

Commissioner for Consumer Affairs

# Annual Report 2007-2008

**31 October 2008**

Office of Consumer and Business Affairs  
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Adelaide SA 5000

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## Letter to Minister

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31 October 2008

Hon. Minister for Consumer Affairs and

Hon. Attorney General

I am pleased to submit my report for the period ending 30 June 2008.

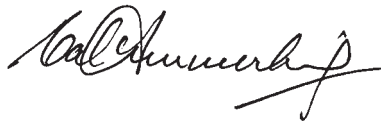
The report has been prepared in accordance with the requirements of section 12 of the *Fair Trading Act 1987*, and is submitted in pursuance of the reporting obligations concerning the following Acts:

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

*Building Work Contractors Act 1995; Consumer Credit (South Australia) Act 1995; Credit Administration Act 1995; Consumer Transactions Act 1972; Conveyancers Act 1994; Fair Trading Act 1987; Hairdressers Act 1988; Land Agents Act 1994; Land and Business (Sale and Conveyancing) Act 1994; Land Valuers Act 1994; Manufacturers Warranties Act 1974; Misrepresentation Act 1972; Plumbers, Gas Fitters and Electricians Act 1995; the Prices Act 1948; Recreational Services (Limitation of Liability) Act 2002; Residential Parks Act 2007; Residential Tenancies Act 1995; Retail and Commercial Leases Act 1995; Second-hand Vehicle Dealers Act 1995; Trade Measurement Act 1993; Trade Measurement (Administration) Act 1993; Trade Standards Act 1979; Travel Agents Act 1986;.*

### **Acts Committed to the Attorney-General**

*Associations Incorporation Act 1985; Births, Deaths and Marriages Registration Act 1996; Business Names Act 1996; Co-operatives Act 1997; Companies (Administration) Act 1982; Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953 and Section 49 (7) of the Evidence Act 1929. I also report in respect of certain functions related to the Partnership Act 189; Security and Investigation Agents Act 1995; Trustee Companies Act 1988;*



**Mal Hemmerling**

Commissioner for Consumer Affairs

Commissioner for Prices

Commissioner for Corporate Affairs

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## Highlights

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2007/08 marks the first year of a new three year Strategic Plan for OCBA. Broadly speaking, this plan ensures that OCBA is well placed to deliver the Government's strategic, policy, legislative and service requirements. It also reasserts OCBA's position as a leading fair trading authority in a changing consumer environment. Key components of the plan include:

- Increasing our attention to consumer matters with a focus on pre-emptive and proactive approaches wherever possible
- Clarifying, and where appropriate, strengthening collaborative relationships in order to ensure greater focus on consumer matters and improved consistency in standards, licensing and enforcement
- Strengthening arrangements between states/territories and federal agencies responsible for consumer matters and further improving relationships between agencies within South Australia
- Creating a stronger focus on research, policy, planning and measuring outcomes and performance
- Developing an information technology platform and management information systems to meet future business and system needs
- Implementing a planned approach to managing and developing OCBA's workforce

The plan comes at a time when Australia's fair trading laws are undergoing their most comprehensive overhaul in more than two decades. The move to a single national consumer law system and a more harmonised system of business regulation is expected to deliver fairer markets and better outcomes for consumers, as well as lower costs and more clarity and consistency for businesses.

During the year OCBA's advisory service fielded more than 88,000 enquiries compared to nearly 93,000 during 2006/2007. The drop may be attributed to a more proactive approach towards media activity and educational strategies. It also coincides with a significant surge in the number of 'hits' to OCBA's website, with around 22 million hits registered compared with around 18 million in the previous year.

Whilst enquiries were down, the number of formal complaints which required investigation and assistance increased by approximately 20%. Scams and schemes continued to dominate when it came to the types of complaints which presented.

On the legislative front, people who live in caravan and mobile home parks were given extra protection for the first time under the *Residential Parks Act 2007*. The new laws include provisions which require new tenancy agreements to be in writing and that park owners lodge bonds with the Commissioner for Consumer Affairs within 7 days of receipt. The changes mean residents can also have access to the Residential Tenancies Tribunal when disputes are not able to be resolved through negotiation.

New regulations were introduced in line with international standards to allow South Australian winemakers to use a single label for both local and international markets, delivering an estimated annual saving of \$14.4 million for the State's wine industry.

Red Tape was also reduced for prescribed associations. The gross receipts threshold for Prescribed Associations incorporated under the *Associations Incorporation Act 1985* was increased from \$200,000 to \$500,000. This has benefited hundreds of the State's smaller sporting clubs, professional associations, ethnic and cultural clubs. Prescribed associations with gross receipts above \$500,000 must continue to meet strict financial standards to ensure an appropriate level of public scrutiny.

The Health and Fitness Industry Code of Practice was amended to better protect consumers who sign up with a fitness provider.

There have also been significant changes to the laws governing South Australia's real estate industry. However these changes came into force on 28 July 2008 and therefore they will be discussed in greater detail in OCBA's 2008–2009 Annual Report.

The legislative program and other changes due in the year ahead are expected to be far reaching and will require the ongoing goodwill and commitment of OCBA's capable and dedicated workforce.

I would like to thank the staff of OCBA for their commitment towards helping and informing consumers and assisting all those who come into contact with the Office of Consumer and Business Affairs. Their professionalism and dedication to excellence and customer service is crucial when it comes to empowering consumers and helping to make the trading environment as fair as possible.



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Commissioner for Consumer Affairs Annual Report



## Role and Statutory Functions

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### OCBA Vision

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

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

### Mission

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

### Goals

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Our goals are to:

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

### Statutory Functions

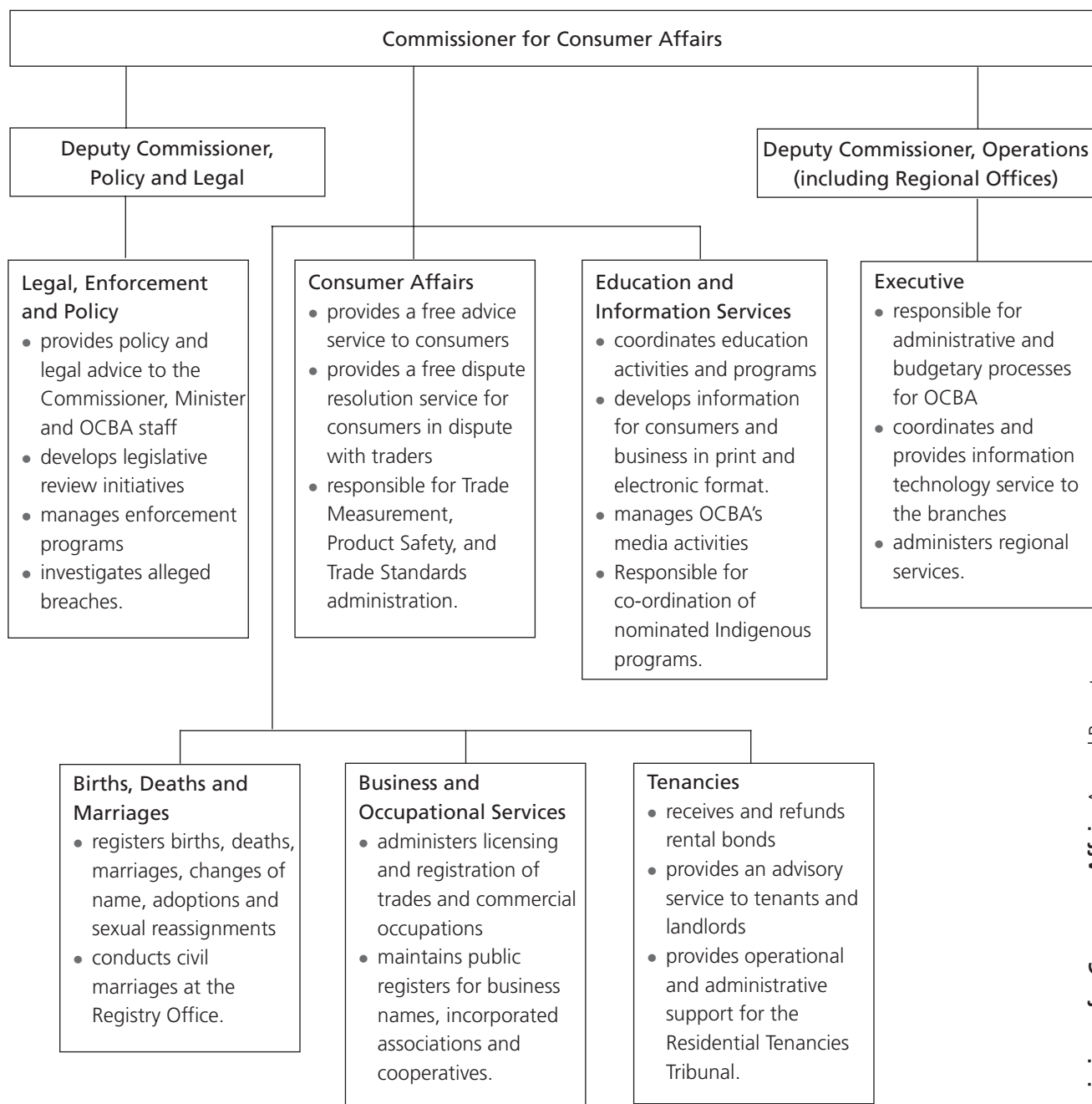
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Statutory functions of the Commissioner for Consumer Affairs include:

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

## Structure

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



OCBA maintains offices in Adelaide, Berri, Mount Gambier and Port Augusta, with Trade Measurement and Trade Standards officers located at Thebarton in Adelaide. Customers can also conduct OCBA transactions at eight regional Service SA centres.

## Legislative Framework

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The Commissioner for Consumer Affairs administers the following Acts:

***Building Work Contractors Act 1995***

under which builders and tradespeople such as bricklayers and carpenters are licensed and their trading contact with consumers regulated to promote fair dealing

***Consumer Credit (South Australia) Act 1995 & Credit Administration Act 1995***

which regulates credit activities in South Australia

***Consumer Transactions Act 1972***

which establishes the rights and protection for consumers when buying, hiring or leasing goods and services

***Conveyancers Act 1994***

under which conveyancers are registered and required to have professional indemnity insurance

***Fair Trading Act 1987***

which establishes the powers and functions of the Commissioner, prohibits misleading and unconscionable trading conduct and regulates door to door selling, advertising, debt collection, credit reporting and other trading activities

***Hairdressers Act 1988***

which limits the people who can provide hairdressing services to those properly qualified to do so

***Land Agents Act 1994***

under which land agents are registered and aspects of their businesses are regulated to protect consumers

***Land and Business (Sale and Conveyancing Act) 1994***

under which the sale of land and businesses and the preparation of conveyancing instruments are regulated

***Land Valuers Act 1994***

under which valuers are registered and required to meet minimal standards of education

***Plumbers, Gas Fitters and Electricians Act 1995***

which regulates the licensing and registration of plumbers, gas fitters and electricians

***Recreational Services (Limitation of Liability) Act 2002***

which applies to service providers and participants of sporting, leisure or recreational activities

***Residential Parks Act 2007***

which gives people living in caravan and mobile home parks protections which are similar to those afforded to people who rent houses

***Residential Tenancies Act 1995***

which establishes a comprehensive code for the residential landlord and tenant relationship

***Retail and Commercial Leases Act 1995***

which provides a framework for the leasing of retail shops and the lease agreements for lessees (tenants) and lessors (landlords)

***Second-hand Vehicle Dealers Act 1995***

under which second-hand motor vehicle dealers are licensed and their dealings with consumers controlled

***Security and Investigation Agents Act 1995***

under which debt collectors, security guards, inquiry agents and others are licensed and some aspects of their businesses are regulated to protect consumers

***Trade Measurement Act 1993***

establishes the regulatory framework which controls transactions by measurement, prepacked articles, the use of measuring instruments for trade, and the certification of measuring instruments for trade

***Trade Measurement (Administration) Act 1993***

which adopted Federal trade measurement legislation setting the administration for the Trade Measurement Act. It is designed to set fees and charges and establish the authority of inspectors

***Trade Standards Act 1979***

under which hazardous products can be banned and detailed safety and information standards can be established

***Travel Agents Act 1986***

under which travel agents are licensed and some aspects of their businesses are regulated to protect consumers.

The following legislation also provides important consumer rights:

***Manufacturers Warranties Act 1974***

which ensures that manufacturers stand behind the products they put on the market

***Misrepresentation Act 1972***

which expands the remedies for buyers who are misled in their purchasing decisions.



The Commissioner for Consumer Affairs also holds two other offices:

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

***Prices Act 1948***

under which the Commissioner has discretion to regulate prices on certain goods

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

***Associations Incorporation Act 1985***

which provides for the incorporation, management and winding up of not-for-profit associations

***Business Names Act 1996***

which provides for the registration and the use of business or trading names so as to identify the proprietors of a business

***Co-operatives Act 1997***

provides for the formation, registration and management of co-operatives including membership qualifications, power over funds and property, voting rights and the winding up of co-operatives.

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*** and the administration in South Australia of the Commonwealth ***Marriage Act 1961***

The Registrar also has statutory responsibilities under the:

***Adoption Act 1988***

***Cremation Act 2000***

***Sexual Reassignment Act 1988***

***Witness Protection Act 1996.***

## OCBA Activity in 2007/08

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In May 2008 the Attorney-General's Department launched its Strategic Plan for 2008-2010. The plan is based on three goals.

### Goal 1: Community Wellbeing

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We will contribute to improving the safety and wellbeing of South Australians. We will promote cultural diversity and equality. We will encourage people to make informed choices. We will raise public awareness of issues affecting our communities to ensure protection of the most vulnerable in our society.

Priorities:

- Ensuring public safety
- Promoting diversity and social inclusion
- Enabling the public to make informed decisions
- Protecting and supporting vulnerable people, including victims and witnesses.

### Goal 2: Access to Justice Services

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We will ensure that the public has access to just and fair services. We will increase customer satisfaction by providing high-quality and equitable services. We will improve public confidence in our civil and criminal justice systems through effective services including legislative reform.

Priorities:

- Providing fair and equitable customer service
- Eliminating avoidable delays
- Making effective civil and criminal law.

### Goal 3: Organisational Capability

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We will use our resources efficiently to ensure timely and productive responses to meet public, business and government needs. We will reduce red tape. We will embrace and promote diversity within our organisation.

Priorities:

- Investing in our people
- Supporting the improvement of business processes and systems
- Reducing red tape.

OCBA's activities during 2007–2008 support the Attorney-General's Department Strategic Plan for 2008–2010 and its goals and priorities.

OCBA is moving towards a new Strategic Plan of its own with a draft Strategic Plan 2008–2010 having recently been completed. It is currently the subject of consultation with staff.

The draft plan is geared towards helping OCBA achieve its mission and statutory responsibilities (as identified on page 4), with a particular emphasis on making OCBA a more responsive and agile organisation in a fair trading and business regulation environment which is undergoing significant changes at the national level.

The draft plan aims to make service delivery more customer-centric and ensure that OCBA's actions are based on sound evidence and risk assessment.

## Community Wellbeing

### Ensuring public safety

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#### Protection from dangerous products

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OCBA has an ongoing role in ensuring public safety by inspecting thousands of products available at hundreds of diverse trading premises. OCBA monitors products and any which are found to be unsafe are recalled or banned from sale in SA. OCBA assists traders with product recalls and informs consumers about such matters through educational material and media activity.

