,000.
Ronald Maxwell Heneker	<i>Second-hand Vehicle Dealers Act 1995</i>  <i>Fair Trading Act 1987</i>	7(1)  81(1)	Carried on business as a second-hand vehicle dealer whilst not licensed.  Acted contrary to an assurance	3 April 2012 Convicted and placed on \$7,500 good behaviour for 12 months. Must not sell more than three cars for the period of the good behaviour bond
Asim Krivdic	<i>Second-hand Vehicle Dealers Act 1995</i>	34(1)	Interfered with the odometer of a second-hand vehicle.	25 May 2012 Fined \$350. No conviction was recorded.

**Appendix 14  
Financial Reports**

**Residential Tenancies Fund**

**Auditor's Report**

**Second-hand Vehicles Compensation Fund  
Auditor's Report**

**Agents Indemnity Fund**

**Auditor's Report**

**RESIDENTIAL TENANCIES FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Income</b>			
Interest revenue		8,275	8,814
Other income	4	423	388
<b>Total income</b>		<b>8,698</b>	<b>9,202</b>
<b>Expenses</b>			
Employee benefits expenses	5	3,873	3,577
Accommodation		759	733
Depreciation	6	4	58
Other expenses	7	1,123	956
<b>Total expenses</b>		<b>5,759</b>	<b>5,324</b>
<b>Net result</b>		<b>2,939</b>	<b>3,878</b>
<b>Other Comprehensive Income</b>			
Market value movement of investments		( 696 )	1,311
Changes in property, plant and equipment revaluation reserve		56	-
<b>Total comprehensive result</b>		<b>2,299</b>	<b>5,189</b>

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

**RESIDENTIAL TENANCIES FUND**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	14,848	3,536
Investments		65,466	72,600
Receivables	9	2,300	3,204
<b>Total current assets</b>		<b>82,614</b>	<b>79,340</b>
<b>Non-current assets</b>			
Plant and equipment	10	65	13
Investments		77,666	63,363
<b>Total non-current assets</b>		<b>77,731</b>	<b>63,376</b>
<b>Total assets</b>		<b>160,345</b>	<b>142,716</b>
<b>Current liabilities</b>			
Security bonds lodged	11	65,122	58,199
Payables	12	1,770	2,942
<b>Total current liabilities</b>		<b>66,892</b>	<b>61,141</b>
<b>Non-current liabilities</b>			
Security bonds lodged	11	80,704	71,103
<b>Total non-current liabilities</b>		<b>80,704</b>	<b>71,103</b>
<b>Total liabilities</b>		<b>147,596</b>	<b>132,244</b>
<b>Net assets</b>		<b>12,749</b>	<b>10,472</b>
<b>Equity</b>			
Investments market value reserve		( 2,991 )	( 2,295 )
Asset revaluation surplus		56	-
Retained earnings		15,684	12,767
<b>Total equity</b>		<b>12,749</b>	<b>10,472</b>

Unrecognised contractual commitments 14

Contingent assets and liabilities 14

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 2012

	Note No.	Investment Market Value Reserve \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2010		( 3,606 )	-	8,810	5,204
<b>Net result for 2010-11</b>		-	-	3,998	3,998
Gain taken to equity	2d	1,311	-	-	1,311
<b>Total comprehensive result 2010-11</b>		1,311	-	3,998	5,309
Balance at 30 June 2011		( 2,295 )	-	12,808	10,513
Error Correction		-	-	( 41 )	( 41 )
Restated Balance at 30 June 2011		( 2,295 )	-	12,767	10,472
<b>Net result for 2011-12</b>		-	-	2,939	2,939
Losses taken to equity		( 696 )	-	-	( 696 )
Changes in property, plant and equipment asset revaluation reserve		-	56	-	56
<b>Total comprehensive result 2011-12</b>		( 696 )	56	2,939	2,299
Prior period adjustments to equity				( 22 )	( 22 )
<b>Balance at 30 June 2012</b>		<b>( 2,991 )</b>	<b>56</b>	<b>15,684</b>	<b>12,749</b>

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 2012

	Note No.	2012 Inflows (Outflows) \$'000	2011 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		9,177	7,414
Bond lodgements		81,632	71,253
Bond guarantee receipts		5,354	3,999
Other receipts		417	388
<b>Cash generated from operations</b>		<b>96,580</b>	<b>83,054</b>
<b>Cash outflows</b>			
Employee benefit payment		( 3,873 )	( 3,577 )
Accommodation payments		( 759 )	( 733 )
Other payments		( 2,298 )	( 1,321 )
Bond refunds		( 65,107 )	( 58,178 )
Bond guarantee payments		( 5,354 )	( 3,999 )
<b>Cash used in operations</b>		<b>( 77,391 )</b>	<b>( 67,808 )</b>
<b>Net cash provided by operating activities</b>	13	<b>19,189</b>	<b>15,246</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchases for investments		( 7,877 )	( 21,110 )
<b>Cash used in investing activities</b>		<b>( 7,877 )</b>	<b>( 21,110 )</b>
<b>Net cash used in investing activities</b>		<b>( 7,877 )</b>	<b>( 21,110 )</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>11,312</b>	<b>( 5,864 )</b>
Cash and cash equivalents at the beginning of the financial year		3,536	9,400
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>14,848</b>	<b>3,536</b>

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

# RESIDENTIAL TENANCIES FUND

## NOTES TO THE ACCOUNTS

### Note 1. Objectives of the Residential Tenancies Fund

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

The Fund's main source of income is from interest derived from the investment of Fund assets in accordance with subsection 70(4) of the Act. Fund assets mainly represent the investment of security bonds received in accordance with subsection 62 of the Act.

