



Government of South Australia

Office of Consumer and
Business Affairs

Commissioner for Consumer Affairs

Annual Report 2010-11

28 October 2011
Office of Consumer and Business Affairs
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28 October 2011

Hon. Minister for Business Services and Consumers

Hon. Attorney General

I am pleased to submit my report for the period ending 30 June 2011.

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

Australian Consumer Law (SA) Act 2010; Building and Construction Industry (Security of Payment) Act 2009; Building Work Contractors Act 1995; Consumer Transactions Act 1972, Conveyancers Act 1994; Fair Trading Act 1987; Hairdressers Act 1988; Land Agents Act 1994; Land and Business (Sale and Conveyancing) Act 1994; Land Valuers Act 1994; Manufacturers Warranties Act 1974; Plumbers, Gas Fitters and Electricians Act 1995; The Prices Act 1948; Recreational Services (Limitation of Liability) Act 2002; Residential Parks Act 2007; Residential Tenancies Act 1995; Retail and Commercial Leases Act 1995; Second-hand Vehicle Dealers Act 1995; Trade Standards Act 1979; Travel Agents Act 1986.

Acts Committed to the Attorney-General

Associations Incorporation Act 1985; Births, Deaths and Marriages Registration Act 1996; Misrepresentation Act 1972; Business Names Act 1996; Co-operatives Act 1997; Companies (Administration) Act 1982; Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953; Under Section 49 (7) of the Evidence Act 1929; Cremation Act 1988; Security and Investigation Agents Act 1995; Sexual Reassignment Act 1988.

Other Acts

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

Coroner's Act 2003; Criminal Investigation (Covert Operations) Act 2009; Family Relationships Act 1975; Marriage Act 1961 (Cth); Partnership Act 1891; Trustee Companies Act 1988; Adoption Act 1988; Witness Protection Act 1996; Maralinga Tjarutja Land Rights Act 1984; Pitjantjatjara Land Rights Act 1981.



Paul White

Commissioner for Consumer Affairs
Commissioner for Prices
Commissioner for Corporate Affairs

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Highlights

This was a period of implementation and consolidation for Office for Consumer and Business Affairs (OCBA), the highlight being the amendments to South Australia's *Fair Trading Act 1987* (FTA) resulting in the successful implementation of the Australian Consumer Law (ACL) which commenced on 1 January 2011. These reforms have improved protections for consumers that will result in the community experiencing a noticeable improvement in access to and consistency of services, rights and protections.

A great deal of progress has been made on a number of other national projects with the first phase of the Consumer Credit reforms implemented and the passing of foundation legislation for a National Occupational Licensing system. Importantly, the reforms also present opportunities for improved consumer protection and red tape reduction, through increased consistency and the elimination of overlapping and duplicated legislation.

OCBA continued to improve services and cut red tape on a local level introducing a number of new projects which have contributed to savings across a range of areas. Projects include the streamlining of occupational business licensing processes; implementation of the ApplyOnLine business names registration system and the commencement of work on an on-line facility for lodgement, refund and enquiries of tenancy bonds.

In 2010 OCBA commenced a review of the real estate reforms introduced in 2007 which culminated in a report being tabled in Parliament in September 2010. The Residential Tenancies Tribunal application fee commenced on 1 July 2010 with the revenue collected from the fee being used in education initiatives, more advocacy support and the provision of financial counselling services.

Changes to the *Second-hand Vehicle Dealers Act 1995* commenced in November 2010 along with an extensive and highly successful education campaign. Another successful introduction was 'ShopSmart' allowing consumers quick and easy access to their rights by way of smart phone technology. Since its launch in March 2011, OCBA has had over 4,000 hits from consumers.

Consumer protection remained a high priority during this period. OCBA continued to keep a close watch on product safety undertaking a number of targeted compliance safety monitoring campaigns including children's products and toys and major events such as the Royal Adelaide Show. Product Safety Inspectors tested thousands of items over the year, with 38 unsafe or non-complaint products removed from the shelves and one product being declared a dangerous good.

Of particular interest were projectile toys and stationery sets containing undeclared knives with these goods becoming subject to regulation under the ACL. During this period a short video to promote the safe use of prams and strollers by demonstrating the importance of always using the mandatory safety features, namely the tether strap, brakes and harness was produced by the Product Safety and Education sections.