Recalls initiated as a direct result of OCBA's involvement/investigations:

1. National recall of adult and children's bicycles which had labelling issues, and incorrect pedals fitted
2. A rowing action exerciser with a resistance band which could snap and injure the user
3. National recall of an electric car jack which failed to meet required standards
4. Candleholders and candle decorations made of flammable material, which have the potential to unexpectedly catch fire whilst using candles
5. Children's folding chair which failed to meet SA safety standards
6. National recall of undersize cot mattress sold through Kmart stores.

Items banned from sale in SA during the year include:

- Toothpaste containing unacceptable levels of diethylene glycol
- Children's bead toys containing a harmful chemical - 1, 4 butanediol, which when ingested metabolised into the drug known as GHB or 'Fantasy'
- All glazed ceramic cookware that contains excessive levels of lead and cadmium
- Children's toys containing excessive levels of lead.

Product Safety officers conducted research and undertook trader monitoring regarding the numerous recalls of children's toys and products that originated in the United States. These recalls involved products which failed the US requirements for lead levels in toys. This requirement is different to that used by European and (now) Australian regulators. Products included a range of Mattel toys, garden tool sets and popular brand name toys. Monitoring in South Australia did not find any affected items on sale.

#### Specific product safety monitoring programs

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There are two notable annual product monitoring exercises undertaken by OCBA: Royal Adelaide Show inspections; and the testing of toys and other products in November in the lead up to Christmas.

Product Safety officers inspected 292 show bags in August before the start of the Royal Adelaide Show. This involved the testing of toys against acceptable standards. Any jewellery included in the show bags was tested for lead and in 2007 two items were found to contain lead which posed a health hazard to children. As a result of the detections traders agreed to remove the items.

Product Safety officers also monitored declared dangerous goods which were available at the Show. Officers found that monkey bikes, which had already been banned in SA because they posed a serious risk of injury, were being offered as a prize at one of the side-show stalls. Officers also investigated a complaint about juggling balls being supplied as a prize. The balls posed a hazard because if they split, foam beads were released. Traders agreed to withdraw both products.

As part of the pre-Christmas monitoring program Product Safety officers purchased around 150 various items for testing. Of these, 22 items failed to meet mandatory requirements. These included:

- An infant's activity table and a drum that released small parts, posing a choking hazard to infants
- A 'push along' helicopter which failed the drop test and released small parts
- A children's folding chair and table set which failed to meet appropriate safety standards
- Musical and other toys which failed the 'drop test' and broke into small parts
- Children's folding chairs which failed the safety standard
- A wooden puzzle marketed for children under the age of 3 which had small parts.

## Community Wellbeing

### Promoting diversity and social inclusion

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#### Strategic focus on vulnerable and disadvantaged consumers

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OCBA's Business Plan and its Strategic Plan have a specific focus on vulnerable and disadvantaged consumers, including people from diverse cultural and linguistic backgrounds. Specific initiatives are developed each year to raise awareness of consumer rights, responsibilities and emerging issues; and to improve consumer skills and knowledge through coordinated, targeted mechanisms. Linked to these initiatives are the translation of OCBA materials into languages other than English and the development of specific information and education resources.

#### Service delivery to diverse clients

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OCBA's delivery of services to customers takes account of cultural issues. Cultural traditions are respected and can be accommodated for a range of OCBA services. A summary of services provided for culturally and linguistically diverse clients is provided below.

- Interpreting and translation services are used to assist clients from non-English speaking backgrounds.
- A range of translated information is available online and in hard copy.
- Information about new initiatives is communicated via regular interview spots on a range of community radio stations.
- Presentations are delivered to migrant groups about basic consumer rights.
- A consumer awareness campaign about new real estate laws included advertisements in 10 languages on ethnic radio.
- The Birth Registration Statement for 2007–08 which must be completed by all new parents to register the birth of their baby depicts babies from a variety of cultural backgrounds, reflecting the diversity of the South Australian community.
- Baby names chosen by parents based on tradition or cultural heritage can usually be registered - provided that they are not offensive or political in nature.
- Registry weddings can accommodate cultural traditions within the constraints of Australian marriage law and ceremonies are undertaken in various languages with the assistance of interpreters.

## Community Wellbeing

### Enabling the public to make informed decisions

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Consumers who do not know their rights are more vulnerable when it comes to making poor decisions and are at a disadvantage when negotiating with traders. During the year OCBA conducted a number of education campaigns and activities aimed at reaching consumers in general as well as specific target groups.

#### Know Your Rights campaign

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OCBA used 'World Consumer Rights Day' in March 2008 as a platform to promote its consumer protection role and encourage consumers to understand and assert their rights. The 'Know Your Rights' campaign was launched with a magazine lift-out which was distributed through 'The Advertiser' to mark the event. The second phase of the campaign was launched mid-year with the distribution of a smaller publication entitled 'Are you a Smart Consumer?' containing more simplified consumer information through Messenger newspapers. The campaign also involved a series of press advertisements on topical consumer issues throughout 2008.

#### National scams campaign

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In February and March of this year OCBA participated in a national scams campaign to warn consumers about the dangers of responding to scams and reinforce the notion that 'if it sounds too good to be true, then it probably is'. A range of education initiatives were presented during 'Fraud Fortnight', which focussed on scams based on 'seduction and deception'. There was strong public interest in a Rundle Mall stall set up by OCBA which offered people passing by information about scams, with a magician spruiking and doing tricks at the stall to show the similarities between deception and scams by using 'magic' to highlight the parallels.

#### Payday lending campaign

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In December 2007 OCBA launched a campaign to warn consumers of the pitfalls of payday lending. It included ads on commercial radio station NOVA targeting younger consumers, and OCBA staff were on-hand to offer information and assistance to consumers through Service SA centres at Christies Beach, Marion and Elizabeth. There was further media activity in January 2008 to reach consumers realising their post-Christmas debt. An information brochure was also made available through the Port Augusta Service SA Centre and the payday lending message was addressed at various times throughout 2007/08 during OCBA's regular radio interviews.

#### Information sessions and events

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OCBA staffers have presented approximately 190 information sessions to various groups in the community including schools, seniors groups, landlords, tenants and real estate agents. Topics include smart shopping, warranties, payday lending, residential tenancies matters, financial literacy and avoiding scams. Information sessions were also held for people from non-English speaking backgrounds.



OCBA also joined a number of government agencies to present information sessions to service providers who work directly with disadvantaged people. Sessions were held at various metropolitan and regional locations and addressed basic consumer rights and other issues such as the potential traps of payday lending. A number of sessions were presented as part of the Law Week program, and sessions were also held throughout the year in conjunction with the Providers of Australian Government Services, which is coordinated by Centrelink.

OCBA also participated in select community events to provide face-to-face information about specific issues, namely:

- Two field days: Paskeville (September 2007) and Lucindale (March 2008)
- MBA Home Show in 2007, with high public interest in OCBA publications dealing with both building/renovation issues and buying/selling real estate.
- Money Matters Expo – an annual event hosted by Thebarton Senior College for its 250 senior students from non-English speaking backgrounds.

### Regional education programs

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OCBA ran education and information programs in regional and metropolitan areas. These programs were joint initiatives involving ACCC and ASIC.

### Trader education

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Initiatives to reach specific traders with messages relating to their industry included:

- Regular editorial contribution to industry publications
- Newsletters from the Commissioner, tailored for each occupational licensing field
- Presentations to specific business or industry groups.

### Communication via the media

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OCBA generates significant media coverage each year for key issues. The initiatives include regular radio interviews, announcements of new initiatives, public warnings, notification of legislative change and enforcement outcomes and general advice. During 2007/08 OCBA issued around 75 media releases and responded to 114 enquiries from the media.

OCBA's program of regular radio interviews included 8 commercial and community stations: 5AA, Fresh FM (youth), Radio Adelaide, 5EBI (ethnic), ENA (Greek), 5RPH (visually-impaired), 5PBA (northern suburbs) and Coast FM (southern suburbs).

### Publications

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Around 70 publications are maintained and are available via download and in hard copy. New publications include:

- 'Open for Business - a guide to starting and managing a business'
- 'Money problems? Don't make matters worse by getting a payday loan'
- An updated version of 'The Smart Consumer'
- 'Are you a smart consumer?' pocket guide
- A 'Changes to Real Estate Legislation' leaflet.

## Web-based information

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The OCBA website received in excess of 22 million hits during 2007-2008 (that's a daily average of 60 959 hits from 2442 visitors). There is ongoing maintenance and updating of materials. Basic consumer information is available in 15 languages, and real estate information is available in 24 languages. The website includes:

- public registers for occupational licensing, business names and assurances
- discussion papers, newsletters and media releases
- forms and publications
- comprehensive advice for consumers and business.

Two youth websites are also maintained: 'Spendwell' and 'B4Usplashcash'.

## Ongoing education initiatives

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A comprehensive education campaign has been developed to educate consumers about the new real estate laws commenced on 28 July 2008. The campaign targets potential home buyers and sellers across South Australia. More information will be provided in the Annual Report 2008-2009.

## Community Wellbeing

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

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#### Consumer advice and dispute resolution

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OCBA's advisory service provided free fair trading advice to consumers. During the year there were 88,006 enquiries - a significant decrease from the 92,924 enquiries received during 2006–2007. This decrease suggests that OCBA's proactive approach to media activity and educational strategies are having an impact on consumer and trader behaviour. Website hits also increased significantly from 18 million in 2006–2007 to 22 million in 2007–2008. Consumers may be actively seeking information from the website rather than phoning for advice. Appendix 2 shows the breakdown of the enquiries received, with some common areas being: general consumer goods; building and construction; motor vehicles; general services; scams; and communication.

Many matters were able to be resolved with the advice provided, but for some matters OCBA provided a dispute resolution service for consumers in dispute with traders. Complaints jumped from the 4512 complaints lodged in 2006–2007, to 5410 complaints lodged during this reporting year. This increase in the overall number of complaints can be attributed to increases in the areas of scams and schemes, residential building construction and communications (particularly mobile phone products and services). Appendix 3 shows the breakdown of these complaints according to the product or service category. The top five areas are:

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

Appendix 4 shows the breakdown of the 5410 complaints according to the nature of the conduct, with many of the complaints relating to: quality; scams; contracts; and warranties.

#### Tenancies advice

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Advice is provided to landlords, tenants and real estate agents about their rights and responsibilities to assist in preventing and resolving disputes. In 2007–2008 there were 95,978 enquiries or complaints to OCBA's Tenancy Branch. 32% of these were from landlords, 43% from tenants and 16% from real estate agencies. The most frequent enquiries or complaints are about:

- Claiming a bond refund at the end of a tenancy
- The process and consequences of breaking a lease
- Repairs or maintenance.

Conciliation of a dispute between parties is normally provided following a written request for assistance, or on an application to the Residential Tenancies Tribunal which has been referred to the Commissioner for conciliation. 65% of matters referred to the Commissioner for conciliation were resolved by OCBA's Tenancy Officers without the need for a subsequent tribunal hearing.

### **Fair trading monitoring**

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OCBA conducts ongoing monitoring of traders to ensure compliance with fair trading laws, with 4133 traders visited during the year. Depending on the severity of breaches detected, traders may simply be advised of the issue or issued a written warning. Follow up visits are normally conducted after problems have been found. More serious breaches result in a range of enforcement actions and this is discussed in the section entitled 'Enforcement of Consumer and Business Laws'.

### **Pre-Christmas monitoring**

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As mentioned earlier in this report each year a major monitoring exercise is conducted in the lead up to Christmas, targeting retailers across metropolitan Adelaide. 897 traders were visited as part of this monitoring exercise in 2007, with staff checking business practices in relation to refunds, warranties, labelling and two-priced advertising. Problems were identified with more than 40 traders. Non-compliant refund signs were removed and warning letters were sent to those in breach of fair trading laws.

### **National Price scanning audit**

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In 2008 OCBA coordinated a fourth national price scanning audit. 5,000 items were scanned at 200 stores nationally including supermarkets, service stations, pharmacies, hardware stores and discount variety stores. In SA 625 items were scanned in 25 stores. Of the 625 items 92% scanned at the correct price, compared with 97% the previous year, indicating that some stores have become complacent about price scanning. As a result, OCBA has increased checks to ensure compliance.

### **National Mobile Phone Project**

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OCBA is participating in a national project investigating mobile telephone contracts where the contract exceeds the working life of the mobile telephone. OCBA monitors consumer complaints on this specific matter in SA and reports back to the national forum quarterly.

### **Trade measurement inspections**

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OCBA's Trade Measurement inspectors checked 9886 measuring instruments such as scales, petrol pumps, weighbridges and spirit measures to ensure that accurate quantities of various products are sold to consumers. Inspectors also monitored pre-packed items for weight accuracy and compliance with labelling requirements. In total 38,764 consumer products were inspected. Where inaccuracies were detected notices were issued to traders asking them to immediately fix the problem and implement process changes to prevent future discrepancies.

### **Consumer protections for the vulnerable and disadvantaged**

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OCBA joined with a number of government agencies to present information sessions on consumer law for the vulnerable and disadvantaged. Sessions were held at various metropolitan and regional locations during Law Week and provided an overview of the services and consumer protections available through each agency. Attendees included service providers who work directly with disadvantaged people.



## Protecting Indigenous consumers

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A range of activities have focused on the protection of Indigenous consumers. For example:

- OCBA is the lead agency in addressing Priority 5 of the National Indigenous Consumer Strategy (driven by the Ministerial Council of Consumer Affairs) which is looking at ways to improve consumer protections when it comes to the sale of motor vehicles and boats in remote Aboriginal areas. A consultant was engaged to assist with this project, and an implementation task force has been established to examine how the recommendations of the consultant's report can be integrated into existing service delivery programs and what resources will be needed to affect behavioural change.
- OCBA has worked together with the Australian Securities and Investment Commission (ASIC) to address credit issues facing Indigenous people. A dedicated financial counsellor commenced work with members of Aboriginal Communities in both the Pt Augusta region and the APY Lands, to assist with budgeting advice and provide services concerning day-to-day financial matters.
- OCBA and the Department of Premier and Cabinet have presented workshops to promote good governance by Indigenous community organisations. OCBA has also been proactive in ensuring that 20 APY Lands incorporated associations are listed on the public register on OCBA's website.
- OCBA is currently working with the Office of the Registrar of Indigenous Corporations (ORIC) to produce an information sheet which would give advice and direction to South Australian Indigenous incorporated associations who wish to transfer their activities and operation to ORIC which administers those entities under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)*.
- OCBA administers the *Maralinga Tjarutja Land Rights Act 1984* (the Act) which incorporates the Maralinga Tjarutja body corporate. The body corporate is required by the Act to lodge audited accounts with OCBA annually. This requirement has been met for the reporting period.

## Support for grandparents raising grandchildren

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The Births, Deaths and Marriages Registrar represented the Department of Justice on the State Working Group for Grandparents raising Grandchildren in Informal Care which produced a resource kit for relative care-givers and a tailored statutory declaration to assist grandparent/carers to access services for their grandchildren.

### **Growden's - recovering lost investment funds**

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Approximately 1500 claims were lodged by consumers who lost money they had invested with GC Growden Pty Ltd. In 2004 OCBA implemented a scheme enabling investors to recover sums invested with the company. All claims have been assessed, although the final approved claim for \$70,000 is subject to court proceedings. The claimant has submitted an additional claim for legal expenses, lost income and interest.

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

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During the year OCBA officers investigated alleged breaches of legislation which come under the responsibility of the Commissioner for Consumer Affairs. Action taken against traders found not to comply with the relevant legislation includes: issuing warning letters or notices for alleged breaches; receiving written assurances; issuing expiation notices; issuing public warnings; pursuing prosecution or disciplinary action.