### Note 2. Summary of Significant Accounting Policies

#### a) Statement of Compliance

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

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 2012. These are outlined in Note 3.

#### b) Basis of Preparation

The preparation of the financial statements requires:

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented.

#### c) Reporting Entity

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

#### d) Comparative Information

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

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

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.

In 2010-11 an error correction was made to the expenses, investment market value reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have now been classified as available for sale. Any gains or losses as a result of holding these investments are now recognised through an investment market value 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 investment market value 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 investment market value reserve of the Fund for the same periods. There was no change to 2007 figures.

#### e) Rounding

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

#### f) Taxation

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

#### g) Income

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

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

##### *Interest revenue*

Interest includes interest earned on the Funds accounts held with the Department of Treasury and Finance (DTF) and the Public Trustee.

##### *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.

#### h) Expenses

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

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

##### *Employee benefits expenses*

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

##### *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*

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to tangible assets such as property, plant and equipment.

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

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

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.

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

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

#### i) Current and Non-Current Classification

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

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

#### j) Assets

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

##### *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position includes deposits at call with the Treasurer.

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

Cash is measured at nominal value.

##### *Receivables*

Receivables include amounts receivable from interest accruals and other receivables

##### *Other financial assets*

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

As at 30 June 2012 the Fund held investments in common funds in the following proportions:

Capital Stable	29.39%
Balanced	24.88%
Cash Common Fund	45.74%

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

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

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

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

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

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

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

#### *Impairment*

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

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

#### **k) Liabilities**

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

#### *Payables*

Payables include creditors and accrued expenses.

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

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

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

#### *Employee Benefits*

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

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

The value of employee benefit expenses reflected in Note 5 includes remuneration paid to members of the Residential Tenancies Tribunal.

#### *Security Bonds Lodged*

Security Bonds are received to ensure a retailer on cessation of a retail shop lease complies with all statutory compliance under the act. Bonds lodged are recognised as a liability on receipt.

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by the SA Housing Trust. In the event of a claim by a landlord, a payment is made by the Fund. The SA Housing Trust then reimburses the Fund. The value of bond guarantees lodged at 30 June 2012 is \$33.2 million (\$20.6 million).

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

#### **l) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

#### **m) Events after the reporting period**

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

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

### 3. New and revised accounting standards and policies

The fund did not voluntarily change any of its accounting policies during 2011-12

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted for the period ending 30 June 2012. An assessment has been undertaken of the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.



**RESIDENTIAL TENANCIES FUND  
NOTES TO THE ACCOUNTS**

<b>4. Other income</b>		
	2012	2011
	\$'000	\$'000
Management fee recovery	385	328
Sundry recovery	38	60
<b>Total other income</b>	<b>423</b>	<b>388</b>

<b>5. Employee benefits expenses</b>		
	2012	2011
	\$'000	\$'000
Salaries and wages	3,237	3,068
Employee on-costs - payroll tax and superannuation	528	469
Annual Leave	17	8
Long service leave	91	32
<b>Total employee benefits expenses</b>	<b>3,873</b>	<b>3,577</b>

<b>6. Depreciation</b>		
	2012	2011
	\$'000	\$'000
Leasehold improvements	-	52
Plant and equipment	4	6
<b>Total depreciation</b>	<b>4</b>	<b>58</b>

<b>7. Other expenses</b>		
	2012	2011
	\$'000	\$'000
Administration (incl. audit fees)	890	752
Information and communications technology	139	130
Legal fees	78	44
Travel	7	19
Other	9	11
<b>Total other expenses</b>	<b>1,123</b>	<b>956</b>

<b>8. Cash and cash equivalents</b>		
	2012	2011
	\$'000	\$'000
Deposits with Treasurer	14,848	3,365
Cash and cheques in transit	-	171
<b>Total cash and cash equivalents</b>	<b>14,848</b>	<b>3,536</b>

**Interest rate risk**

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

<b>9. Receivables</b>		
	2012	2011
	\$'000	\$'000
Accrued interest	2,294	3,204
Other	6	-
<b>Total receivables</b>	<b>2,300</b>	<b>3,204</b>

a) Maturity analysis of receivables - Refer to table in note 17

b) Categorisation of financial instruments and risk exposure information - Please refer to note 17

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**10A. Plant and equipment**

	2012	2011
	\$'000	\$'000
Leasehold improvements (1)		
Leasehold improvements at fair value	373	317
Accumulated amortisation	(317)	(317)
<b>Total leasehold improvements</b>	<b>56</b>	<b>-</b>
Plant and equipment (2)		
Plant and equipment at fair value	129	128
Accumulated depreciation	(120)	(115)
<b>Total Plant and equipment</b>	<b>9</b>	<b>13</b>
Information technology		
Information technology at fair value	293	293
Accumulated depreciation	(293)	(293)
<b>Total information technology</b>	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>65</b>	<b>13</b>

(1) Valuations of leasehold improvements, fixtures and fittings were performed by Martin Burns, M.B.A., B.App.Sc Property Resource Management, AAPI, Certified Practising Valuer of Liquid Pacific as at 30 June 2012.