Nationally, OCBA participated in the National Product Safety Surveillance Program, co-ordinated by the Australian Competition and Consumer Commission. A total of 294 product lines were inspected with seven products being found to not comply with the mandatory safety standards and withdrawn from sale.

Both the number of enquiries and complaints lodged with OCBA decreased during the period. Building and renovation complaints continued to be high on the list with a significant number of building complaints relating to the sale and installation of insulation products.

After the Commonwealth closed the rebate scheme insulation complaints dropped significantly, however a new complaint area emerged, relating to the supply and installation of small-scale solar photovoltaic (PV) systems.

During this year, OCBA introduced an enhancement to the Births, Deaths and Marriages online certificate application which allows consumers to collect their certificates from OCBA head office, saving consumers Registered Mail postage costs.

OCBA also participated in the National Identity Security Strategy to prevent identity fraud as an 'issuer' agency in the Documentation Verification Service which allows other agencies to determine whether an identification document supposedly issued by OCBA is valid.

In previous years, Communication and Information products have been a high area of complaint, particularly mobile phone products. Ongoing efforts by State and National consumer protection agencies to encourage Telcos and phone manufacturers to develop a better understanding of consumer warranty rights has seen a reduction in Communication complaints lodged with OCBA.

The OCBA website received more than 27 million hits an increase from 24 million hits received during 2009-10. The ApplyOnline Business Name service received more than 9,800 applications in 2010-11, an increase of 2,800 applications received during 2009-10.

OCBA has continued its efforts to empower vulnerable or disadvantaged consumers. Information sessions have been delivered to community groups including seniors groups, refugee communities, carer's networks and also through TAFE's Women's Education Program.

During this period, OCBA took prosecution or disciplinary action against 33 individuals and companies who breached fair trading and occupational licensing laws. Assurances were received from 29 companies and individuals, with 177 expiation notices and 3306 written warnings issued.

Thanks to the committed staff at OCBA, 2010-11 saw the continued maintenance of a high level of consumer protection and business integrity in South Australia.

Role and Statutory Functions

OCBA Vision

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

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

Mission

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

Goals

Our goals are to:

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

Statutory Functions

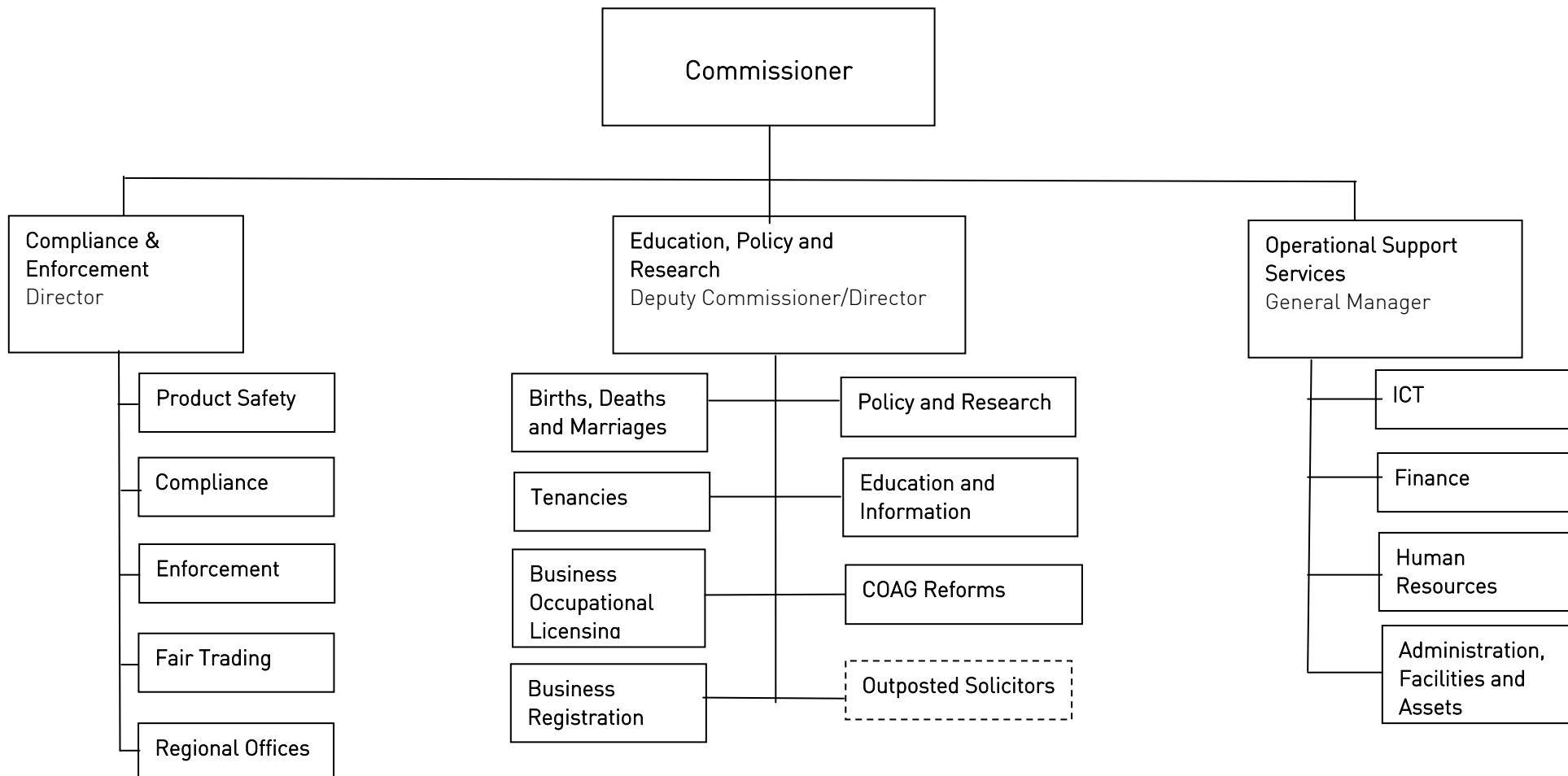
Statutory functions of the Commissioner for Consumer Affairs include:

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

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

OCBA Organisation Chart

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



South Australia's Strategic Plan & OCBA

In early 2007, following community consultation, the government released the second and current edition of South Australia's Strategic Plan (SASP). The Justice Portfolio, under which OCBA falls, was given lead responsibility for achieving eight of the 98 SASP targets.

The Justice Portfolio has five strategic goals and 23 priorities that are linked to SASP and supported by each individual agency's planning processes. It provides clear direction for decision-making while ensuring strong alignment with government and Portfolio policies and priorities.

OCBA's main goals under SASP relate to Goal 5 under the Justice Portfolio 'Strategic Directions' Plan 2008-14:

Goal 5: To excel in service delivery, innovation and government efficiency

T1.7 Performance in the public sector - customer and client satisfaction with government services: increase in the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter.

T1.8 Performance in the public sector - government decision-making: become, by 2010, the best-performing jurisdiction in Australia in timeliness and transparency of decisions which impact the business community (and maintain that rating).

T1.9 Performance in the public sector - administrative efficiency: increase the ratio of operational to administrative expenditure in state government by 2010, and maintain or better that ratio thereafter.

OCBA Activity in 2010-11

Community Wellbeing - Ensuring public safety

Protection from dangerous products

OCBA continues to enforce compliance with relevant product safety legislation to ensure the safety of consumers. Traders who supply products which either present an unnecessary risk to consumers or do not comply with mandatory safety standards or bans risk penalties under the ACL. OCBA maintains consumer confidence by seeking the immediate removal of unsafe goods from the market place and pursuing appropriate action against the supplier. Unsafe goods can also be kept from the market place by the introduction of an interim ban or compulsory product recall and the public can be advised of a product safety investigation through a Safety Warning Notice.

OCBA Product Safety Officers inspect thousands of items each year as a result of market surveillance programs and consumer complaints, with 38 products removed from sale in 2010-11 (refer to Appendix 3 for a list of these products).

Consumer education

The Product Safety and Education sections collaborated to produce a short video to promote the safe use of prams and strollers by demonstrating the importance of always using the mandatory safety features, namely the tether strap, brakes and harness.

Banned products (declared dangerous goods)

A ban was declared for one product:

- Sweetmans 'Wicked Fizz' Sour Head licker which posed a serious choking risk if the roller ball dislodged into the throat whilst the confectionery was being consumed.

The supplier initiated a national voluntary recall of the product the day after the ban was declared.

Harmonisation of safety standards and bans

The introduction of the ACL on 1 January 2011 saw the implementation of a single national consumer law, which included provisions for product safety regulation. OCBA Product Safety officers contributed to the harmonisation process through membership of the Product Safety Consultative Committee.