### **Written Warnings**

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There were 1127 written warnings issued for alleged breaches of legislation. In many cases a written warning will bring an end to the unlawful conduct, or an individual or trader will take steps to ensure that they operate within legal requirements. Otherwise, a number of enforcement tools are available to OCBA.

### **Public warnings**

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The Commissioner issued public warnings about a number of traders to protect the interests of consumers. This action is normally reserved for more serious breaches of the law or for recidivist offenders. Two examples of warnings issued during the year are Maurice Robinson, a persistent unlicensed builder, and photographic company, Studio 2000 for alleged conduct including high pressure sales techniques and making misrepresentations to customers.

### **Expiations**

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There were 111 expiation notices issued during the year, which is significantly higher than the 28 notices issued in the previous year. This is due to a crackdown on landlords and real estate agents who failed to lodge rental bonds with the Commissioner for Consumer Affairs within the prescribed time.

## Assurances

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An assurance is where a trader undertakes, in writing, to refrain from engaging in specified unlawful conduct. The Assurance Register is publicly available on the OCBA website and assurances received during the reporting year are listed in Appendix 11. In summary, the 28 assurances over 2007-2008 related to the following:

- 8 builders
- 6 electricians
- 4 security agents
- 3 second-hand vehicle dealers
- 3 individuals (for door-to-door trading breaches)
- 2 assurances received from a photographic business
- 1 gas fitter
- 1 credit cooperative.

## Prosecution and disciplinary action

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In the 2007/08 financial year court action was taken in relation to 42 individuals. Details of the offenders, conduct and court outcomes are provided in Appendix 11. The court matters include:

- 17 builders
- 5 security agents
- 6 real estate industry professionals
- 4 second-hand vehicle dealers
- 3 traders who carried on business under unregistered business names..
- 3 electricians
- 2 gas fitters
- 1 unlicensed builder and plumber
- 1 unlicensed builder and electrician.

The court outcomes included a number of convictions, fines of varying amounts, orders to perform community service, the permanent cancellation of licences, and permanent bans from being employed or engaged in particular businesses or industries.

Of particular note are the court actions taken against the following:

- Raymond Leslie Reubenicht who was fined \$25,000 for making false representations about vehicles and for operating without a second-hand vehicle dealers licence.
- Mr Spiros Simeonakis and Smart Choice Realty Pty Ltd for offences including breaching trust account rules, carrying on business whilst unregistered and breaching an assurance provided to the Commissioner. Simeonakis used a trust account for his own private purposes including the purchase of a \$5000 motorcycle. In total Smart Choice Realty and Simeonakis were fined \$32,000 plus costs of \$400.
- Paul Anthony Capponi, an unlicensed electrician, who was fined \$24,600 plus levies and costs. Capponi's licence was cancelled in 2004 due to faulty electrical work and insufficient financial resources to carry on business as an electrical contractor. Prosecution action was taken because Capponi continued contracting for work and displaying an invalid licence card to unsuspecting customers.

- Maurice Desmond Robinson, a persistent unlicensed builder. In February 2008 Robinson was given a 10 day suspended sentence. In June 2008 Robinson was barred from acting as a building work contractor. Robinson's conduct included:
  - o Providing false licence details and forged council approvals to customers
  - o Constructing substandard carports and verandas
  - o Taking deposits for work not completed
  - o Falsely offering rainwater tank supply and installation.

## Compliance auditing

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Compliance audit activities include:

- Checking thousands of verification statements and publications (including press advertisements and the Yellow Pages) against the licensing databases to detect unlicensed or inappropriately licensed traders
- Assessment of credit facts reports to identify licensees in liquidation or bankruptcy, and
- Random auditing of trust accounts and addressing trust account issues as reported by the independent auditing consultants.



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Commissioner for Consumer Affairs Annual Report

## Access to Justice and to Services

### Providing fair and equitable customer service

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#### Expanding consumer and business services to regional areas

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OCBA customers can now access transaction services in nine regional locations through Service SA Customer Service Centres. During the year Service SA's Murray Bridge and Berri centres became the latest outlets to cater for OCBA transaction services.

#### Registration of births, deaths and marriages

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The Births, Deaths and Marriages Registration Office (BDM) maintains registers of births, deaths and marriages that occur in South Australia. During the year the office registered 20,325 births, 12,368 deaths and 7844 marriages. Other statistics of note for the reporting year are provided below.

- In total, approximately 125,000 certificates were issued, with online applications exceeding 26,000, an increase of 10% from the previous year. Applicants from SA, interstate and overseas are using this service as it enables applications to be made from anywhere with Internet access at any hour of any day.
- Approximately 60,000 birth and marriage certificates were validated online through the Certificate Validation Service, contributing to the minimisation of identity crime. BDM is investigating participation in the Commonwealth's developing Document Verification Service as an issuer agency, so that other state and Commonwealth agencies could verify documents issued by BDM.
- There were 815 Registry marriages during the year - that's a record level in 13 years and represents about 10% of all marriages solemnised in SA over this period.

BDM also provided statistical information on deaths and cremations to the Natural Burial Enquiry being undertaken by the Environment, Resources and Development Committee of the Parliament of South Australia.

#### Licensing of occupations

---

OCBA maintains registers for a range of occupations as a protection for consumers to ensure that only suitably qualified and licensed or registered traders are eligible to trade within South Australia. During the year the Office processed 46,417 licence renewals and issued 5671 new occupational licences.

During the year OCBA made preparations to commence licensing real estate sales representatives and auctioneers under real estate reform legislation which took effect from 28 July 2008. Approximately 2800 new registrations are expected to be issued for these groups over a 6 month implementation period. Photographic licence cards will also be issued to land agents, and new applicants will have to meet additional requirements relating to fitness and propriety.

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

---

OCBA maintains registers for business names and incorporated associations. During the year many consumers and traders sought to access particular items of information from these public registers as a means of verifying who they were dealing with. A cooperatives register is also maintained. As at 30 June 2008 there were 93,708 business names on the register; 18,615 incorporated associations on the register and 56 co-operatives on the register.

OCBA has been involved in working groups as part of the Commonwealth of Australian Government's focus on establishing a national automated names determination engine for business names. Discussions have begun to set the framework to create national legislation. OCBA has been an active participant in working through the national harmonisation of business name rules with the other States and Territories. It is anticipated that OCBA will continue to have input into the new process over the coming year.

### **Helping associations considering incorporation**

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OCBA has developed new incorporated association booklets which outline in simple terms the requirements under the Act. The booklets include 'How to Incorporate', 'Example of rules for an Incorporated Association', 'Public Officer Responsibilities', 'Administration of Affairs' and 'Dealing with Suspected Breaches'. The booklets are given to prospective associations which are considering whether to incorporate their organisation.

### **Residential and commercial tenancies**

---

OCBA receives and refunds rental bonds, with over \$98 million in residential bonds held by the Commissioner for Consumer Affairs as an independent third party. During the year 52,406 new bonds were received, with 46,550 bonds refunded. For further statistical information see Appendix 8. OCBA also provided operational and administrative support for 11,325 Residential Tenancies Tribunal hearings.

## Access to Justice and to Services

### Eliminating avoidable delays

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#### Improving customer traffic flow

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OCBA completed accommodation refurbishments in 2007 with the business names registration function merging with the occupational licensing function. As expected, customer traffic flow increased significantly to this area which has been controlled by a new customer flow management system. This system has eliminated the need for queues and provides accurate statistics about the length, type and quantity of transactions, peak times and length of waiting times for customers. This information is used to review existing procedures, reduce delays for customers and manage staff to best handle peak times.

#### Online lodgement of death registration statements

---

Death Registration Statements for approximately 40% of deaths are now lodged online by 25 firms of funeral directors, reducing the data entry requirements for BDM and the number of forms to be completed by funeral directors who have electronic office systems. They can combine the lodgement with an application for a death certificate so that there is minimal delay and hence improved service to bereaved families.

## Access to Justice and to Services

### Making effective civil and criminal law

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#### Real estate reforms

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The *Statutes Amendment (Real Estate Industry Reform) Act 2007* was assented to in August of 2007. The reforms are designed to increase transparency of the real estate sale process. They aim to address community concerns about practices including dummy bidding at auctions, over-quoting by agents to secure property listings and bait advertising of properties for well-below the actual, estimated selling price. During the course of 2007-2008 regulations to support the new laws were developed in consultation with real estate industry representatives and training sessions about the reforms and changes to practices were delivered to more than 2000 real estate industry professionals. A comprehensive education strategy for consumers was also developed.

#### More rights for caravan and mobile home park residents

---

The *Residential Parks Act 2007* has been introduced to increase the rights of residents of caravan, mobile home and residential parks. The Act clarifies the responsibilities of park operators and renters, where agreements are for 60 days or longer. As part of the protections tenancy agreements must be in writing; bonds must be lodged with the Consumer Affairs Commissioner; and residents can access the Residential Tenancies Tribunal.

#### Improved protection for people signing up with a fitness provider

---

The Health and Fitness Industry Code of Practice has been amended to better protect consumers who sign up with a fitness provider. Fixed term agreements can be for a maximum of 12 months, and periodic agreements are capped at three months. The amount fitness centres can request upfront has been limited, to minimise potential losses to consumers should a centre collapse.



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## Organisational Capability

### Investing in our people

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#### Staff Profile

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Staff count at the end of 2007-2008 was 219 which is the equivalent of 210.6 full time positions. The figure also includes some new positions such as extra Compliance and Enforcement staff hired specifically as a result of the reforms to the State's real estate laws.

#### Encourage Staff to take on the challenges of development and growth

---

OCBA values its workforce and staff at all levels are encouraged to participate in personal and professional development programs each year. Managers and supervisors promote training and development opportunities to staff and OCBA has continued to focus on expanding the skills of its workers and encourage growth opportunities.

Staff input when it comes to improving work practices and achieving OCBA's objectives has been keenly sought and, to this end, staff took part in a comprehensive survey about their experiences and perceptions of working in OCBA.

#### Provide a safe work environment

---

Staff safety and well-being is a primary concern for OCBA management. A number of approaches are taken each year to ensure continued adherence to the OCBA Action Plan and departmental occupational, health, safety and welfare (OHS&W) policies and procedures.

With OCBA being a division of the Attorney-General's Department OHS&W matters are largely reported in the Department's annual report.

#### OHS&W Committee

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OCBA is represented on the Attorney-General's Department, OHS&W Committee and OCBA has its own committee to address local issues. The committee includes staff and management representatives.

## Organisational Capability

### Supporting the improvement of business processes and systems

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#### Online business names registration portal

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OCBA in consultation with other AGD agencies is developing an online new business names registration portal. This will provide a higher level of service to South Australians living in remote areas and reduce red tape for all new businesses starting in South Australia.

#### Electronic lodgement of doctor's medical certificate of cause of death

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BDM participated in a working party to develop a system for electronic lodgement of Doctor's Medical Certificates of Cause of Death.

## Organisational Capability

### Reducing red tape

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A number of projects to reduce 'red tape' for business have been completed. These are outlined below.

#### Increasing the threshold for prescribed associations

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The gross receipts threshold for Prescribed Associations incorporated under the *Associations Incorporation Act 1985* has increased from \$200,000 to \$500,000. This has benefited hundreds of the State's smaller sporting clubs, professional associations and ethnic and cultural clubs which no longer need to lodge their periodic returns. Prescribed associations with gross receipts above \$500,000 must continue to meet strict financial standards to ensure an appropriate level of public scrutiny. A letter was sent to all 18,300 registered incorporated associations notifying them of the change and a questionnaire to verify information currently held on the register was also enclosed. The information gleaned from the questionnaire has enabled the associations register to be updated accordingly.

#### New labelling rules for winemakers

---

New rules have been introduced to allow South Australian winemakers to use a single label for both local and international markets. SA is the first state to adopt this international standard which is estimated to save the State's wine industry \$14.4 million a year. Producers can choose to comply with the new labelling standards or they can continue to abide by existing rules for the local market.

#### Security processes reviewed

---

Stringent measures for the security industry were introduced in 2005 as part of a State Government crackdown on organised crime that had infiltrated the security industry. Measures have been reviewed to remove some processes that have proved to be a hindrance to some ethical operators. For example, people who intend to become security agents are now able to start and complete their training whilst their licence applications are processed. The Attorney-General now has the discretion to allow directors of security companies who live overseas to be exempt from finger printing in most circumstances.

#### Re-applying for an occupational licence

---

Work has commenced on developing a simplified process for licensees who have had their licences cancelled for non-renewal (usually due to the licensee's oversight) to reapply for a licence and to keep their same licence number.

# Appendix 1

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## Terminology

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

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

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

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

**Trader** is a general term used in this report to cover any trade, business or professional person, including credit providers, insurers, agents and brokers.

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

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

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

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

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

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

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

**Retail shop** means:

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

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

## Appendix 2

### Analysis of Fair Trading Enquiries Received

Main category			
	07/08	06/07	Variation
1 General Consumer Products			
1 Referred Matters	19,463	25,220	-23%
2 General Goods	19,110	21,113	-9%
3 Building & Construction	9,978	9,306	7%
4 Other	8,009	8,309	-4%
5 Motor Vehicles	7,805	7,257	8%
6 General Services	7,197	5,169	39%
7 Scams & Schemes	3,580	3,855	-7%
8 Communication	3,468	2,830	23%
9 Trade Measurement/Standards	3,097	3,776	-18%
10 Credit & Finance	1,785	1,758	2%
11 Real Estate & Accommodation.	1,647	1,641	0%
12 Travel, Hospitality & Tourism	1,443	1,223	18%
13 Marketing Methods	778	827	-6%
14 Insurance	646	640	1%
<b>TOTAL for Period</b>	<b>88,006</b>	<b>92,924</b>	<b>-5%</b>

## Appendix 3

### Analysis of Complaints Investigated by Product or Service

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

Category	Variation	07/08 Sub-total	Total	06/07 Sub-total	Total
<b>Scams and Schemes</b>	<b>36%</b>		<b>1217</b>		<b>894</b>
Scams (e.g. Nigerian Scam)		1000		555	
Get Rich Quick Schemes		217		339	
<b>General Consumer Products</b>	<b>15%</b>		<b>1091</b>		<b>945</b>
Air conditioners		47		70	
Literature, stationery, CDs & DVDs		32		35	
Clothes		55		35	
Electrical goods - other		70		52	
Food products		78		46	
Footwear		21		20	
Furnishings		95		111	
Furniture - lounge suites		74		49	
Furniture - other		97		70	
Haberdashery, clothing materials & accessories		4		3	
Heaters & hot water systems		22		32	
Household appliances		27		11	
Jewellery, clocks and watches		37		43	
Pets & pet products		67		32	
Photographic equipment & supplies		17		20	
Health & cleaning products		37		39	
Sports & camping equipment		15		8	
Televisions, VCRs & DVD players		86		58	
Whitegoods - other		15		15	
Whitegoods - refrigerators		20		30	
Whitegoods - washing machines		13		13	
Other general goods		162		153	