(2) There were no indications of impairment of plant and equipment at 30 June 2012

**10B. Plant and equipment movement schedule**

	Leasehold Improvements	Information Technology	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount 1 July 2011</b>	-	-	13	13
Depreciation	-	-	(4)	(4)
Revaluation	56	-	-	56
<b>Carrying amount 30 June 2012</b>	<b>56</b>	<b>-</b>	<b>9</b>	<b>65</b>

	Leasehold Improvements	Information Technology	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount 1 July 2010</b>	52	-	19	71
Depreciation	(52)	-	(6)	(58)
<b>Carrying amount 30 June 2011</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>

**11. Security bonds lodged**

	2012	2011
	\$'000	\$'000
<b>Current</b>		
Bonds lodged	65,107	58,178
Sale of goods	12	12
Rent held pursuant to Tribunal direction	3	9
<b>Total current security bonds lodged</b>	<b>65,122</b>	<b>58,199</b>

	2012	2011
	\$'000	\$'000
<b>Non Current</b>		
Bonds lodged	80,704	71,103
<b>Total non-current security bonds lodged</b>	<b>80,704</b>	<b>71,103</b>

**12. Payables**

	2012	2011
	\$'000	\$'000
Creditors	1,715	2,803
Accrued Expenses	55	139
<b>Total payables</b>	<b>1,770</b>	<b>2,942</b>

## Interest rate and credit risk

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

a) Maturity analysis of payables - Refer to table in note 17

b) Categorisation of financial instruments and risk exposure information - Please refer to note 17

### 13. Cash flow reconciliation

	2012	2011
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Balance as per the Statement of Cash Flows	14,848	3,536
Cash and cash equivalents disclosed in the Statement of Financial Position	14,848	3,536
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by ( used in) operating activities	19,189	15,246
<b>Add non cash items</b>		
Depreciation expense of non current assets	(4)	(58)
Increments/decrements on revaluation of non current assets	56	-
<b>Movement in assets and liabilities</b>		
Increase / ( decrease) in receivables	(904)	1,400
Decrease in payables	1,172	365
(Increase) in security bonds	(16,570)	(13,075)
<b>Net result</b>	<b>2,939</b>	<b>3,878</b>

### 14. Unrecognised contractual commitments and contingent assets and liabilities

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

The Fund is not aware of any contingent assets.

Under the *Residential Tenancies Act 1995*, interest is paid to tenants when a bond is repaid to them and 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 2012 is \$118,000 (2011 - \$123,000).

### 15. Auditor's Remuneration

	2012	2011
	\$'000	\$'000
Audit Fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	19	18
<b>Total auditor's remuneration</b>	<b>19</b>	<b>18</b>

#### Other Services

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

## 16. Remuneration of Board and Committee members

Members that were entitled to receive remuneration for membership during the 2011-12 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 Karen Hannon  
Ms Barbara Johns  
Ms Patricia Mickan  
Mr Thomas Rymill  
Mr Gerard Twohig  
Mr Roger Vincent

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

	2012	2011
\$0 - \$9 999	2	1
\$10 000 - \$19 999	-	1
\$30 000 - \$39 999	-	1
\$40 000 - \$49 999	1	2
\$50 000 - \$59 999	1	2
\$70 000 - \$79 999	2	2
\$80 000 - \$89 999	2	3
\$90 000 - \$99 999	-	2
\$110 000 - \$119 999	2	1
\$120 000 - \$129 999	1	-
\$130 000 - \$139 999	1	-
\$150 000 - \$159 999	-	1
\$190 000 - \$199 999	-	1
\$230 000 - \$239 999	1	-
<b>Total number of members</b>	<b>13</b>	<b>17</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$1.15 million (\$1.32 million).

Amounts paid to a superannuation plan for board/committee members was \$137,000 (\$119,000).

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

## 17. Financial Instruments

### a. Categorisation of financial instruments

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

#### Financial Assets

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

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



Financial Liabilities

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

b. Credit Risk

At reporting date funds totalling \$143.1 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

c. Ageing analysis of financial assets

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

d. Maturity analysis of financial assets & financial liabilities

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

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2012</b>				
<b>Financial assets</b>				
Cash & cash equivalents	14,848	14,848	-	-
Investments	143,132	65,466	77,666	-
Receivables (1)	2,300	2,300	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>160,280</b>	<b>82,614</b>	<b>77,666</b>	
<b>Financial liabilities</b>				
Payables (1)	1,770	1,770	-	-
Other financial liabilities	145,826	65,122	80,704	-
<b>Total Financial liabilities</b>	<b>147,596</b>	<b>66,892</b>	<b>80,704</b>	

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2011</b>				
<b>Financial assets</b>				
Cash & cash equivalents	3,536	3,536	-	-
Investments	135,963	72,600	63,363	-
Receivables (1)	3,204	3,204	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>142,703</b>	<b>79,340</b>	<b>63,363</b>	
<b>Financial liabilities</b>				
Payables (1)	2,942	2,942	-	-
Other financial liabilities	129,302	58,199	71,103	-
<b>Total Financial liabilities</b>	<b>132,244</b>	<b>61,141</b>	<b>71,103</b>	

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

e. Liquidity Risk

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

f. Market Risk

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

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

Cash is also subject to interest rate risk.