Targeted monitoring exercises

In addition to the ongoing product safety surveillance of recalled and potentially unsafe products, OCBA Product Safety officers conducted a number of targeted compliance safety monitoring campaigns. Products were inspected at the Riverland and Lucindale Field Days, the Royal Adelaide Show and pre-Christmas sales. Projectile toys and stationery sets containing undeclared knives were monitored for the first time as these goods became subject to regulation under the ACL. Children's and baby products were given a high priority

in the OCBA market surveillance program, to ensure the ongoing protection of the most vulnerable consumers.

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

- Market surveillance conducted during the Riverland and Lucindale Field Days resulted in 4 unsafe product lines being withdrawn from sale, including trolley jacks. Hydraulic trolley jacks have been associated with deaths in South Australia.
- Prior to the 2010 Royal Adelaide Show, 209 show bags were inspected, with five items removed or modified for consumer safety before the Show commenced.
- The pre-Christmas product safety program focused on testing of toys for children under three years of age and five toys failed safety standards and were withdrawn from sale. The toys were subsequently subject to a national recall, affecting over 17 000 items.

National Surveillance Program

OCBA participated in the National Product Safety Surveillance Program, co-ordinated by the Australian Competition and Consumer Commission (ACCC), by surveying and reporting on bean bags, bicycles and toys for young children and babies. A total of 294 product lines were inspected with seven products being found to not comply with the mandatory safety standards and withdrawn from sale.

Community Wellbeing - Promoting diversity and social inclusion

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

Service delivery for culturally and linguistically diverse clients

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

- Translating and interpreting services are offered to clients from non-English speaking backgrounds, with a selection of translated information available both online and in hard copy.
- Information about consumer rights is available in audio format for Pitjantjatjara and Yankunytjatjara Aboriginal people.
- OCBA promotes consumer awareness through regular interview segments on a range of community and multicultural radio stations. This is also a chance to promote new departmental initiatives reaching a broad audience of listeners.
- Regular information and basic consumer rights seminars are held for various groups, including migrant groups and welfare organisations.
- Illustrations on the 2009-10 Birth Registration Statement, required to be completed by all new parents, reflect the diversity of the South Australian community by portraying babies from diverse cultural backgrounds.
- OCBA offers the assistance of interpreters to enable registry weddings to be solemnised in a range of languages. Cultural marriage traditions are also accommodated within the limitation of Australian marriage law.

Indigenous people can be susceptible as consumers due to literacy and cultural differences and as such in 2010-11 OCBA continued to provide additional and targeted education sessions, including:

- A workshop on basic consumer rights for community workers on the APY Lands held during the Gateways Camp in Alice Springs in August 2010.
- A series of consumer rights information sessions provided to people from the APY Lands living in Adelaide for family or health reasons.
- Thirteen sessions at the Ngura Wiru Winkiku (pronounced *noo Ruh wi-ruh WIN ki-kuu*) cultural centre in Port Adelaide.

Topics covered include refunds, planning purchases and buying a second hand car.

OCBA has continued to focus on empowering consumers from disadvantaged or low literacy backgrounds. Information sessions have been delivered to various community groups including Port Adelaide TAFE's Women's Education Program, seniors groups at St Agnes and Hawthorn, the Bhutanese refugee community, Coromandel Valley Rotary Club and Meals on Wheels volunteers and support workers.

Community Wellbeing - Enabling the public to make informed decisions

Information sessions and events

Forty information seminars on rights and obligations relating to residential tenancy agreements were presented to tenants, landlords and property managers. A number of seminars were also presented to migrants (including international students), refugees and other vulnerable consumers through tertiary institutions, tenant support organisations and welfare groups. Regular interviews were provided on three community radio stations: 5EBI (ethnic), 5RPH (visually-impaired) and Coast FM (southern suburbs).

Communication via the media

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

OCBA's proactive approach to media liaison helps ensure that consumers know their rights and make informed purchases, and that traders are aware of and abide by their obligations under ACL and other relevant legislation.

This year the implementation of ACL and the changes to the Second Hand Vehicle Dealers legislation were assisted by programmed media activities.

Second-hand vehicles education campaign

Consumers were alerted to their new cooling off rights through an education campaign about changes to second-hand vehicles legislation. Advertisements were placed on popular websites accessed by potential car and motor cycle buyers, and press ads were placed in metropolitan, regional and ethnic newspapers. New information resources were developed and specifically tailored for consumers and dealers. A direct mail-out to dealers ensured that all licensed second-hand vehicle dealers in SA were informed of the cooling off period and other changes to legislation.