Category	Variation	Sub-total 07/08	Total	Sub-total 06/07	Total
<b>Residential Building Construction</b>	<b>38%</b>		<b>932</b>		<b>673</b>
Air conditioning, heating installation		26		18	
Building & decorating products		55		31	
Carpentry, joinery		12		6	
Pest control services		12		10	
Concrete work, foundations, brickwork, paving		72		64	
Electrical		24		20	
Fences, garden walls, gates		38		27	
Garages, carports, sheds, water tanks		84		79	
Gardening & outdoor products		3		20	
Home Construction, extensions, renovations		351		178	
Painting, decorating, plastering		17		25	
Plumbing - water, gas, drainage		38		40	
Roofing, insulation, roof treatments		64		44	
Swimming pools, spas, hot tubs		40		24	
Tiling		28		25	
Other		68		62	
<b>General Services</b>	<b>18%</b>		<b>495</b>		<b>420</b>
Dry Cleaning		11		17	
Education & training		17		15	
Employment		18		11	
Health & Fitness (Gyms)		29		35	
Furniture removals		22		14	
Health services		28		12	
Household services		81		56	
Introduction Agencies		7		9	
Transport services		19		18	
Personal services		95		55	
Professional & technical services		54		31	
Utilities & fuel supply		34		36	
Sport, culture & recreation		11		20	
Other services		69		91	
<b>Communication &amp; Information</b>	<b>29%</b>		<b>432</b>		<b>334</b>
Telephone services & products		200		150	
Internet		48		44	
Television & other services		16		15	
Computers and software		168		125	

Category	Variation	07/08 Sub-total	Total	06/07 Sub-total	Total
<b>Motor vehicles and Transport Products</b>	<b>15%</b>		<b>431</b>		<b>374</b>
Purchase of new motor vehicles		32		24	
Purchase of new & used motor cycles		31		30	
Purchase of used motor vehicles		135		124	
Consignment sales		5		2	
Automotive repair & servicing		128		106	
Spare parts & accessories		56		56	
Other transport vehicles & equipment		44		32	
<b>Trade Standards</b>	<b>-17%</b>		<b>252</b>		<b>303</b>
Product safety & hazardous products		104		83	
Trade standards & trade measurements		148		220	
<b>Travel, Hospitality and Tourism</b>	<b>-12%</b>		<b>244</b>		<b>277</b>
Travel Agents		46		112	
Tours		19		34	
Hotels, Motels, Hostel		47		39	
Other		132		92	
<b>Marketing Methods</b>	<b>5%</b>		<b>108</b>		<b>103</b>
Mail Order		5		8	
Discount & gift voucher schemes		16		6	
Other		87		89	
<b>Real estate, accommodation</b>	<b>-3%</b>		<b>103</b>		<b>106</b>
Property sales and listings		39		53	
Property Management		14		13	
Other - Accommodation and Real Estate		50		40	
<b>Credit, finance, investment</b>	<b>40%</b>		<b>87</b>		<b>62</b>
Credit & finance		77		55	
Investment		10		7	
<b>Insurance</b>	<b>-14%</b>	<b>18</b>	<b>18</b>	<b>21</b>	<b>21</b>
<b>TOTAL FOR PERIOD</b>	<b>20%</b>		<b>5,410</b>		<b>4,512</b>

## Appendix 4

### Analysis of Complaints Investigated by Practice

Practice	06/07	07/08	Variation
1 Quality	1212	1285	6%
2 Scams and Schemes	921	1260	37%
3 Contracts	803	916	14%
4 Warranties	266	448	68%
5 Miscellaneous Conduct	470	383	-19%
6 Representations	156	291	87%
7 Price	184	252	37%
8 Advertising	130	215	65%
9 Trade Measurements & Trade Standards	220	148	-33%
10 Product Safety & Hazardous Products	83	104	25%
11 Sale Methods	30	75	150%
12 Credit	27	20	-26%
13 Product Labelling	10	13	30%
<b>TOTAL</b>	<b>5,410</b>	<b>4,512</b>	<b>20%</b>

## Appendix 5

### Occupational Licensing and Registration

#### Licences and registration issued 2007-08

- OCBA administers registers containing over 69,000 licences/registrations under seven separate pieces of legislation
- Staff handle around 1500 general telephone enquiries weekly
- The average answer time for calls is around 22 seconds
- Over 5600 applications for new licences/registrations have been processed

#### Builders

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

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

	07/08	06/07
Held by bodies corporate (usually companies)	3 355	3 188
Held by natural persons (individuals or members of partnerships)	18 816	18 551
Held by building work supervisors registrations only	2 655	2 522
<b>Total</b>	<b>24 826</b>	<b>24 261</b>

	07/08	06/07
<i>Licences</i>		
- Any building work	1 492	1 575
- Light commercial/industrial and/or residential	5 648	5 464
- Specified building work	14 656	14 379
<i>Registrations</i>		
- Any building work	1 543	1 556
- Light commercial/industrial and/or residential	4 592	4 413
- Specified building work	12 800	12 541

	07/08	06/07
Applications for New Licences/Registration processed	1 745	1 763
Applications for change to licence conditions	461	397



## Security and Investigation Agents

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

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

	07/08	06/07
Held by bodies corporate (usually companies)	291	276
Held by natural persons	7 721	7 019
<b>Total</b>	<b>8 012</b>	<b>7 295</b>

	07/08	06/07
Applications for New Licences/Registration processed	1 695	1 098
Applications for change to licence conditions	14	10

## Plumbers, Gas Fitters and Electricians

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

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

	07/08	06/07
Licences		
- Plumbing	1 485	1 371
- Gas Fitting	984	885
- Electrical	4 441	4 309
Registrations		
- Plumbing	4 364	4 136
- Gas Fitting	3 289	3 060
- Electrical	17 154	16 284
<b>Total</b>	<b>31 717</b>	<b>30 045</b>

	07/08	06/07
Applications for New Licences/Registration processed	1 892	1 466
Applications for change to licence conditions	700	520

## Land agents

Land agents are registered under the *Land Agents Act 1994*.

	07/08	06/07
Held by bodies corporate (usually companies)	758	744
Held by natural persons	1 684	1 673
<b>Total</b>	<b>2 442</b>	<b>2 417</b>

	07/08	06/07
Applications for New Licences/Registration processed	164	156

## Conveyancers

Conveyancers are registered under the *Conveyancers Act 1994*.

	07-08	06-07
Held by bodies corporate (usually companies)	55	51
Held by natural persons	615	616
<b>Total</b>	<b>670</b>	<b>667</b>

	07-08	06-07
Applications for New Licences/Registration processed	30	23

## Second-hand vehicle dealers

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

	07/08	06/07
Held by bodies corporate (usually companies)		
- second-hand vehicle dealers	385	412
- second-hand motor cycle dealers	34	34
Held by natural persons		
- second-hand vehicle dealers	821	893
- second-hand motor cycle dealers	54	61
<b>Total</b>	<b>1 294</b>	<b>1 400</b>

	07/08	06/07
Applications for New Licences/Registration processed:		
- second-hand vehicle dealers	95	97
- second-hand motor cycle dealers	3	7
Registration of trading premises	77	76

## Travel Agents

Travel Agents are licensed under the *Travel Agents Act 1986*.

	<i>07/08</i>	<i>06/07</i>
Held by bodies corporate (usually companies)	150	161
Held by natural persons	85	89
<b>Total</b>	<b>235</b>	<b>250</b>

	<i>07/08</i>	<i>06/07</i>
Applications for New Licences/Registration processed	14	18

## Photographic Images Captured for Occupational Licences

4440 digital photographic images have been captured during the year. Of these, 2861 have been captured at the head office in Adelaide with the remainder captured at Customer Service Centres (Transport SA) or Service SA offices across metropolitan and regional South Australia.

## Appendix 6

### Business Name, Association and Cooperative Registrations

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

Staff handle around 850 general telephone enquiries weekly, with an average answer time of 18 seconds.

#### *Business Names Act 1996*

	07/08	06/07	05/06
Business names on the register (at 30 June)	93 708	93 728	96 049
New registrations	12 830	13 602	13 938
Renewals	18 451	18 387	18 517
Changes	6 619	7 338	7 959
Cessations	930	907	1 021
Transactions	82 019	93 869	87 282

#### *Associations Incorporations Act 1985*

	07/08	06/07	05/06
Incorporated associations on the register (at 30 June)	18 615	18 368	18 136
Incorporated during the year	407	362	381
De-registered and wound-up	138	83	93
Periodic returns lodged	1 153	1 265	1 124
Searches of the public register	826	586	663

#### *Cooperatives Act 1987*

	07/08	06/07	05/06
Co-operatives on the register (at 30 June)	56	56	56
Incorporations	0	0	0
Foreign registrations	0	0	0
De-registrations	0	0	0

## Appendix 7

### Births, Deaths and Marriages

Registrations	07/08	06/07	% change
Births	20325	18849	7.8
Still-births	90	79	13.9
Total Births	20415	18928	7.9
Deaths	12368	12061	2.5
Marriages	7844	7992	-1.9
Change of Name Registration	2758	2600	6.1
CON - Court Order/Interstate	167	164	1.8
CON - Rejected	4	2	
Total CON	2929	2766	5.9
Adoptions - Open	0	0	0.0
- Closed	33	43	-23.3
Legitimations	111	157	-29.3
Reassignment of sex	6	4	
<b>Documents Issued</b>	<b>07/08 YTD</b>	<b>06/07</b>	<b>% change</b>
Std Certificates - Births	45457	45747	-0.6
Std Certs (from commems) - Births	11971	12379	-3.3
Certificates - Deaths	12026	12043	-0.1
Certificates - Marriages	15209	13178	15.4
Std Certs (from commems) - Marriages	69	51	35.3
Certificates - Change Of Name	2173	2068	5.1
Certificates via counter/correspondence	86905	85466	1.7
Total commem certificates	12030	12424	-3.2
Online Certificates - Births	15098	14124	6.9
Online Certificates - Deaths	4664	3764	23.9
Online Certificates - Marriages	6570	5399	21.7
Online Certificates - CON	1	0	0.0
Total Online Certificates	26333	23287	13.1
Grand total of certificates	125,268	121,177	3.4
Cremation Permits	7281	6753	7.8
<b>Marriages at the Registry</b>	<b>07/08 YTD</b>	<b>06/07</b>	<b>% change</b>
Notices given	1046	930	12.5
Marriages solemnised	815	739	10.3
Registry marriages as % of all SA marriages	10.4	9.2	

## Appendix 8

### Residential and Retail Tenancies

Bonds	June 08	June 07	June 06
Tenant provided bonds	88 019	82 139	76 395
SAHT provided bonds	522	625	718
SAHT bond guarantees	22 961	22 730	23 208
Total residential bonds held	111 502	105 494	102 321
Tenant provided bonds (\$)	86 036 953	70 891 458	62 060 636
SAHT provided bonds (\$)	222 865	263 541	308 198
SAHT bond guarantees (\$)	14 605 560	13 488 589	13 125 165
Total residential bonds held (\$)	100 865 378	84 643 588	75 493 999
Residential bonds lodged	52 406	50 608	49 977
Residential bonds refunded	46 550	47 259	45 598
Retail bonds lodged	512	447	480
Retail bonds refunded	307	272	246
Incoming residential bond calls	48,857	43 375	42 188
Average speed of answer (secs)	39	27	41.6
Average duration of calls (secs)	167	143	172
<b>Advice</b>	<b>June 08</b>	<b>June 07</b>	<b>June 06</b>
Requests for assistance	479	483	492
Tribunal files investigated	3265	2961	2 245
Customer contacts	95978	87 257	84 628
Average speed of answer (secs)	75	37.2	36
Average duration of calls (secs)	210	222	205
<b>Tribunal Support Section</b>	<b>June 08</b>	<b>June 07</b>	<b>June 06</b>
Applications lodged	15 737	15 735	15 098
Hearings listed - metro	10 595	9963	10 457
Hearings listed - country	730	675	522
Hearings listed – country by video conference	723	807	n/a
Hearings conducted	10 025	10 066	9 002
<b>Residential Tenancies Tribunal Hearings</b>	<b>June 08</b>	<b>June 07</b>	<b>June 06</b>
	<b>No.    %</b>	<b>No.    %</b>	<b>No.    %</b>
Bond and compensation	2922    25.7	2864    25	2 112    19.2
Vacant possession	6963    61.4	7349    64.1	6 907    62.9
Immediate termination	30    .2	53    .5	73    0.7
Miscellaneous	560    4.9	363    3.2	1 057    9.6
Retirement Villages	4    .1	4    .1	8    0.1
Vary or set aside	508    4.7	575    5.0	508    4.6
Exemptions	5    .1	6    .1	9    0.1
Termination due to tenant conduct	333    2.9	231    2.00	305    2.8
Total	11 325    100	11445    100	10 979    100

## Appendix 9

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### Companies and Co-operatives Liquidation Accounts

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

<b>Companies Liquidation Account</b>	<b>\$</b>
Balance at 1 July 07	18,548.40
Add: Amounts received during the year pursuant to section 427(1) of the Companies Code 75,696.00	
Less: Amount paid to claimants in accordance with section 427(1)	
Payments to Consolidated Account in accordance with section 427(6)	0
Balance at 30 June 08	94,244.40

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<b>Co-operatives Liquidation Account</b>	<b>\$</b>
Balance at 1 July 07	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	
Payments to Consolidated Account in accordance with section 331	0
Balance at 30 June 08	64,992.85

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## Appendix 10

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### Miscellaneous Corporate Affairs Commission Responsibilities

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

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

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

Part 3 of the Partnership Act 1891 provides for the registration of a limited partnership. There were 2 new registrations and no deregistrations during the year bringing the total number of limited partnerships registered to 21.

Part 3 of the *Partnership Act 1891* also provides for the registration of an incorporated limited partnership. There were no new registrations and no deregistrations during the year bringing the total number of incorporated limited partnerships registered to 2.

#### ***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 year ending 31 December 2007 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 2007 have been lodged with the Corporate Affairs Commission.

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

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

All required financial statements have been lodged with the Corporate Affairs Commission.

## Appendix 11

### Assurances and Court Actions

#### Assurances

No.	Trader	Date	Related Act	Section	Undertaking
767	Jared Harry Schmidt	18 Jul 2007	Plumbers, Gas Fitters and Electricians Act 1995	6(1)(a)	Will refrain from carrying on business as an electrical contractor without an electrical contractors licence.
768	Luis Enrique Monserrat	18 Jul 2007	Second-hand Vehicle Dealers Act 1995	7(1)	Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence.
769	Shane Carpenter	11 Jul 2007	Plumbers, Gasfitters and Electricians Act, 1995	6(1) (a)	Will refrain from carrying on business as an electrical contractor without an electrical contractors licence.
770	Gary Dennis Clarke	7 Aug 2007	Building Work Contractors Act 1995	6(1) (a) 6(1) (b)	Will refrain from carrying on business as a building work contractor whilst not being the holder of building work contractors licence.  Will refrain from advertising or otherwise holding out as being entitled to carry on business as a building work contractor without a licence.
771	FRZ Pty Ltd	20 Sep 2007	Fair Trading Act, 1987	56, 57 58(e)	Will refrain from publishing or causing to be published, through any medium including print, telephonic service, television, radio, the internet or email, or in any commercial publication, periodical, magazine, book, or similar, any statement which is misleading or deceptive or is likely to mislead or deceive in contravention of the Act. Will refrain from making representation, either verbally or in writing, that customers have won a prize or competition, unless the customers have won a prize or competition that the customer has knowingly entered.

					Will refrain from making representation either verbally or in writing, that customers will appear in advertisements for the company or establish a modelling career from purchasing FRZ photographs unless such representation can be substantiated. Will refrain from engaging in unconscionable conduct through exerting undue influence or pressure on consumers by engaging in high pressure sales techniques, such as employing unnecessarily long sale spiels, employing sales practices designed to deceive customers into believing that they were receiving exclusive price reductions, providing confusing price structures and advising customers that should they leave without committing to the contract they would not obtain promotional prices at a later date.
772	Wayne Klingberg	6 Sep 2007	Security and Investigation Agents Act 1995	6(1)(a)	Will refrain from carrying on business of a security contractor providing guards and patrols whilst not being properly licensed in breach of section 6 of the <i>Security and Investigation Agents Act 1995</i> .
773	Studio 2000 Photographers Pty Ltd	5 Oct 2007	Fair Trading Act, 1987	56, 57 58(e)	Will refrain from publishing or causing to be published, through any medium including print, telephonic service, television, radio, the internet or email, or in any commercial publication, periodical, magazine, book, or similar, any statement which is misleading or deceptive or is likely to mislead or deceive in contravention of the Act. Will refrain from making representation, either verbally or in writing, that customers have won a prize or competition, unless the customers have won a prize or competition that the customer has knowingly entered.