g. Sensitivity Disclosure Analysis

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

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result (\$'000)	1% Net Result (\$'000)	-1% Equity (\$'000)	1% Equity (\$'000)
<b>2012</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	14,848	(148)	148	-	-
Investments	143,132	-	-	(1,431)	1,431
<b>Total increase/(decrease)</b>		<b>(148)</b>	<b>148</b>	<b>(1,431)</b>	<b>1,431</b>
<b>2011</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	3,536	(35)	35	-	-
Investments	135,963	-	-	(1,360)	1,360
<b>Total increase/(decrease)</b>		<b>(35)</b>	<b>35</b>	<b>(1,360)</b>	<b>1,360</b>

**18. 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	
	2012 \$'000	2011 \$'000
<b>Income</b>		
Interest revenue	8,275	8,814
Other income	391	328
<b>Total income</b>	<b>8,666</b>	<b>9,142</b>
<b>Expenses</b>		
Employee benefits expenses	3,873	3,577
Accommodation	759	733
Other expenses	1,123	956
<b>Total expenses</b>	<b>5,755</b>	<b>5,266</b>

Re

	SA Government	
	2012	2011
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	14,848	3,536
Receivables	2,300	3,204
Investments	143,132	135,963
<b>Total financial assets</b>	<b>160,280</b>	<b>142,703</b>

	SA Government	
	2012	2011
	\$'000	\$'000
<b>Financial liabilities</b>		
Payables	1,770	2,942
<b>Total financial liabilities</b>	<b>1,770</b>	<b>2,942</b>

#### 19. Events after reporting period

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

## 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 records of the Fund; and

· present a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2012 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**

Date: 22.11.12



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

Date: 22/11/12



John O'Daly  
**General Manager, Business Services  
Consumer and Business Services**

Date: 22-11-12



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**To the Commissioner for Consumer Affairs**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 102(2) of the *Residential Tenancies Act 1995*, I have audited the accompanying financial report of the Residential Tenancies Fund for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner of Consumer Affairs, the Executive Director, Finance and Business Services and the General Manager, Business Services.

**Commissioner for Consumer Affairs' Responsibility for the Financial Report**

The Commissioner for Consumer Affairs is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as Commissioner for Consumer Affairs determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report 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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2012, 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.

A handwritten signature in black ink, appearing to read 'S O'Neill', with a horizontal line above it.

**S O'Neill**  
**AUDITOR-GENERAL**  
30 November 2012

## SECOND HAND VEHICLES COMPENSATION FUND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Income</b>			
Contribution by licensees		311	307
Interest revenues		237	270
Other income	4	8	9
<b>Total income</b>		<b>556</b>	<b>586</b>
<b>Expenses</b>			
Claims	5	42	117
Administration	6	132	45
Other expenses	7	6	86
<b>Total expenses</b>		<b>180</b>	<b>248</b>
<b>Net result</b>		<b>376</b>	<b>338</b>
<b>Other Comprehensive Income</b>			
Market value movement of investments		( 17 )	44
<b>Total comprehensive result</b>		<b>359</b>	<b>382</b>

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

## SECOND HAND VEHICLES COMPENSATION FUND STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	2,494	2,259
Investments		1,632	1,456
Receivables	9	48	83
<b>Total current assets</b>		<b>4,174</b>	<b>3,798</b>
<b>Non-current assets</b>			
Investments		1,361	1,378
<b>Total non-current assets</b>		<b>1,361</b>	<b>1,378</b>
<b>Total assets</b>		<b>5,535</b>	<b>5,176</b>
<b>Current liabilities</b>			
Payables	10	5	5
<b>Total current liabilities</b>		<b>5</b>	<b>5</b>
<b>Total liabilities</b>		<b>5</b>	<b>5</b>
<b>Net assets</b>		<b>5,530</b>	<b>5,171</b>
<b>Equity</b>			
Retained earnings		5,647	5,271
Investments market value reserve		( 117 )	( 100 )
<b>Total equity</b>		<b>5,530</b>	<b>5,171</b>
Contingent assets and liabilities	11		
Unrecognised contractual commitments	11		

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 2012

	Note No.	Investments market value reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2010		( 144 )	4,933	4,789
<b>Net result for 2010-11</b>		-	338	338
Gains taken to equity	2.d.	44	-	44
<b>Total comprehensive result for 2010-11</b>		44	338	382
<b>Balance as at 30 June 2011</b>		( 100 )	5,271	5,171
<b>Net result 2011-12</b>		-	376	376
Losses taken to equity		( 17 )	-	( 17 )
<b>Total comprehensive result for 2011-12</b>		( 17 )	376	359
<b>Balance as at 30 June 2012</b>		( 117 )	5,647	5,530

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 2012

	Note No.	2012 Inflows (Outflows) \$'000	2011 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		272	228
Contribution by licensees		311	307
Other receipts		8	8
<b>Cash generated from operations</b>		<b>591</b>	<b>543</b>
<b>Cash outflows</b>			
Administration		( 132 )	( 45 )
Claims		( 42 )	( 117 )
Other payments		( 6 )	( 85 )
<b>Cash used in operations</b>		<b>( 180 )</b>	<b>( 247 )</b>
<b>Net cash provided by operating activities</b>	12	<b>411</b>	<b>296</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of investments		( 176 )	( 139 )
<b>Cash used in investing activities</b>		<b>( 176 )</b>	<b>( 139 )</b>
<b>Net cash used in investing activities</b>		<b>( 176 )</b>	<b>( 139 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>235</b>	<b>157</b>
Cash and cash equivalents at the beginning of the financial year		2,259	2,102
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>2,494</b>	<b>2,259</b>

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

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# SECOND HAND VEHICLES COMPENSATION FUND

## NOTES TO THE ACCOUNTS

### Note 1. Objectives of the Second Hand Vehicles Compensation Fund

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

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

### Note 2. Summary of Significant Accounting Policies

#### a) Statement of Compliance

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

Australian Accounting Standards and interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2012. These are outlined in Note 3.