Consumer Law Campaign

Australia's consumer agencies worked together to develop materials and deliver education to consumers and traders about the new Australian Consumer Law. National initiatives to educate businesses include: guidance material; website updates; trade journal articles; and direct mail. Local efforts to educate South Australian consumers and businesses include: a press and radio campaign; information sessions across the state; and new information resources. Overall, there was a good response to the campaign with thousands of website hits and requests for publications.

Web-based information

The OCBA website received more than 27 million hits from around 1.25 million consumers and businesses who visited the site to access information, lodge applications and conduct transactions. This is an increase from 24 million hits (from 900,000 consumers and businesses) received during 2009-10.

The increase in visitors can be attributed in part to the introduction of a mobile version of OCBA's website called 'ShopSmart' and the addition of pages outlining the introduction of the Australian Consumer Law.

The 'ShopSmart' site was introduced to allow consumers quick and easy access to their rights by way of smart phone technology. Since this site was launched in March 2011, OCBA has had over 4,000 hits from consumers.

A new section was added to the OCBA website dedicated to the Australian Consumer Law which was introduced on 1 January 2011. The ACL is a single, national law covering consumer protection and fair trading which applies in the same way nationally and in each State and Territory.

In addition, OCBA introduced an enhancement to the Births, Deaths and Marriages online certificate application which allows consumers to collect their certificates from OCBA head office, saving each consumer approximately \$9.00 in Registered Mail postage costs. This equates to a total annual saving of \$268,000 to consumers.

Customers are also able to receive an email or an SMS when their certificate application has been submitted successfully and again when the certificate is ready for collection or has been posted.

The ApplyOnline Business Name service received more than 9,800 applications in 2010-11. This is an increase from nearly 7,000 applications received during 2009-10.

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

Consumer advice and dispute resolution

Both the number of enquiries and complaints lodged with OCBA decreased during the year. More than 82 400 enquiries were received from consumers seeking advice about rights on various consumer issues, compared with 93 200 enquiries received during the previous financial year. Appendix 4 shows the breakdown of the enquiries received, with almost 45% of all enquiries relating to residential building and construction and general consumer goods.

Complaints also decreased by 12 percent from the previous year, with 5,273 complaints received during 2010/11. Appendix 5 shows the complaints recorded for each product or service category, with the top five complaints relating to:

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

Building and renovation complaints continued to be high on the list. Last year there was a significant number of building complaints relating to the sale and installation of insulation products. After the Commonwealth closed the rebate scheme insulation complaints dropped significantly. In the latter half of the year a new complaint area emerged, relating to the supply and installation of small-scale solar photovoltaic (PV) systems. State and Federal governments offered attractive rebates and feed in tariffs for consumers who installed solar (PV) panel systems under a sustainable energy program.

In previous years, Communication and Information products have been a high area of complaint, particularly mobile phone products. Ongoing efforts by State and National consumer protection agencies to encourage Telcos and phone manufacturers to develop a better understanding of consumer warranty rights has seen a reduction by 18% (390 down to 318) in Communication complaints lodged with OCBA.

Complaints in the real estate industry continue to fall following reforms introduced in 2008-09, with complaints dropping by 16%. This can be attributed to industry practitioners developing a better understanding of their obligations under the *Land and Business (Sale and Conveyancing Act 1994)*.

Appendix 6 shows the 5,273 complaints according to the nature of the complaint, with common problems relating to:

- Offers that are actually scams or dubious schemes
- Goods not supplied or excessive delays in delivery
- The quality of products or services
- Warranties not being honoured
- Representations made to customers
- Contracts not being clear or adhered to

Increased focus on electronic lodgements and applications

Births, Death and Marriages (BDM) further developed a range of electronic services aimed at increased efficiency and better customer service.

These included:

- most hospitals, including major maternity units, using electronic lodgement of birth notifications, with further extension dependent on roll-out of IT upgrades in country hospitals;
- promoting the online certificate application facility through the OCBA website, with certificates ordered by online application reaching over 32 500;
- extending the online facility to provide for priority level service where the applicant is able to collect the certificate from Chesser House;
- development work on a new system for online credit card validation for introduction in 2011-12;
- continuing to recruit funeral directors to the existing system of electronic lodgement of death registrations and associated applications for death certificates - the funeral director can now submit a preliminary death registration statement; apply for a death certificate and pay for the certificate; and apply for a cremation permit all in one transaction; then finalise the death registration after the funeral service.