					Will refrain from making representation either verbally or in writing, that customers will appear in advertisements for the company or establish a modelling career from purchasing Studio 2000 photographs unless such representation can be substantiated. Will refrain from engaging in unconscionable conduct through exerting undue influence or pressure on consumers by engaging in high pressure sales techniques, such as employing unnecessarily long sale spiels, employing sales practices designed to deceive customers into believing that they were receiving exclusive price reductions, providing confusing price structures and advising customers that should they leave without committing to the contract they would not obtain promotional prices at a later date.
774	Alfred Thomas Lunstedt	8 Oct 2007	Building Work Contractors Act 1995	6(1)(a)	Will refrain from carrying on business as a building work contractor whilst not being the holder of a building work contractors licence.
775	Smart Home Technologies (Aust) Pty Ltd	4 Nov 2007	Plumbers Gas Fitters and Electricians Act 1995	6(1)(a)	Will refrain from carrying on business as an electrical contractor without holding a licence in contravention of section 6 (1)(a) of the Plumbers, Gas Fitters and Electricians Act 1995.
776	Hoverla Ukrainian Credit Cooperative Limited	14 Dec 2007	Consumer Credit Code	Sect 15 (b), Sect 15(g)(a) & Sect 21 (3)	Will refrain from breaching the Consumer Credit Code Sect 15 (b) fail to properly specify to whom the amount of credit was to be paid, Sect 15(g) fail to properly specify all fees was to be paid and Sect 21(3) charged a fee not authorised by credit contract.

777	Eglington, John	7 Jan 2008	Building Work Contractors Act 1995	6(1)(a); 28(2); 30(1)(b); 34(a)	Will refrain from carrying on business as a building work contractor whilst not being the holder of a building work contractors licence. Will refrain from failing to enter into a formal written contract. Will refrain from demanding a payment greater than that authorised by regulation. Will refrain from failing to take out a policy of building indemnity insurance.
778	Icorp International Pty Ltd	17 Jan 2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a)	Will refrain from carrying on business as an electrical contractor whilst unlicensed.
779	Robert Graham Wade	20 Feb 2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a)	Will refrain from carrying on business as a gas fitting contractor without a gas fitting contractors licence.
780	Garry Raymond Ward	11 Mar 2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a); 20(2)(b)	Will refrain from carrying on business as an electrical contractor whilst unlicensed and will comply with AS/NZS 3000.
781	Garilli Investments Pty Ltd	11 Mar 2008	Security and Investigation Agents Act, 1995	6(1)(a); 6(1)(b)	Will refrain from carrying on business as a security agent whilst not appropriately licensed and will refrain from holding out as being entitled to carry on business as a security agent.
782	Neville Jordan	13 Mar 2008	Building Work Contractors Act 1995	6(1)(a); 6(1)(b)	Will refrain from carrying on business as a building work contractor without a building work contractors licence; holding myself out as being entitled to carry on business as a building work contractor without a building work contractors licence.
783	Brett Anthony Sellick	13 Mar 2008	Building Work Contractors Act 1995	6(1)(a); 6(1)(b)	Will refrain from carrying on business as a building work contractor without a building work contractors licence; holding myself out as being entitled to carry on business as a building work contractor without a building work contractors licence.
784	Jeremy Austin Selva	18 Apr 2008	Fair Trading Act 1987	17(2); 18(1)	Will refrain from breaching sections 17(2) and 18(1) of the FTA in relation to prescribed door to door sales contracts.



785	Ralph Giancola		Security and Investigation Agents Act 1995	6(1)(a); 6(1)(b)	Will refrain from carrying on business as a security agent whilst not appropriately licensed and will refrain from holding out as being entitled to carry on business as a security agent.
786	Debra Anne Hayes		Security and Investigation Agents Act, 1995	6(1)(a)	Will refrain from holding out as being entitled to carry on business as a security agent whilst unlicensed.
787	Jessie, Charli, Peggy Prudhomme		Fair Trading Act 1987	17(2); 18(1)	Will refrain from breaching sections 17(2) and 18(1) of the FTA in relation to prescribed door to door sales contracts.
788	Saif, Edine Saddadi		Fair Trading Act 1987	17(2); 18(1)	Will refrain from breaching sections 17(2) and 18(1) of the FTA in relation to prescribed door to door sales contracts.
789	Michael James Kent Schriever		Building Work Contractors Act 1995	6(1)(a); 34(a)	Will refrain from: carrying on business as a building work contractor without a building work contractors licence & Will refrain from failing to take out a policy of building indemnity insurance.
790	Kobelt, Lindsay Gordon	20 Jun 2008	Second-hand Vehicle Dealers Act 1995	17(3)	Will refrain from not using the prescribed form of contracts with purchasers of second-hand vehicles sold by him.
791	Sauchelli, Marcello	10 Jun 2008	Second-hand Vehicle Dealers Act 1995	7(1)	Will refrain from carrying on business as a dealer while unlicensed.
792	Gregory Aaron	24 Jun 2008	Plumbers Gasfitters & Electricians Act 1995	6(1)(a) 13(a)	Will refrain from carrying on business as an electrical contractor and performing electrical work whilst not appropriately licensed or registered.
793	Candco Pty Ltd	20 Jun 2008	Building Work Contractors Act, 1995	28((1)(a) 28(1)(f)	Will refrain from failing to enter into a formal written contract. Will refrain from failing to supply a copy of the signed contract and the prescribed Form 1.
794	Andrae Investments Pty Ltd	20 Jun 2008	Building Work Contractors Act, 1995	28((1)(a) 28(1)(f)	Will refrain from failing to enter into a formal written contract. Will refrain from failing to supply a copy of the signed contract and the prescribed Form 1.

## Court actions

Gary Steven Arsie	Building Work Contractors Act 1995	6(1)(a) and (b), 28, 30(1)	Mr Arsie carried on business as a builder and held himself out as being entitled to carry on business while unlicensed. He also performed electrical work while unregistered as a worker. He failed to comply with the formal requirements in relation to domestic building work contracts. He demanded payment of a deposit greater than the prescribed amount. Mr Arsie's unlawful activities are contrary to an assurance he gave to the Commissioner for Consumer Affairs in 2001.	On 16 July 2007 Mr Arsie was convicted and fined \$2,500.
	Fair Trading Act 1987	81(1)		
	Plumbers, Gas Fitters and Electricians Act 1995	13(a)		
Christine Louise Robins	Land and Business (sale and conveyancing) Act 1994	23(2)	Ms Robins had an interest in the purchase of land her employer was commissioned to sell.	On 25 July 2007 Ms Robins was fined \$400 without conviction.



Peter Giannakopoulos	Security and Investigation Agents Act Fair Trading Act 1995	6(1)(a) 18(1) (2) 81	Giannakopoulos trading as Dinkum International carried on business as a Security and Investigation Agent selling and installing security alarm systems door-to- door while unlicensed. He unlawfully took deposits and installed the systems during the cooling off period. Giannakopoulos current business activities are in breach of an Assurance given to the Commissioner under the <i>Fair Trading Act 1987</i> .	On 6 August 2007 Mr Giannakopoulos was convicted and fined \$8,500.
Dinh Lanh Vu	Building Work Contractors Act 1995	6(1), 28(1), 30(1)(a) (b), 34(1)(a)(b) and 51(1)(a)		Mr Vu carried on business as a builder in breach of conditions imposed on his license. Also failed to take out a policy of indemnity insurance.
Craig Edward Brittain	Building Work Contractors Act 1995	6(1), 28(2) 30(1)(b) and 34(1)(b)	Carried on business as a builder in partnership with Carol Case while unlicensed. Failed to enter into a formal contract and demanded payment of a deposit greater than the prescribed amount. Also failed to provide a certificate of indemnity insurance to the client.	On 7 August 2007 Mr Brittain was convicted and fined \$2500.

Carol Ann Case	Building Work Contractors Act 1995	6(1), 28(1) 30(1)(b) and 34(1)(b)	Carried on business as a builder in partnership with Craig Brittain while unlicensed. Failed to enter into a formal contract and demanded payment of a deposit greater than the prescribed amount. Also failed to provide a certificate of indemnity insurance to the client.	On 7 August 2007 Ms Case was convicted and fined \$500.
Anton Den Dunnen	Building Work Contractors Act 1995  Fair Trading Act 1987	6(1)a and (b)  81(1)	Carried on business as a building work contractor, while unlicensed and held himself out as being entitled to carry on business as a builder. Further carried on business in breach of an assurance given to the Commissioner for Consumer Affairs under the <i>Fair Trading Act 1987</i> .	On 21 August 2007 Mr Den Dunnen was convicted and fined \$1500.
L.C.J. Design & Construction Pty Ltd	Building Work Contractors Act 1995  Fair Trading Act 1987	34 28(2) 30(1)(b)  58(e)	The company, failed to provide a certificate of building indemnity insurance to the building owner. Failed to commit the contract to writing and demanded a deposit payment in excess of the prescribed amount. Misrepresented that development approval had been given.	On 28 August 2007 the company was convicted without penalty.



Richard John Porter	Fair Trading Act 1987	58(e)	In the employ of L.C.J. Design & Construction Pty Ltd Porter advised clients that building development approval had been given by Council when in fact it had not.	On 28 August 2007 Mr Porter was convicted and fined \$5000.
Raymond Leslie Reubenicht	Second-hand Vehicle Dealers Act 1995  Fair Trading Act 1987	7(1)  58(a)	Carried on business as a second-hand vehicle dealer, whilst unlicensed. The dealer made false and misleading representations concerning the history of vehicles in relation to the odometer readings.	On 30 August 2007 Mr Reubenicht was convicted and fined \$25,000.
Darren Powell	Building Work Contractors Act 1995	6(1)(a)	Carried on business as a building work contractor while unlicensed to do so.	On 11 September 2007 Mr Powell was convicted and fined \$6,000.
Gary John Cutting	Building Work Contractors Act 1995	6(1)(a) & (b)	Carried on business as a building work contractor, while unlicensed and held himself out as being entitled to carry on business as a builder.	On 1 November 2007 Mr Cutting was convicted and fined \$4,000.
Dominic Cianfrone	Building Work Contractors Act 1995	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.	On 8 November 2007 Mr Cianfrone was convicted and fined \$6,000.

Darren Scott Shanahan	<p>Building Work Contractors Act 1995</p> <p>Plumbers, Gas Fitters and Electricians Act 1995</p>	<p>6(1)(a) and (b)</p> <p>6(1)(a) and (b)</p>	<p>Carried on business as a building work contractor and plumbing contractor while unlicensed to do so. He held himself as being entitled to carry on business as a plumber and builder</p>	<p>On 5 November 2007 Mr Shanahan was convicted and fined \$4,000.</p>
Spiro Simeonakis	<p>Land Agents Act 1994</p> <p>Fair Trading Act 1987</p>	<p>6(1), 13(3), 21, 11(2)</p> <p>81</p>	<p>Carried on business as a land agent whilst unregistered registration , withdrew money from a trust account other than in accordance with the act. Failed to keep detailed records of all trust money. Carried on business as a land agents in breach of an assurance under the Fair Trading Act. Acted as a sales representative when not entitled to do so. As director of Smart Choice Realty Pty Ltd is vicariously liable for the offences committed by the company.</p>	<p>On 14 November 2007 Mr Simeonakis was convicted and fined \$12,000.</p>



Smart Choice Realty Pty Ltd	Land Agents Act 1994  Fair Trading Act 1987	6(1), 13(1)  13(3) 21 11(2) and 58(f)	Carried on business as a land agent whilst unregistered and withdrew money from a trust account other than in accordance with the Act. Failed to keep detailed records of all trust money. Failed to deposit trust money in an accountant as soon as practicable. Employed a sales representative who did not comply with the entitlement criteria. Represented that it had an affiliation that it did not have.	On 14 November 2007 Smart Choice Realty Pty Ltd was convicted and fined \$20,000.
Dimitrios Sotirios Phillis	Land and Business (sale and conveyancing) Act 1994	23(2)	Phillis had an interest in the purchase of land his employer was commissioned to sell.	On 29 November 2007 Mr Phillis was fined \$700 without conviction.
Christopher Luxton Pty Ltd	Land Agents Act 1994	13(3)	Money withdrawn from the agents trust account other than as permitted by the Land Agents	On 20 November 2007 the company was convicted without penalty.
Christopher Luxton	Land Agents Act 1994	13(3) 59	As director of Christopher Luxton Pty Ltd is vicariously liable for the offences committed by the company. Money withdrawn from the agents trust account other than as permitted by the Land Agents.	On 20 November 2007 Mr Luxton was convicted and ordered to perform 160 hours of community service within 12 months of the date of the order.
Matthew Shane Johnston	Security and Investigation Agents Act 1995	37(a)	Failed to disclose to the Commissioner that he was convicted of a criminal offence	On 10 December 2007 Mr Johnston was convicted and fined \$750.

Nikolaos Katsihtis	Security and Investigation Agents Act 1995	37(a)	Failed to disclose a criminal conviction when applying for a licence and on his Personal Information Declaration.	On 22 January 2008 Mr Katsihtis was convicted and fined \$750.
Maris Lukasevics	Security and Investigation Agents Act 1995	37(a) & (b)	Failed to disclose to the Commissioner that he was convicted of assault.	On 4 February 2008 Mr Lukasevics was convicted and fined \$4,000.
Paul Anthony Capponi	Plumbers, Gas Fitters and Electricians Act 1995	6(1)(a) 6(1)(b) 13(a)	Mr Capponi held himself as being entitled to carry on business as an electrical contractor while not authorised by a licence. He carried on business as an electrical contractor while not authorised by a licence; and acted as an electrical worker while not authorised by an electrical workers registration.	On 19 February 2008 Mr Capponi was convicted and fined \$24,600.
Maurice Desmond Robinson	Fair Trading Act 1987	83	Has persisted to contract for building work while unlicensed despite warnings by OCBA and institution of criminal proceedings. Interim injunction granted against Robinson on 5 May 2006. It is alleged that Robinson has continued to carry on business as a builder while unlicensed in contempt of an interim injunction.	On 20 February 2008 the court ordered that Mr Robinson be imprisoned for 10 days. Order suspended upon condition that if the Commissioner applies to the Court alleging any further breach of the interim injunction between 20 February 2008 and 20 February 2009 the Commissioner may apply to the court to reconsider the suspension of the order. The order ceases to have effect after 20 February 2009.