#### b) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Fund'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;
- that 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 disclosure, which has been included in this financial report:
- 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. These are outlined in Note 15.

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

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 applicable valuation policy.

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented.

### **c) Reporting Entity**

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

### **d) Comparative Information**

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

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

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

In 2010-11 an error correction was made to the expenses, investment market value reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have now been classified as available for sale. Any gains or losses as a result of holding these investments are now recognised through an investment market value 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 investment market value 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 investment market value reserve of the Fund for the same periods. There was no change to 2007 figures.

### **e) Rounding**

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

# SECOND HAND VEHICLES COMPENSATION FUND

## NOTES TO THE ACCOUNTS

### **f) Taxation**

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

### **g) Income**

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

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

#### *Contribution by licensees*

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

#### *Interest revenue*

Interest includes interest earned on the Funds accounts held with the Department of Treasury and Finance (DTF) and the Public Trustee.

### **h) Expenses**

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

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

#### *Administration*

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

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

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

### **j) Assets**

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

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

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.

### *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position includes deposits at call with the Treasurer.

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

Cash is measured at nominal value.

### *Receivables*

Receivables include amounts receivable from interest accruals.

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

As at 30 June 2012 the Fund held investments in common funds in the following proportions:

Balanced	45.47%
Cash Common Fund	54.53%

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

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

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

### **k) Liabilities**

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

### *Payables*

Payables include accrued expenses.

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.

## **SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS**

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

### **l) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

### **m) Events after the reporting period**

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

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

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

The fund did not voluntarily change any of its accounting policies during 2011-12.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted for the period ending 30 June 2012. An assessment has been undertaken of 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.

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

### 4. Other income

	2012	2011
	\$'000	\$'000
Management fee recovery	8	8
Sundry recovery	-	1
<b>Total other income</b>	<b>8</b>	<b>9</b>

### 5. Claims

Payments of \$42,000 (\$117,000) to settle valid unsatisfied claims against 2 (1) second hand vehicle dealers.

### 6. Administration

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

### 7. Other Expenses

	2012	2011
	\$'000	\$'000
Other (incl. audit fees)	6	86
<b>Total Other Expenses</b>	<b>6</b>	<b>86</b>

### 8. Cash and cash equivalents

	2012	2011
	\$'000	\$'000
Deposits with the Treasurer	2,494	2,259
<b>Total cash and cash equivalents</b>	<b>2,494</b>	<b>2,259</b>

#### Interest rate risk

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

### 9. Receivables

	2012	2011
	\$'000	\$'000
Accrued interest	48	83
<b>Total receivables</b>	<b>48</b>	<b>83</b>

a) Maturity analysis of receivables - Refer to table in note 14.

b) Categorisation of financial instruments and risk exposure information - Please refer to note 14.



## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

### 10. Payables

	2012	2011
	\$'000	\$'000
Accrued Expenses	5	5
<b>Total payables</b>	<b>5</b>	<b>5</b>

Interest rate and credit risk

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

- a) Maturity analysis of payables - Refer to table in Note 14
- b) Categorisation of financial instruments and risk exposure information - Please refer to Note 14

### 11. Unrecognised contractual commitments and contingent assets and liabilities

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

The Fund has no contingent liabilities or assets. In 2010-11 the Fund had an estimated contingent liability to pay \$48,000 relating to current and expected claims against the Fund.

### 12. Cash flow reconciliation

	2012	2011
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as at 30 June 2012 as per:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	2,494	2,259
Balance as per the Statement of Cash Flows	2,494	2,259
<b>Reconciliation of net cash provided by operating activities to Net result:</b>		
Net cash provided by ( used in ) operating activities	411	296
<b>Movement in assets and liabilities</b>		
Increase / (decrease ) in receivables	(35)	43
(Increase) / decrease in payables	-	(1)
<b>Net result</b>	<b>376</b>	<b>338</b>

### 13. Auditors Remuneration

Audit Fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements is \$5,900 (\$5,300). No other services were provided by the Auditor-General's Department.

# SECOND HAND VEHICLES COMPENSATION FUND

## NOTES TO THE ACCOUNTS

### 14. Financial Instruments

#### a. Categorisation of financial instruments

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

#### Financial Assets

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

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

#### Financial Liabilities

Payables are recorded at carrying amount which approximates fair value.

#### b. Credit Risk

At reporting date funds totalling \$2.99 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. Ageing analysis of financial assets

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

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

### d. Maturity analysis of financial assets & financial liabilities

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

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2012</b>				
<b>Financial assets</b>				
Cash & cash equivalents	2,494	2,494	-	-
Investments	2,993	1,632	1,361	-
Receivables (1)	48	48	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>5,535</b>	<b>4,174</b>	<b>1,361</b>	-
<b>Financial liabilities</b>				
Payables (1)	5	5	-	-
Other financial liabilities	-	-	-	-
<b>Total Financial liabilities</b>	<b>5</b>	<b>5</b>	-	-

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2011</b>				
<b>Financial assets</b>				
Cash & cash equivalents	2,259	2,259	-	-
Investments	2,834	1,456	1,378	-
Receivables (1)	83	83	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>5,176</b>	<b>3,798</b>	<b>1,378</b>	-
<b>Financial liabilities</b>				
Payables (1)	5	5	-	-
Other financial liabilities	-	-	-	-
<b>Total Financial liabilities</b>	<b>5</b>	<b>5</b>	-	-

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

### e. Liquidity Risk

All cash balances and Cash Common Funds held with the Public Trustee are available at call.

### f. Market Risk

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

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

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

Cash is also subject to interest rate risk.

g. Sensitivity Disclosure Analysis

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

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result (\$'000)	1% Net Result (\$'000)	-1% Equity (\$'000)	1% Equity (\$'000)
<b>2012</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2,494	(25)	25	-	-
Investments	2,993	-	-	(30)	30
<b>Total increase/(decrease)</b>		<b>(25)</b>	<b>25</b>	<b>(30)</b>	<b>30</b>

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result (\$'000)	1% Net Result (\$'000)	-1% Equity (\$'000)	1% Equity (\$'000)
<b>2011</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2,259	(23)	23	-	-
Investments	2,834	-	-	(28)	28
<b>Total increase/(decrease)</b>		<b>(23)</b>	<b>23</b>	<b>(28)</b>	<b>28</b>

## SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

### 15. 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	
	2012 \$'000	2011 \$'000
<b>Income</b>		
Interest revenue	237	270
Other income	8	8
<b>Total income</b>	<u>245</u>	<u>278</u>
<b>Expenses</b>		
Administration	132	45
Other expenses	6	5
<b>Total expenses</b>	<u>138</u>	<u>50</u>
<b>Financial assets</b>		
Cash and cash equivalents	2,494	2,259
Investments	2,993	2,834
Receivables	48	83
<b>Total financial assets</b>	<u>5,535</u>	<u>5,176</u>
<b>Financial liabilities</b>		
Payables	5	5
<b>Total financial liabilities</b>	<u>5</u>	<u>5</u>

### 16. Events after reporting period

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

*RM*

## 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 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 2012 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.



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Paul White  
Commissioner for Consumer Affairs

Date: 22.11.2012



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Andrew Swanson  
Executive Director, Finance & Business Services  
Attorney-General's Department

Date: 22/11/12



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John O'Daly  
General Manager, Business Services  
Consumer and Business Services

Date: 22-11-12





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**To the Commissioner for Consumer Affairs**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and clause 6(2) of Schedule 3 to the *Second-hand Vehicles Compensation Act, 1995*, I have audited the accompanying financial report of the Second-hand Vehicles Compensation Fund for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner of Consumer Affairs, the Executive Director, Finance and Business Services and the General Manager, Business Services.

**Commissioner for Consumer Affairs' Responsibility for the Financial Report**

The Commissioner for Consumer Affairs is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as Commissioner for Consumer Affairs determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report 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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Second-hand Vehicles Compensation Fund as at 30 June 2012, 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.

A handwritten signature in black ink, appearing to read 'S O'Neill', with a flourish at the end.

**S O'Neill**  
**AUDITOR-GENERAL**  
30 November 2012



**AGENTS INDEMNITY FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Income</b>			
Interest revenues	4	11,032	12,136
Other income	5	120	117
<b>Total income</b>		<b>11,152</b>	<b>12,253</b>
<b>Expenses</b>			
Claims	6	-	-
Administration		163	151
Professional Costs		21	283
Other expenses	7	326	388
<b>Total expenses</b>		<b>510</b>	<b>822</b>
<b>Net result</b>		<b>10,642</b>	<b>11,431</b>
<b>Other Comprehensive Income</b>			
Market value movement of investments		( 275 )	718
<b>Total comprehensive result</b>		<b>10,367</b>	<b>12,149</b>

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

**AGENTS INDEMNITY FUND**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2012

	Note No.	2012 \$'000	2011 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	53,936	45,246
Investments		22,564	19,881
Receivables	9	1,780	2,555
Other		4	6
<b>Total current assets</b>		<b>78,284</b>	<b>67,688</b>
<b>Non-current assets</b>			
Investments		22,092	22,367
<b>Total non-current assets</b>		<b>22,092</b>	<b>22,367</b>
<b>Total assets</b>		<b>100,376</b>	<b>90,055</b>
<b>Current liabilities</b>			
Payables	10	47	93
<b>Total current liabilities</b>		<b>47</b>	<b>93</b>
<b>Total liabilities</b>		<b>47</b>	<b>93</b>
<b>Net assets</b>		<b>100,329</b>	<b>89,962</b>
<b>Equity</b>			
Investment market value reserve		( 144 )	131
Retained earnings		100,473	89,831
<b>Total equity</b>		<b>100,329</b>	<b>89,962</b>

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

Unrecognised contractual commitments	12
Contingent assets and liabilities	12

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**AGENTS INDEMNITY FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 30 June 2012