Alan Davidson	Building Work Contractors Act 1995	6(1)(a)	Carried on business as a building work contractor, while unlicensed.	On 6 March 2008 Mr Davidson was convicted and fined \$1,000.
Gasray Pty Ltd	Plumbers, Gas Fitters and Electricians Act 1995	6(1)(a)	Company carried on business as a gas fitting contractor, whilst unlicensed.	On 7 March 2008 Gasray Pty Ltd was convicted and fined \$2,000.
Alan John Summerton	Plumbers, Gas Fitters and Electricians Act 1995	20(1)(c)	Performed electrical work that did not comply with the AS/NSZ 3000.2000 Wiring Rules. He acted improperly by using abusive and intimidating language and behaviour towards officers of the Office of the Technical Regulator and OCBA. Further he was convicted of conduct while engaged in the business of an electrical contractor involving aggravated assault and aggravated assault with a weapon against Police.	On 25 February 2008 Mr Summerton's electrical contractors licence was cancelled permanently. His electrical workers registration was cancelled and he is disqualified from being registered as a worker until the Commissioner considers that he is a fit and proper person to be registered.
Andrew Paul Fehlberg	Building Work Contractors Act 1995	6(1)(a) 34(a)(b) 28(2) 30(1)(b)	Carried on business as a builder while unlicensed. Failed to provide a certificate of building indemnity insurance. Failed to commit the contract to writing and demanded a deposit payment in excess of the prescribed amount.	On 25 February 2008 Mr Fehlberg was convicted and fined \$15,800.

Justin Peter Caught	Building Work Contractors Act 1995  Fair Trading Act 1987	30(1)(a), 28(1)(f), 34(b)  58(e)	The builder demanded and received a deposit payment in excess of the prescribed amount. The builder failed to provide his client with a Form 1. The builder also failed to provide his client with a certificate of building indemnity insurance. The builder advised his client that the building project had building approval when in fact approval had not been given.	On 25 February 2008 Mr Caught was convicted and fined \$5,000.
Peter Raymond Collins	Second-hand Vehicle Dealers Act 1995	7(1)	Carried on business as a second-hand vehicle dealer while a not being the holder of a license.	On 26 March 2008 Mr Collins was convicted and ordered to perform 160 hours of community service within 10 months of the date of the order.
Joshua Peter Mc Intosh	Second-hand Vehicle Dealers Act 1995	27(1)(c) 21(1)(e)	Events have occurred that would not entitle Mr Mc Intosh to be granted a licence. He acted unlawfully and improperly in the course of conducting the business of a dealer. Carried on business as a second-hand dealer while unlicensed.	On 19 March 2008 the court ordered that Mr Mc Intosh be permanently prohibited from being employed or engaged in the business of a second hand motor vehicle dealer and that he be permanently prohibited from being a director or having an interest in a body corporate that is a second hand motor vehicle dealer.



William James Gibbs	Building Work Contractors Act 1995	6(1)(a)	Carried on business as a building work contractor, while unlicensed	On 29 April 2008 Mr Gibbs was convicted and fined \$4,000.
David Barry Charlton Fleming	Plumbers, Gas Fitters and Electricians Act 1995	6(1)(a) & 13(a)	Carried on business as a gas fitting contractor, whilst unlicensed and performed gas fitting work, whilst unregistered as a gas fitting worker.	On 9 April 2008 Mr Fleming was convicted and fined \$3,000.
Alan Trevor Bronca	Plumbers, Gas Fitters and Electricians Act 1995	20(1)(c) & 20(2)(b)	Carried on business as an electrical contractor, whilst unlicensed and performed electrical work, whilst unregistered as an electrical worker. Failed to properly supervise apprentices.	On 21 April 2008 Mr Bronca's registration was suspended until the fulfilment of conditions and he was disqualified from being licensed until the fulfilment of conditions. Both orders were made subject to the condition that Mr Bronca must provide the Commissioner with evidence of his successful completion of technical and business management courses. Once he does so, he will again be eligible to be licensed and registered.
Ian Malcolm Charlton	Business Names Act	7(1)(a)	Carried on business under an unregistered business name	On 23 May 2008 Mr Charlton was convicted and fined \$650.

Bruce Norman Hentschke	Building Work Contractors Act 1995	30(1), 34(a), 28(1)(a)	The contract for the performance of building work was not in writing. Further the builder demanded payment of a deposit in excess of the prescribed amount and failed to take out a policy of indemnity insurance.	On 16 May 2008 Mr Hentschke was convicted and entered into a bond to be of good behaviour for eighteen months in the sum of \$1,000.
Christian Joseph Parise	Building Work Contractors Act 1995	6(1)(a) and (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.	On 4 June 2008 Mr Parise was convicted and fined \$3,000. Further he was ordered to repay his client the deposit amount of \$440.
Anthony Ian Gunning	Second-hand Vehicle Dealers Act 1995	7(1)	Carried on business as a second-hand vehicle dealer without being licensed.	On 10 June 2008 Mr Gunning was convicted and fined \$3,000.
Nigel Bruce Tresize	Business Names Act	7(1)(b)	Carry on business under an unregistered business name in partnership with Debra Tresize.	On 17 June 2008 Mr Tresize was convicted and fined \$800 jointly with his partner Debra Tresize
Debra Tresize	Business Names Act	7(1)(b)	Carry on business under an unregistered business name in partnership with Bruce Tresize.	On 17 June 2008 Ms Tresize was convicted and fined \$800 jointly with her partner Nigel Tresize



Maurice Desmond Robinson	Building Work Contractors Act 1995	21(1)(c) 21(1)(b) 21(1)(e)	Carried on business as a building work contractor whilst unlicensed. Held himself as being entitled to carry on business as a building work contractor. Acted improperly in the course of conducting the business of a building work contractor. Acted contrary to an assurance accepted by the Commissioner under the Fair Trading Act. Would not be entitled to be licensed as a building work contractor if he were to apply for licence in that he is not a fit and proper person to hold a licence.	On 23 June 2008 Mr Robinson was disqualified from being licensed or registered under the Act until further order. Prohibited from being employed or otherwise engaged in the business of a building work contractor until further order. Prohibited from being employed or otherwise engaged in the business of a building consultant until further order.
John Paul Titcomb	Security and Investigation Agents Act 1995	25(1)(e)(ii) 25(1)(f)(i)	Is the holder of a security and investigation agents licence. Was convicted of a prescribed offence and as a consequence does not now meet the eligibility criteria to be granted a licence. Further he is not a fit and proper person to be the holder of a licence.	On 26 June 2008 Mr Titcomb's licence was cancelled.

## Appendix 12

### Residential Tenancies Fund

#### Residential Tenancies Fund Income Statement for the financial year ended 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Income</b>			
Interest revenue		8,063	6,433
Other income	2	212	173
<b>Total income</b>		<b>8,275</b>	<b>6,606</b>
<b>Expenses</b>			
Staffing costs	3	3,521	3,205
Accommodation		375	555
Depreciation	4	96	101
Net loss from disposal of assets		-	14
Other expenses	5	2,896	864
<b>Total expenses</b>		<b>6,888</b>	<b>4,739</b>
<b>Net result</b>		<b>1,387</b>	<b>1,867</b>

The net result is attributable to the SA Government as owner

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



## Residential Tenancies Fund Balance Sheet as at 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6	12,382	14,638
Investments		29,885	23,147
Receivables	7	232	414
<b>Total current assets</b>		<b>42,499</b>	<b>38,199</b>
<b>Non-current assets</b>			
Plant and equipment	8	327	413
Investments		55,797	46,350
<b>Total non-current assets</b>		<b>56,124</b>	<b>46,763</b>
<b>Total assets</b>		<b>98,623</b>	<b>84,962</b>
<b>Current liabilities</b>			
Security bonds lodged	9	40,478	35,887
Payables	10	3,715	2,385
<b>Total current liabilities</b>		<b>44,193</b>	<b>38,272</b>
<b>Non-current liabilities</b>			
Security bonds lodged	9	48,131	38,002
<b>Total non-current liabilities</b>		<b>48,131</b>	<b>38,002</b>
<b>Total liabilities</b>		<b>92,324</b>	<b>76,274</b>
<b>Net assets</b>		<b>6,299</b>	<b>8,688</b>
<b>Equity</b>			
Asset revaluation reserve		793	4,569
Retained earnings		5,506	4,119
<b>Total equity</b>		<b>6,299</b>	<b>8,688</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Contingent assets and liabilities	12		

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 2008**

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2006	3,773	2,252	6,025
Gain on revaluation of investments during 2006-07	796	-	796
<b>Net income/expense recognised directly in equity for 2006-07</b>	796	-	796
Net result for 2006-07	-	1,867	1,867
<b>Total recognised income and expense for 2006-07</b>	796	1,867	2,663
Balance at 30 June 2007	4,569	4,119	8,688
Loss on revaluation of investments during 2007-08	( 3,776 )	-	( 3,776 )
<b>Net income/expense recognised directly in equity for 2007-08</b>	( 3,776 )	-	( 3,776 )
Net result for 2007-08	-	1,387	1,387
<b>Total recognised income and expense for 2007-08</b>	( 3,776 )	1,387	( 2,389 )
Balance at 30 June 2008	793	5,506	6,299

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

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

## Residential Tenancies Fund Cash Flow Statement for the year ended 30 June 2008

	Note No.	07/08 Inflows (Outflows) \$'000	06/07 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		8,246	6,283
Bond lodgements		55,198	45,833
Bond guarantee receipts		2,680	2,747
Other receipts		212	175
<b>Cash generated from operations</b>		<b>66,336</b>	<b>55,038</b>
<b>Cash outflows</b>			
Administration		( 3,607 )	( 3,411 )
Bond refunds		( 40,478 )	( 35,887 )
Bond guarantee payments		( 2,680 )	( 2,747 )
Other payments		( 80 )	( 63 )
<b>Cash used in operations</b>		<b>( 46,845 )</b>	<b>( 42,108 )</b>
<b>Net cash provided by operating activities</b>	<b>11</b>	<b>19,491</b>	<b>12,930</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 21,737 )	( 5,064 )
Payments for property, plant and equipment		( 10 )	-
<b>Cash used in investing activities</b>		<b>( 21,747 )</b>	<b>( 5,064 )</b>
<b>Net cash used in investing activities</b>		<b>( 21,747 )</b>	<b>( 5,064 )</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>( 2,256 )</b>	<b>7,866</b>
Cash and cash equivalents at the beginning of the financial year		14,638	6,772
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>12,382</b>	<b>14,638</b>

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

## Appendix 13

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### Notes to and forming part of the financial statements

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#### Note 1. Summary of Significant Accounting Policies

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##### 1.1 Objectives of the Residential Tenancies Fund

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

##### 1.2 Basis of Accounting

The financial statements are required by Section 102 (1) of the *Residential Tenancies Act 1995* and are a general purpose financial report.

The statements have been prepared in accordance with applicable Australian Accounting Standards, Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance.

##### *Statement of Compliance*

Australian accounting standards include Australian equivalents to International Financial Reporting Standards and AAS29 Financial Reporting by Government Departments. 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 2008. An assessment concluded that the new and amended standards and interpretations will have no impact on the accounting policies or the financial report.

The financial report has been prepared on a twelve month operating cycle and presented in Australian Dollars.

The Fund's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted are at valuation (fair value). Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Fund's Balance Sheet when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard.

Income and expenses are recognised in the Fund's Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

#### ***Bond Guarantee Scheme***

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by the SA Housing Trust. In the event of a claim by a landlord, a payment is made by the Residential Tenancies Fund. The SA Housing Trust then reimburses the Residential Tenancies Fund. The value of bond guarantees lodged at 30 June 2008 is \$14.2m (2007 \$13.2m).

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

#### **1.3 Staffing Costs**

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

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

The value of staffing costs reflected in Note 3 includes remuneration paid to members of the Residential Tenancies Tribunal.

#### **1.4 Taxation**

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

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

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

#### **1.5 Leases**

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

#### **1.6 Cash and Cash Equivalents**

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represent funds held in a Deposit Account with the Treasurer.

#### **1.7 Investments**

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 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.

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

Capital Stable	50%
Balanced	15%
Cash Common Fund	35%

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

### 1.8 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange for liabilities undertaken.

### 1.9 Plant and Equipment

#### *Asset Recognition Threshold*

Purchases of plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

#### *Revaluations*

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

Every three years, the Fund revalues its 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.

Land, leasehold improvements, furniture and plant and equipment assets were revalued in accordance with the 'fair value' method of valuation as at 1 July 2005. Information technology assets are valued at cost.

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

#### *Depreciation*

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

Depreciation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current or future reporting periods as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following remaining useful lives:

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

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4.

### 1.10 Comparative figures

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

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

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

### 1.11 Rounding

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

## 2. Other income

	07/08	06/07
	\$'000	\$'000
Management fee recovery	210	167
Trainee salary recovery	2	6
<b>Total other income</b>	<b>212</b>	<b>173</b>

## 3. Staffing costs

	07/08	06/07
	\$'000	\$'000
Salaries and wages	2,796	2,494
Payroll tax and superannuation expenses	452	435
Annual Leave	187	195
Long service leave expenses	86	81
<b>Total staffing costs</b>	<b>3,521</b>	<b>3,205</b>

#### 4. Depreciation

	07/08	06/07
	\$'000	\$'000
Leasehold improvements	40	42
Information technology	48	50
Plant and equipment	8	9
<b>Total depreciation</b>	<b>96</b>	<b>101</b>

#### 5. Other expenses

	07/08	06/07
	\$'000	\$'000
Decrement on revaluation of investments	1,776	-
Administration	771	583
Information and communications technology	217	167
Legal fees	53	69
Travel	26	23
Other	53	22
<b>Total other expenses</b>	<b>2,896</b>	<b>864</b>

#### 6. Cash and cash equivalents

	07/08	06/07
	\$'000	\$'000
Section 21 Deposit Account with the Treasurer	12,382	14,638
<b>Total cash and cash equivalents</b>	<b>12,382</b>	<b>14,638</b>

#### 7. Receivables

	07/08	06/07
	\$'000	\$'000
Accrued interest	230	412
Other receivables	2	2
<b>Total receivables</b>	<b>232</b>	<b>414</b>



## 8A. Plant and equipment

At 30 June 2008	Cost/ Valuation 2008 \$'000	Accumulated Depreciation 2008 \$'000	Written Down Value 2008 \$'000
Leasehold improvements (1)	550	286	264
Information technology	310	270	40
Plant and equipment (1)	68	45	23
	928	601	327

At 30 June 2007	Cost/ Valuation 2007 \$'000	Accumulated Depreciation 2007 \$'000	Written Down Value 2007 \$'000
Leasehold improvements (1)	550	246	304
Information technology	300	222	78
Plant and equipment (1)	68	37	31
	918	505	413

(1). Valuations of leasehold improvements and plant and equipment were performed by Simon B O'Leary AAPI, MSAA, Certified Practising Valuer – Plant and Machinery of the Australian Valuation Office as at 1 July 2005.

## 8B. Plant and equipment movement schedule

	Leasehold Improvements \$'000	Information Technology \$'000	Plant and Equipment \$'000	Total Plant and Equipment \$'000
Carrying amount 1 July 2007	304	78	31	413
Additions	-	10	-	10
Disposals	-	-	-	-
Revaluation	-	-	-	-
Depreciation	(40)	(48)	(8)	(96)
Carrying amount 30 June 2008	264	40	23	327

## 9. Security bonds lodged

	07/08	06/07
	\$'000	\$'000
<b>Current</b>		
Bonds lodged	40,459	35,872
Sale of goods	12	12
Rent held pursuant to Tribunal direction	7	3
<b>Total current security bonds lodged</b>	<b>40,478</b>	<b>35,887</b>
	07/08	06/07
	\$'000	\$'000
<b>Non Current</b>		
Bonds lodged	48,131	38,002
<b>Total non-current security bonds lodged</b>	<b>48,131</b>	<b>38,002</b>

## 10. Payables

	07/08	06/07
	\$'000	\$'000
Creditors	3,698	2,369
Accruals	17	16
<b>Total payables</b>	<b>3,715</b>	<b>2,385</b>

## 11. Cash flow reconciliation

	07/08	06/07
	\$'000	\$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	12,382	14,638
Balance Sheet	12,382	14,638
<b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	1,387	1,867
Add non cash items:		
Decrement on revaluation of investments	1,776	-
Depreciation	96	101
Loss on Disposal of Assets	-	14
Change in assets and liabilities		
Decrease/(Increase) in receivables	182	(149)
Increase in payables	1,330	1,150
Increase in security bonds	14,720	9,947
Decrease in other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>19,491</b>	<b>12,930</b>



## 12. Contingent liabilities and contingent assets

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Under the *Residential Tenancies Act 1995*, interest is paid to tenants when a bond is repaid to them, interest is not paid when a bond is paid to landlords or third parties such as the SA Housing Trust. The interest payable to tenants has not been recorded as a liability, as the Fund does not have a present obligation until the tenant lodges a claim for the repayment of the bond. It is estimated that the interest liability as at 30 June 2008 is \$183,000 (2007 \$159,000).