	Note No.	Investment market value reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2010		( 587 )	78,400	77,813
<b>Net result for 2010-11</b>		-	11,515	11,515
Gain taken to equity	2 d	718	-	718
<b>Total comprehensive result for 2010-11</b>		718	11,515	12,233
Balance at 30 June 2011		131	89,915	90,046
Error correction		-	( 84 )	( 84 )
Restated balance at 30 June 2011		131	89,831	89,962
<b>Net result for 2011-12</b>		-	10,642	10,642
Losses taken to equity		( 275 )	-	( 275 )
<b>Total comprehensive result for 2011-12</b>		( 275 )	10,642	10,367
<b>Balance at 30 June 2012</b>		( 144 )	100,473	100,329

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 2012

	Note No.	2012 Inflows (Outflows) \$'000	2011 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		11,807	11,513
Other receipts		122	118
<b>Cash generated from operations</b>		<b>11,929</b>	<b>11,631</b>
<b>Cash outflows</b>			
Claims		-	-
Administration		( 163 )	( 151 )
Professional Costs		( 21 )	( 283 )
Other payments		( 372 )	( 318 )
<b>Cash used in operations</b>		<b>( 556 )</b>	<b>( 752 )</b>
<b>Net cash provided by operating activities</b>	11	<b>11,373</b>	<b>10,879</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchases of investments		( 2,683 )	( 2,127 )
<b>Cash used in investing activities</b>		<b>( 2,683 )</b>	<b>( 2,127 )</b>
<b>Net cash used in investing activities</b>		<b>( 2,683 )</b>	<b>( 2,127 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>8,690</b>	<b>8,752</b>
Cash and cash equivalents at the beginning of the financial year		45,246	36,494
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>53,936</b>	<b>45,246</b>

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

# AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

## Note 1. Objectives of the Agents Indemnity Fund

The Agents Indemnity Fund (the 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.

## Note 2. Summary of significant accounting policies

### a) Statement of Compliance

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

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 2012. These are outlined in Note 3.

### b) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the 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 that are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
- revenues, expenses, financial assets and liabilities where the counter party/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies. These are outlined in Note 15.

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented.

### c) Reporting Entity

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

### d) Comparative Information

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

## AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

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.

In 2010-11 an error correction was made to the expenses, investment market value reserve and retained earnings of the Fund. Under AASB 139, investments held with the Public Trustee have now been classified as available for sale. Any gains or losses as a result of holding these investments are now recognised through an investment market value 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 investment market value reserve. The error correction has resulted in a decrease in the value of other expenses in 2009 of \$1,306,000. There is also an equivalent increase in the retained earnings and decrease in the investment market value reserve of the Fund for the same periods. There was no change to 2008 figures.

### e) Rounding

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

### f) Taxation

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

### g) Income

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

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

#### *Interest Revenue*

Interest includes interest earned on the Funds accounts held with the Department of Treasury and Finance (DTF) and the Public Trustee and interest paid from Agents & Conveyancers Trust Accounts.

### h) Expenses

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

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

#### *Administration*

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

#### *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*

## AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

Under Section 31 (2) (f) of the *Conveyancers Act 1994* and Section 29 (4) (f) of the *Land Agents Act 1994* the Commissioner for Consumer Affairs may make payments from the Fund for prescribed education programs. During 2010-11 and 2011-12 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.

### i) Current and Non-current Classification

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

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

### j) Assets

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

#### *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position includes deposits at call with the Treasurer.

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

Cash is measured at nominal value.

#### *Receivables*

Receivables include amounts receivable from interest accruals.

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

As at 30 June 2012 the Fund held investments in common funds in the following proportions:

Balanced	49.47%
Cash Common Fund	50.53%

## AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

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

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

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

### **k) Liabilities**

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

#### *Payables*

Payables include creditors and accrued expenses.

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

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

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

### **l) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

### **m) Events after the reporting period**

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

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

### **Note 3. New and revised accounting standards and policies**

The Fund did not voluntarily change any of its accounting policies during 2011-12. 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 2012. An assessment has been undertaken of 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.

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**AGENTS INDEMNITY FUND  
NOTES TO THE ACCOUNTS**

**4. Interest revenue**

	2012	2011
	\$'000	\$'000
Interest from Agents & Conveyancers Trust Accounts	6,935	7,703
Interest on Investments held with Public Trustee	1,993	2,574
Interest on deposits with the Dept of Treasury and Finance	2,104	1,859
<b>Total interest revenue</b>	<u>11,032</u>	<u>12,136</u>

**5. Other income**

	2012	2011
	\$'000	\$'000
Management fee recovery	120	115
Sundry recovery	-	2
<b>Total other income</b>	<u>120</u>	<u>117</u>

**6. Claims**

No payments were made for claims against defaulting conveyancers, mortgage financiers or land agents during 2011-12

**7. Other expenses**

	2012	2011
	\$'000	\$'000
Consumer & Agent Education	172	234
Grants/Contributions-Other	143	143
Other (incl. audit fees)	11	11
<b>Total other expenses</b>	<u>326</u>	<u>388</u>

**8. Cash and cash equivalents**

	2012	2011
	\$'000	\$'000
Deposits with the Treasurer	53,936	45,246
<b>Total cash and cash equivalents</b>	<u>53,936</u>	<u>45,246</u>

**Interest rate risk**

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

**9. Receivables**

	2012	2011
	\$'000	\$'000
Accrued interest	1,780	2,555
<b>Total receivables</b>	<u>1,780</u>	<u>2,555</u>

a) Maturity analysis of receivables - Refer to table in note 14

b) Categorisation of financial instruments and risk exposure information - Please refer to note 14

**10. Payables**

	2012	2011
	\$'000	\$'000
Creditors	40	86
Accrued expenses	7	7
<b>Total payables</b>	<u>47</u>	<u>93</u>

**Interest rate and credit risk**

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

a) Maturity analysis of payables - Refer to table in note 14

b) Categorisation of financial instruments and risk exposure information - Please refer to note 14

**11. Cash flow reconciliation**

	2012	2011
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting</b>		
Balance as per the Statement of cash flows	53,936	45,246
Cash and cash equivalents disclosed in the Statement of Financial Position	53,936	45,246
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net cash provided by ( used in ) operating activities	11,373	10,879
<b>Movement in assets and liabilities</b>		
Increase/(Decrease) in receivables	( 775 )	622
Increase/(Decrease) in other current assets	( 2 )	-
(Increase)/Decrease in payables	46	( 70 )
<b>Net result</b>	<u>10,642</u>	<u>11,431</u>

**12. Unrecognised contractual commitments and contingent assets and liabilities**

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## AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

The Fund has no commitments contracted for at the reporting date but not recognised as liabilities. The Fund is not aware of any contingent assets. The Fund has an estimated contingent liability of \$130,000 (\$150,000) relating to current and expected claims against the Fund. The Department is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amounts not capable of reliable measurement.

### 13. Auditors Remuneration

Audit fees paid/payable to the Auditor-General's Department relating to the audit of the Financial statements was \$7,600 (\$6,500). No other services were provided by the Auditor-General.

### 14. Financial Instruments

#### a. Categorisation of financial instruments

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

#### Financial Assets

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

#### Financial Liabilities

Payables are recorded at carrying amount which approximates fair value.

#### b. Credit Risk

At reporting date funds totalling \$44.66 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.

#### c. Ageing Analysis

There are no Financial Assets of the Fund past due.

#### d. Maturity Analysis of financial assets and financial liabilities

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

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2012</b>				
<b>Financial assets</b>				
Cash & cash equivalents	53,936	53,936	-	-
Investments	44,656	-	22,092	-
Receivables (1)	1,780	1,780	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>100,372</b>	<b>78,280</b>	<b>22,092</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables (1)	47	47	-	-
Other financial liabilities	-	-	-	-
<b>Total Financial liabilities</b>	<b>47</b>	<b>47</b>	<b>-</b>	<b>-</b>

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
<b>2011</b>				
<b>Financial assets</b>				
Cash & cash equivalents	45,246	45,246	-	-
Investments	42,248	-	19,881	22,367
Receivables (1)	2,555	2,555	-	-
Other financial assets	-	-	-	-
<b>Total Financial assets</b>	<b>90,049</b>	<b>67,682</b>	<b>22,367</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables (1)	93	93	-	-
Other financial liabilities	-	-	-	-
<b>Total Financial liabilities</b>	<b>93</b>	<b>93</b>	<b>-</b>	<b>-</b>

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

*Handwritten mark*



**AGENTS INDEMNITY FUND  
NOTES TO THE ACCOUNTS**

e. Liquidity Risk

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

f. Market Risk

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

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

Cash is also subject to interest rate risk.

g. Sensitivity Disclosure Analysis

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

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result	1% Net Result	-1% Equity	1% Equity
<b>2012</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	53,936	(539)	539	-	-
Investments	44,656	-	-	(447)	447
<b>Total increase/(decrease)</b>		<b>(539)</b>	<b>539</b>	<b>(447)</b>	<b>447</b>

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Net Result	1% Net Result	-1% Equity	1% Equity
<b>2011</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	45,246	(452)	452	-	-
Investments	42,248	-	-	(422)	422
<b>Total increase/(decrease)</b>		<b>(452)</b>	<b>452</b>	<b>(422)</b>	<b>422</b>

15. 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	
	2012 \$'000	2011 \$'000
<b>Income</b>		
Interest revenue	4,097	4,433
Other income	120	115
<b>Total income</b>	<b>4,217</b>	<b>4,548</b>
<b>Expenses</b>		
Administration	163	151
Other expenses	8	8
<b>Total expenses</b>	<b>171</b>	<b>159</b>
<b>Financial assets</b>		
Cash and cash equivalents	53,936	45,246
Receivables	791	1,357
Investments	44,656	42,248
<b>Total financial assets</b>	<b>99,383</b>	<b>88,851</b>
<b>Financial liabilities</b>		
Payables	7	7
<b>Total financial liabilities</b>	<b>7</b>	<b>7</b>

16. Events after reporting period

There are no known events that affect these financial statements.

*20*

## 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 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 2012 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**

Dated: 22.11.12



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

Dated: 22/11/12



John O'Daly  
**General Manager, Business Services  
Consumer and Business Services**

Dated: 22-11-12



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## To the Commissioner for Consumer Affairs

As required by section 31(1)(b) 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 report of the Agents Indemnity Fund for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner of Consumer Affairs, the Executive Director, Finance and Business Services and the General Manager, Business Services.

## Commissioner for Consumer Affairs' Responsibility for the Financial Report

The Commissioner for Consumer Affairs is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as Commissioner for Consumer Affairs determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on the financial report 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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Agents Indemnity Fund as at 30 June 2012, 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**  
30 November 2012