## 13. Remuneration of auditors

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The amount payable to the Auditor-General for audit services during the reporting period was \$15,000 (2007 \$16,000). No other services were provided by the Auditor-General.

## 14. Remuneration of Board and Committee members

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Members that were entitled to receive remuneration for membership during the 2007-08 financial year were

### Residential Tenancies Tribunal

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

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

	07/08	06/07
	\$'000	\$'000
\$0 - \$9 999	4	4
\$10 000 - \$19 999	2	1
\$20 000 - \$29 999	1	2
\$30 000 - \$39 999	3	2
\$40 000 - \$49 999	2	1
\$50 000 - \$59 999	2	2
\$60 000 - \$69 999	2	-
\$70 000 - \$79 999	-	1
\$80 000 - \$89 999	-	1
\$90 000 - \$99 999	2	2
\$100 000 - \$109 999	1	-
\$120 000 - \$129 999	1	-
\$230 000 - \$239 999	-	1
\$240 000 - \$249 999	1	-
<b>Total number of members</b>	<b>21</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 \$1.17m (2007 - \$0.9m).

Amounts paid to a superannuation plan for board/committee members was \$99,000 (2007 - \$77,000).

## 15. Financial Instruments

### a. Categorisation of financial instruments

#### Financial Assets

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

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

#### Financial Liabilities

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



### b. Credit Risk

At reporting date funds totalling \$85.7 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

### c. Liquidity Risk

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

### d. Market Risk

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

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

Cash is also subject to interest rate risk.

### Sensitivity Analysis

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

		Interest Rate Risk		Price Risk	
		-1%	+1%	-1%	+1%
	Carrying Amount (\$'000)	Net Result (\$'000)	Net Result (\$'000)	Equity (\$'000)	Equity (\$'000)
2008					
Financial Assets					
Cash and Cash Equivalents	12,382	(123.8)	123.8	-	-
Investments	85,682	-	-	(856.8)	856.8
Total increase/ (decrease)		(123.8)	123.8	(856.8)	856.8
2007					
Financial Assets					
Cash and Cash Equivalents	14,638	(146.4)	146.4	-	-
Investments	69,497	-	-	(695.0)	695.0
Total increase/ (decrease)		(146.4)	146.4	(695.0)	695.0

## 16. 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
	07/08	06/07
	\$'000	\$'000
<b>Income</b>		
Interest revenue	8,063	6,433
Management fee recovery	210	167
<b>Total income</b>	<b>8,273</b>	<b>6,600</b>

<b>Expenses</b>		
Staffing costs	3,521	3,205
Accommodation	375	555
<b>Total expenses</b>	<b>3,896</b>	<b>3,760</b>

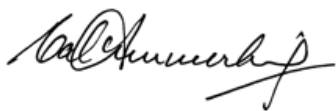
	SA	Government
	07/08	06/07
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	12,382	14,638
Accrued interest	230	412
Investments	85,682	69,497
<b>Total financial assets</b>	<b>98,294</b>	<b>84,547</b>

	SA	Government
	07/08	06/07
	\$'000	\$'000
<b>Financial liabilities</b>		
Creditors	2,499	1,497
<b>Total financial liabilities</b>	<b>2,499</b>	<b>1,497</b>

## STATEMENT BY EXECUTIVE

We certify that:

- the financial statements for the Residential Tenancies Fund presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and *Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2008, the results of its operation and its cash flows for the year then ended;
- the financial statements are in accordance with the accounts and records of the Residential Tenancies Fund and give an accurate indication of the financial transactions of the Fund for the year ended 30 June 2008;
- internal controls over the financial reporting have been effective throughout the reporting period.



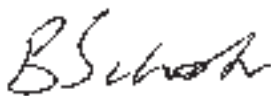
Mal Hemmerling  
Commissioner for Consumer Affairs

September 2008



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

September 2008



Brian Scholz  
Manager, Tenancies Branch  
Office of Consumer and Business Affairs

September 2008

## Appendix 14

### Second-hand Vehicles Compensation Fund

#### Second-hand Vehicles Compensation Fund Income Statement for the year ended 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Income</b>			
Contribution by licensees		320	325
Interest revenue		309	267
Other income	2	8	6
<b>Total income</b>		<b>637</b>	<b>598</b>
<b>Expenses</b>			
Claims	3	128	39
Administration	4	32	16
Decrement on revaluation of investments		50	-
Other expenses		4	4
<b>Total expenses</b>		<b>214</b>	<b>59</b>
<b>Net result</b>		<b>423</b>	<b>539</b>

The net result is attributable to the SA Government as owner

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

Second-hand Vehicles Compensation Fund  
Balance Sheet as at 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5	1,509	1,261
Investments		1,079	845
Receivables	6	13	22
<b>Total current assets</b>		<b>2,601</b>	<b>2,128</b>
<b>Non-current assets</b>			
Investments		1,428	1,684
<b>Total non-current assets</b>		<b>1,428</b>	<b>1,684</b>
<b>Total assets</b>		<b>4,029</b>	<b>3,812</b>
<b>Current liabilities</b>			
Payables	7	4	4
<b>Total current liabilities</b>		<b>4</b>	<b>4</b>
<b>Total liabilities</b>		<b>4</b>	<b>4</b>
<b>Net assets</b>		<b>4,025</b>	<b>3,808</b>
<b>Equity</b>			
Asset revaluation reserve		-	206
Retained earnings		4,025	3,602
<b>Total equity</b>		<b>4,025</b>	<b>3,808</b>
The total equity is attributable to the SA Government as owner			
Contingent assets and liabilities	9		

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

Second-hand Vehicles Compensation  
Statement of Changes in Equity for the year ended 30 June 2008

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2006	161	3,063	3,224
Gain on revaluation of investments during 2006-07	45	-	45
<b>Net income/expense recognised directly in equity for 2006-07</b>	45	-	45
Net result for 2006-07	-	539	539
<b>Total recognised income and expense for 2006-07</b>	45	539	584
Balance at 30 June 2007	206	3,602	3,808
Loss on revaluation of investments during 2007-08	( 206 )	-	( 206 )
<b>Net income/expense recognised directly in equity for 2007-08</b>	( 206 )	-	( 206 )
Net result after restructure for 2007-08	-	423	423
<b>Total recognised income and expense for 2007-08</b>	( 206 )	423	217
Balance at 30 June 2008	-	4,025	4,025

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

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

Second-hand Vehicles Compensation  
Cash Flow Statement for the year ended 30 June 2008

	Note No.	07/08 Inflows (Outflows) \$'000	06/07 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		318	259
Contribution by licensees		320	325
Other receipts		8	6
<b>Cash generated from operations</b>		<b>646</b>	<b>590</b>
<b>Cash outflows</b>			
Administration		( 32 )	( 16 )
Claims		( 128 )	( 39 )
Other payments		( 4 )	( 4 )
<b>Cash used in operations</b>		<b>( 164 )</b>	<b>( 59 )</b>
<b>Net cash provided by operating activities</b>	<b>8</b>	<b>482</b>	<b>531</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 234 )	( 201 )
<b>Cash used in investing activities</b>		<b>( 234 )</b>	<b>( 201 )</b>
<b>Net cash used in investing activities</b>		<b>( 234 )</b>	<b>( 201 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>248</b>	<b>330</b>
Cash and cash equivalents at the beginning of the financial year		1,261	931
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>1,509</b>	<b>1,261</b>

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

## Appendix 15

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### Notes to and forming part of the financial statements

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#### Note 1. Summary of Significant Accounting Policies

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##### 1.1 Objectives of the Second Hand Vehicles Compensation Fund

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

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

##### 1.2 Basis of Accounting

The financial statements are required by Schedule 3 of the *Second-hand Vehicle Dealers Act 1995* and are a general purpose financial report.

The statements have been prepared in accordance with applicable Australian Accounting Standards and Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance.

##### *Statement of Compliance*

Australian accounting standards include Australian equivalents to International Financial Reporting Standards and AAS29 Financial Reporting by Government Departments. 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 2008. An assessment concluded that the new and amended standards and interpretations will have no impact on the accounting policies or the financial report.

The Fund's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Fund's Balance Sheet when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard.

Income and expenses are recognised in the Fund's Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.



The financial report has been prepared based on a twelve month operating cycle and is presented in Australian currency.

### 1.3 Taxation

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

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

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

### 1.4 Cash and Cash Equivalents

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represent funds held in a Deposit Account with the Treasurer.

### 1.5 Investments

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 expected future claims on the Fund.

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.

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

Balanced	57%
Cash Common Fund	43%

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

### 1.6 Comparative figures

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

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

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

### 1.7 Rounding

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

### 2. Other income

	07/08	06/07
	\$'000	\$'000
Management fee recovery	7	6
Sundry recovery	1	-
<b><i>Total other income</i></b>	<b>8</b>	<b>6</b>

### 3. Claims

Payments to settle valid unsatisfied claims against 5 (2007 - 4) second hand vehicle dealers.

### 4. Administration

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

### 5. Cash and cash equivalents

	07/08	06/07
	\$'000	\$'000
Section 21 Deposit Account with the Treasurer	1,509	1,261
<b><i>Total cash and cash equivalents</i></b>	<b>1,509</b>	<b>1,261</b>

### 6. Receivables

	07/08	06/07
	\$'000	\$'000
Accrued interest	13	22
<b><i>Total receivables</i></b>	<b>13</b>	<b>22</b>

### 7. Payables

	07/08	06/07
	\$'000	\$'000
Accruals	4	4
<b><i>Total payables</i></b>	<b>4</b>	<b>4</b>



## 8. Cash flow reconciliation

	07/08	06/07
	\$'000	\$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	1,509	1,261
Balance Sheet	1,509	1,261
<b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	423	539
Add non cash items		
Decrement on revaluation of investments	50	-
Change in assets and liabilities		
Decrease/(Increase) in receivables	9	(8)
Net cash provided by operating activities	482	531

## 9. Contingent assets and liabilities

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

## 10. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$4,000 (2007 \$4,000). No other services were provided by the Auditor-General.

## 11. Financial Instruments

### a. Categorisation of financial instruments

#### *Financial Assets*

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

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

### b. Credit Risk

At reporting date funds totalling \$2.5 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

#### c. Liquidity Risk

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

#### d. Market Risk

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

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

Cash is also subject to interest rate risk.

#### *Sensitivity Analysis*

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

		Interest -1%	Rate Risk +1%	Price -1%	Risk +1%
	Carrying Amount (\$'000)	Net Result (\$'000)	Net Result (\$'000)	Equity (\$'000)	Equity (\$'000)
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,509	(15)	15	-	-
Investments	2,507	-	-	(25)	25
<b>Total increase/(decrease)</b>		<b>(15)</b>	<b>15</b>	<b>(25)</b>	<b>25</b>
<b>2007</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,261	(13)	13	-	-
Investments	2,529	-	-	(25)	25
<b>Total increase/(decrease)</b>		<b>(13)</b>	<b>13</b>	<b>(25)</b>	<b>25</b>

## 12. Transactions with SA Government

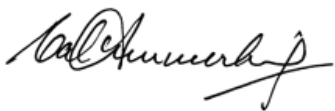
As required by APS 4.1 of Accounting Policy Framework II General Purpose Financial Reporting Framework, the following table discloses income, expenses and financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their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

	SA Government	
	07/08	06/07
	\$'000	\$'000
<b>Income</b>		
Interest revenue	309	267
<b><i>Total income</i></b>	<b>309</b>	<b>267</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,509	1,261
Investments	2,507	2,529
<b><i>Total financial assets</i></b>	<b>4,016</b>	<b>3,790</b>

## STATEMENT BY EXECUTIVE

We certify that:

- the financial statements for the Second Hand Vehicles Compensation Fund presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2008, the results of its operation and its cash flows for the year then ended;
- the financial statements are in accordance with the accounts and records of the Second Hand Vehicles Compensation Fund and give an accurate indication of the financial transactions of the Fund for the year ended 30 June 2008;
- internal controls over the financial reporting have been effective throughout the reporting period.



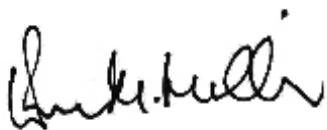
Mal Hemmerling  
Commissioner for Consumer Affairs

September 2008



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

September 2008



Euan Miller  
Deputy Commissioner Operations  
Office of Consumer and Business Affairs

September 2008



## Appendix 16

### Agents Indemnity Fund

#### Agents Indemnity Fund Income Statement for the year ended 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Income</b>			
Interest revenue	2	15,628	11,409
Other income	3	119	98
<b>Total income</b>		<b>15,747</b>	<b>11,507</b>
<b>Expenses</b>			
Claims	4	75	250
Administration		196	291
Professional costs		225	221
Other expenses	5	610	151
<b>Total expenses</b>		<b>1,106</b>	<b>913</b>
<b>Net result</b>		<b>14,641</b>	<b>10,594</b>

The net result is attributable to the SA Government as owner

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

**Agents Indemnity Fund**  
**Balance Sheet as at 30 June 2008**

	Note No.	07/08 \$'000	06/07 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6	21,692	10,847
Investments		14,311	10,734
Receivables	7	2,043	1,794
<b>Total current assets</b>		<b>38,046</b>	<b>23,375</b>
<b>Non-current assets</b>			
Investments		23,172	27,329
<b>Total non-current assets</b>		<b>23,172</b>	<b>27,329</b>
<b>Total assets</b>		<b>61,218</b>	<b>50,704</b>
<b>Current liabilities</b>			
Payables	8	71	42
<b>Total current liabilities</b>		<b>71</b>	<b>42</b>
<b>Total liabilities</b>		<b>71</b>	<b>42</b>
<b>Net assets</b>		<b>61,147</b>	<b>50,662</b>
<b>Equity</b>			
Asset revaluation reserve		937	5,093
Retained earnings		60,210	45,569
<b>Total equity</b>		<b>61,147</b>	<b>50,662</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Contingent assets and liabilities	10		

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

**Agents Indemnity Fund**  
**Statement of Changes in Equity For the Year Ended 30 June 2008**

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2006	4,358	34,975	39,333
Gain on revaluation of investments during 2006-07	735	-	735
<b>Net income/expense recognised directly in equity for 2006-07</b>	735	-	735
Net result for 2006-07	-	10,594	10,594
<b>Total recognised income and expense for 2006-07</b>	735	10,594	11,329
Balance at 30 June 2007	5,093	45,569	50,662
Loss on revaluation of investments during 2007-08	( 4,156 )	-	( 4,156 )
<b>Net income/expense recognised directly in equity for 2007-08</b>	( 4,156 )	-	( 4,156 )
Net result after restructure for 2007-08	-	14,641	14,641
<b>Total recognised income and expense for 2007-08</b>	( 4,156 )	14,641	10,485
Balance at 30 June 2008	937	60,210	61,147

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

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

Agents Indemnity Fund  
Cash Flow Statement For the Year Ended 30 June 2008

	Note No.	07/08 Inflows (Outflows) \$'000	06/07 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		15,379	10,869
Other receipts		119	98
<b>Cash generated from operations</b>		<b>15,498</b>	<b>10,967</b>
<b>Cash outflows</b>			
Claims		( 75 )	( 250 )
Administration		( 196 )	( 291 )
Professional Costs		( 225 )	( 221 )
Other payments		( 581 )	( 123 )
<b>Cash used in operations</b>		<b>( 1,077 )</b>	<b>( 885 )</b>
<b>Net cash provided by operating activities</b>	<b>9</b>	<b>14,421</b>	<b>10,082</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 3,576 )	( 3,088 )
<b>Cash used in investing activities</b>		<b>( 3,576 )</b>	<b>( 3,088 )</b>
<b>Net cash used in investing activities</b>		<b>( 3,576 )</b>	<b>( 3,088 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,845</b>	<b>6,994</b>
Cash and cash equivalents at the beginning of the financial year		10,847	3,853
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>21,692</b>	<b>10,847</b>

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

## Appendix 17

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### Notes to and forming part of the financial statements

---

#### Note 1. Summary of Significant Accounting Policies

---

##### 1.1 Objectives of the Agents Indemnity Fund

The Agents Indemnity Fund (Fund) is regulated by the *Land Agents Act 1994* and *Conveyancers Act 1994* and is administered by the Commissioner for Consumer Affairs. It exists to provide compensation for persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and 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.

##### 1.2 Basis of Accounting

The financial statements are required by Section 41 (1) of the *Land Agents Act 1994* and Section 43 (1) of the *Conveyancers Act 1994*, and are a general purpose financial report.

The statements have been prepared in accordance with applicable Australian Accounting Standards and Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance.

##### *Statement of Compliance*

Australian accounting standards include Australian equivalents to International Financial Reporting Standards and AAS29 Financial Reporting by Government Departments. 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 2008. An assessment concluded that the new and amended standards and interpretations will have no impact on the accounting policies or the financial report.

The Fund's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Fund's Balance Sheet when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard.

Income and expenses are recognised in the Fund's Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The financial report has been prepared based on a twelve month operating cycle and is presented in Australian currency.

### 1.3 Taxation

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

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

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

### 1.4 Cash and Cash Equivalents

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represent funds held in a Deposit Account with the Treasurer.

### 1.5 Investments

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 expected claims on the Fund.

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.

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

Balanced	62%
Cash Common Fund	38%

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

### 1.6 Comparative figures

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

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

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

### 1.7 Rounding

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



## 2. Interest revenue

	07/08	06/07
	\$'000	\$'000
Interest from Agents' & Conveyancers' Trust accounts	11,247	7,874
Interest on Investments held with Public Trustee	3,290	3,095
Interest on deposits with the Dept of Treasury and Finance	1,091	440
<b>Total Interest</b>	<b>15,628</b>	<b>11,409</b>

## 3. Other income

	07/08	06/07
	\$'000	\$'000
Management fee recovery	105	91
Sundry recovery	14	7
<b>Total other income</b>	<b>119</b>	<b>98</b>

## 4. Claims

Payments totalling \$75,000 (2007 \$250,000) were made for claims against defaulting conveyancers, mortgage financiers or land agents.

## 5. Other expenses

	07/08	06/07
	\$'000	\$'000
Grants for consumer & agent education	608	145
Audit fees	2	6
<b>Total other expenses</b>	<b>610</b>	<b>151</b>

## 6. Cash and cash equivalents

	07/08	06/07
	\$'000	\$'000
Section 21 Deposit Account with the Treasurer	21,692	10,847
<b>Total cash and cash equivalents</b>	<b>21,692</b>	<b>10,847</b>

## 7. Receivables

	07/08	06/07
	\$'000	\$'000
Accrued interest	2,043	1,794
<b>Total receivables</b>	<b>2,043</b>	<b>1,794</b>

## 8. Payables

	07/08	06/07
	\$'000	\$'000
Creditors	67	36
Accruals	4	6
<b>Total payables</b>	<b>71</b>	<b>42</b>

## 9. Cash flow reconciliation

	07/08	06/07
	\$'000	\$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	21,692	10,847
Balance Sheet	21,692	10,847
<b>Reconciliation of net result to net cash provided by operating activities</b>		
Net result	14,641	10,594
Change in assets and liabilities		
Increase in receivables	(249)	(540)
Increase in payables	29	28
<b>Net cash provided by operating activities</b>	<b>14,421</b>	<b>10,082</b>

## 10. Contingent assets and liabilities

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

## 11. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$4,000 (2007 \$6,000). No other services were provided by the Auditor-General.

## 12. Financial Instruments

### a. Categorisation of financial instruments

#### Financial Assets

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

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



#### b. Credit Risk

At reporting date funds totalling \$37.5 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

#### c. Liquidity Risk

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

#### d. Market Risk

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

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

Cash is also subject to interest rate risk.

#### Sensitivity Analysis

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

		Interest -1% Carrying Amount (\$'000)	Rate Risk +1% Net Result (\$'000)	Price -1% Equity (\$'000)	Risk +1% Equity (\$'000)
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	21,692	(216.9)	216.9	-	-
Investments	37,483	-	-	(374.8)	374.8
<b>Total increase/(decrease)</b>		(216.9)	216.9	(374.8)	374.8
<b>2007</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	10,847	(108.5)	108.5	-	-
Investments	38,063	-	-	(380.6)	380.6
<b>Total increase/(decrease)</b>		(108.5)	108.5	(380.6)	380.6

### 13. Transactions with SA Government

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

	SA	Government
	07/08	06/07
	\$'000	\$'000
<b>Income</b>		
Interest revenue	4,381	3,535
Management fee recovery	105	91
<b>Total income</b>	<b>4,381</b>	<b>3,535</b>
<b>Financial assets</b>		
Cash and cash equivalents	21,692	10,847
Receivables	183	298
Investments	37,483	38,063
<b>Total financial assets</b>	<b>61,218</b>	<b>50,704</b>

## STATEMENT BY EXECUTIVE

We certify that:

- the financial statements for the Agent's Indemnity Fund presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and *Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2008, the results of its operation and its cash flows for the year then ended;
- the financial statements are in accordance with the accounts and records of the Agents Indemnity Fund and give an accurate indication of the financial transactions of the Fund for the year ended 30 June 2008;
- internal controls over the financial reporting have been effective throughout the reporting period.



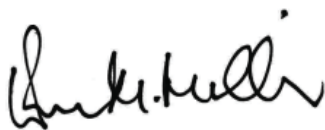
Mal Hemmerling  
Commissioner for Consumer Affairs

September 2008



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

September 2008



Euan Miller  
Deputy Commissioner Operations  
Office of Consumer and Business Affairs

September 2008

## Appendix 18

### Retail Shop Leases Fund

#### Retail Shop Leases Fund Income Statement for the year ended 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Income</b>			
Interest revenue		286	231
Other income		8	7
<b>Total income</b>		<b>294</b>	<b>238</b>
<b>Expenses</b>			
Administration	2	74	72
Decrement on revaluation of investments		30	-
<b>Total expenses</b>		<b>104</b>	<b>72</b>
<b>Net result</b>		<b>190</b>	<b>166</b>

The net result is attributable to the SA Government as owner

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

Retail Shop Leases Fund  
Balance Sheet As at 30 June 2008

	Note No.	07/08 \$'000	06/07 \$'000
<b>Current assets</b>			
Cash and cash equivalents	3	1,267	792
Investments		1,608	1,377
Receivables	4	10	13
<b>Total current assets</b>		<b>2,885</b>	<b>2,182</b>
<b>Non-current assets</b>			
Investments		1,262	1,416
<b>Total non-current assets</b>		<b>1,262</b>	<b>1,416</b>
<b>Total assets</b>		<b>4,147</b>	<b>3,598</b>
<b>Current liabilities</b>			
Security bonds lodged	5	413	373
Other	6	150	76
<b>Total current liabilities</b>		<b>563</b>	<b>449</b>
<b>Non-current liabilities</b>			
Security bonds lodged	5	2,987	2,618
<b>Total non-current liabilities</b>		<b>2,987</b>	<b>2,618</b>
<b>Total liabilities</b>		<b>3,550</b>	<b>3,067</b>
<b>Net assets</b>		<b>597</b>	<b>531</b>
<b>Equity</b>			
Asset revaluation reserve		-	124
Retained earnings		597	407
<b>Total equity</b>		<b>597</b>	<b>531</b>

The total equity is attributable to the SA Government as owner

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

**Retail Shop Leases Fund**  
**Statement of Changes in Equity For the Year Ended 30 June 2008**

	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2006	99	241	340
Gain on revaluation of investments during 2006-07	25	-	25
<b>Net income/expense recognised directly in equity for 2006-07</b>	25	-	25
Net result for 2006-07	-	166	166
<b>Total recognised income and expense for 2006-07</b>	25	166	191
Balance at 30 June 2007	124	407	531
Loss on revaluation of investments during 2007-08	( 124 )	-	( 124 )
<b>Net income/expense recognised directly in equity for 2007-08</b>	( 124 )	-	( 124 )
Net result after restructure for 2007-08	-	190	190
<b>Total recognised income and expense for 2007-08</b>	( 124 )	190	66
Balance at 30 June 2008	-	597	597

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

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

Retail Shop Leases Fund  
Cash Flow Statement For the Year Ended 30 June 2008

	Note No.	07/08 Inflows (Outflows) \$'000	06/07 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		289	226
Bond lodgements		822	659
Other receipts		8	7
<b>Cash generated from operations</b>		<b>1,119</b>	<b>892</b>
<b>Cash outflows</b>			
Administration		-	( 76 )
Bond refunds		( 413 )	( 373 )
<b>Cash used in operations</b>		<b>( 413 )</b>	<b>( 449 )</b>
<b>Net cash provided by operating activities</b>	<b>7</b>	<b>706</b>	<b>443</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for investments		( 231 )	( 195 )
<b>Cash used in investing activities</b>		<b>( 231 )</b>	<b>( 195 )</b>
<b>Net cash used in investing activities</b>		<b>( 231 )</b>	<b>( 195 )</b>
<b>Net increase in cash and cash equivalents</b>		<b>475</b>	<b>248</b>
Cash and cash equivalents at the beginning of the financial year		792	544
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3</b>	<b>1,267</b>	<b>792</b>

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

## Appendix 19

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### Notes to and forming part of the financial statements

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#### Note 1. Summary of Significant Accounting Policies

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##### 1.1 Objectives of the Retail Shop Leases Fund

The Retail Shop Leases Fund (Fund) is kept and administered by the Commissioner for Consumer Affairs. The Fund consists of amounts received by the Commissioner by way of security bonds, and other amounts paid into the Fund under the *Retail and Commercial Leases Act 1995* (Act). Income derived from investment of the Fund may be applied towards the costs of administration of the Act, enforcing the Act and education of lessors and lessees about their statutory and contractual rights and obligations.

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

##### 1.2 Basis of Accounting

The financial statements are required by Section 72 (1) of the *Retail and Commercial Leases Act 1995* and are a general purpose financial report.

The statements have been prepared in accordance with applicable Australian Accounting Standards and Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance.

##### *Statement of Compliance*

Australian accounting standards include Australian equivalents to International Financial Reporting Standards and AAS29 Financial Reporting by Government Departments. 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 2008. An assessment concluded that the new and amended standards and interpretations will have no impact on the accounting policies or the financial report.

The Fund's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Fund's Balance Sheet when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard

Income and expenses are recognised in the Fund's Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The financial report has been prepared based on a twelve month operating cycle and is presented in Australian currency.



### 1.3 Staffing Costs

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.

### 1.4 Taxation

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

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

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

### 1.5 Cash and Cash Equivalents

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represent funds held in a Deposit Account with the Treasurer.

### 1.6 Investments

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 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.

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

Capital Stable	28%
Balanced	16%
Cash Common Fund	56%

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

### 1.7 Comparative figures

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard have required a change.

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

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

### 1.8 Rounding

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

## 2. Administration expenses

	07/08	06/07
	\$'000	\$'000
Staffing costs	66	64
Other	8	8
Total administration expenses (1)	74	72

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

## 3. Cash and cash equivalents

	07/08	06/07
	\$'000	\$'000
Section 21 Deposit Account with the Treasurer	1,267	792
Total cash and cash equivalents	1,267	792

## 4. Receivables

	07/08	06/07
	\$'000	\$'000
Accrued interest	10	13
Total receivables	10	13

## 5. Security bonds lodged

	07/08	06/07
	\$'000	\$'000
<b>Current</b>		
Bonds lodged	413	373
<b>Total current security bonds lodged</b>	413	373
<b>Non Current</b>		
Bonds lodged	2,987	2,618
<b>Total non-current security bonds lodged</b>	2,987	2,618

## 6. Other current liabilities

	07/08	06/07
	\$'000	\$'000
Creditor – Attorney-General's Department	145	72
Accruals	5	4
Total other current liabilities	150	76

## 7. Cash flow reconciliation

	07/08	06/07
	\$'000	\$'000
<b>Reconciliation of cash - cash at year end as per:</b>		
Cash Flow Statement	1,267	792
Balance Sheet	1,267	792
<b>Reconciliation of net result to net cash provided by operating activities:</b>		
Net result	190	166
Add non cash items		
Decrement on revaluation of investments	30	-
Change in assets and liabilities		
Decrease/(Increase) in receivables	3	(5)
Increase/(Decrease) in other current liabilities	74	(4)
Increase in Security Bonds	409	286
Net cash provided by operating activities	706	443

## 8. Contingent liabilities and contingent assets

The Fund has no contingent liabilities or assets.

## 9. Remuneration of auditors

The amount payable to the Auditor-General for audit services during the reporting period was \$4,500 (2007 \$4,000). No other services were provided by the Auditor-General.

## 10. Financial Instruments

### a. Categorisation of financial instruments

#### Financial Assets

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

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

## Financial Liabilities

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

### **b. Credit Risk**

At reporting date funds totalling \$2.9 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

### **c. Liquidity Risk**

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

### **d. Market Risk**

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

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

Cash is also subject to interest rate risk.

### *Sensitivity Analysis*

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



	Carrying Amount (\$'000)	Interest -1% Net Result (\$'000)	Rate Risk +1% Net Result (\$'000)	Price -1% Equity (\$'000)	Risk +1% Equity (\$'000)
<b>2008</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,267	(13)	13	-	-
Investments	2,870	-	-	(29)	29
<b>Total increase/(decrease)</b>		(13)	13	(29)	29
<b>2007</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	792	(8)	8	-	-
Investments	2,793	-	-	(28)	28
<b>Total increase/(decrease)</b>		(8)	8	(28)	28

## 11. 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	
	07/08	06/07
	\$'000	\$'000
<b>Income</b>		
Interest revenue	286	231
<b>Total income</b>	<b>286</b>	<b>231</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,267	792
Investments	2,870	2,793
<b>Total financial assets</b>	<b>4,137</b>	<b>3,585</b>

## STATEMENT BY EXECUTIVE

We certify that:

- the financial statements for the Retail Shop Leases Fund presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2008, the results of its operation and its cash flows for the year then ended;
- the financial statements are in accordance with the accounts and records of the Retail Shop Leases Fund and give an accurate indication of the financial transactions of the Fund for the year ended 30 June 2008;
- internal controls over the financial reporting have been effective throughout the reporting period.



Mal Hemmerling  
Commissioner for Consumer Affairs

September 2008



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

September 2008



Brian Scholz  
Manager, Tenancies Branch  
Office of Consumer and Business Affairs

September 2008