National Identity Security Strategy

South Australian agencies (OCBA, SA Police and the Department for Transport, Energy and Infrastructure) participate under the COAG Inter-Government Agreement to implement the National Identity Security Strategy. One of the main aims of the strategy is prevention of identity fraud by ensuring that individuals cannot use stolen, forged or altered identity documents when accessing government services, obtaining benefits or undertaking financial transactions.

Under a Memorandum of Understanding with the Commonwealth AGD, BDM participates as an 'issuer' agency in the Document Verification Service (DVS), which allows other agencies to determine whether an identification document that has supposedly been issued by BDM is valid. BDM is represented on the DVS Advisory Board and other National Identity Security Strategy working groups.

Tenancies advice

OCBA continued to provide advice to landlords, tenants, property agents and residential park operators and residents. More than 120 000 enquiries were received from people regarding their rights and responsibilities or about rental bond matters. The most common issues of enquiry remained the same this period, including:

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

OCBA also sought to conciliate rental disputes, with approximately 50 percent of matters successfully resolved without the need for a subsequent Residential Tenancies Tribunal hearing. OCBA also provides operational and administrative support for this tribunal.

The Tenancies Branch conducted 40 free education sessions about the rights and duties of tenants, landlords and residential park owners. Many of the sessions were delivered to organisations which cater for or assist vulnerable people, including Flinders University and the University of South Australia (which have many international students), Families SA's Anti-Poverty team and the Bowden-Brompton Refugee Housing Service.

OCBA translated an educational DVD about resolving rental disputes into five languages – Mandarin, Vietnamese, Dinka, Italian and Greek. Translation assistance is most often sought by speakers of these five languages in rental disputes heard by the Tribunal. Copies of the multilingual version of the DVD have been sent to around 45 community and welfare organisations.

Fair trading monitoring

Monitoring programs targeted a range of traders during the year to ensure compliance with fair trading laws. During the year over 850 small to medium size retailers across SA were visited, with problems found at 35 stores. The stores had misrepresented consumers' refund rights by making statements such as 'no refund' or 'exchange only'. Twenty-two formal warnings were issued. Incorrect refund signs were removed and stores re-visited to check compliance. OCBA will continue to undertake such exercises during peak sales periods to ensure consumers receive accurate information about their warranty rights.

National audit of major retailers for bait advertising

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

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

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

Enforcement of consumer and business laws

Officers investigate alleged breaches of legislation that come under the responsibility of the Commissioner for Consumer Affairs.

Regular trader monitoring and the analysis of consumer complaints is used to detect and action potential breaches of legislation.

Investigations can result in compliance or enforcement actions being taken, including issuing written warnings and expiation fines, obtaining assurances (enforceable undertakings), prosecution, disciplinary action and publicly naming those who flout fair trading laws.

Real estate compliance

Consumer and Business Services continued to actively monitor compliance with real estate regulatory controls during this period. OCBA staff attended 170 open inspections and auctions to monitor compliance with the real estate legislation law and examined files at one real estate agents' premises. Compliance officers also monitored advertisements and followed the same property through the marketing and sales process to ensure agents were complying with the new laws. 9 written warnings and 25 expiation fines were issued to agents, primarily for failing to include registration numbers in advertisements, failing to produce registration cards and unregistered business names.

Written Warnings

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

Public warnings

Consumers were alerted to concerning conduct by traders via a number of public warnings this period. Where the breaches are quite serious or the risk to consumers is significant then traders may be publicly named. Two traders were named during the year. The public were warned against dealing with Andrew Pike trading as Newview Kennels who received payment for puppies but failed to supply. The public were also warned about the activities of an unlicensed car dealer trading as Emacord Autos-Classic Cars. Further public warnings were issued in relation to itinerant traders who performed unlicensed building work at exorbitant prices. Generally the work performed by the itinerant traders was of a poor standard.

Expiations

Landlords and real estate agents who failed to lodge rental bonds within the prescribed time accounted for the majority of the 177 expiation notices issued during the year. This represents an 11 percent increase from the 159 expiation notices issued in the previous reporting year.

Assurances

Written Assurances were received from 29 companies and individuals who stated they would refrain from engaging in specified unlawful conduct. The assurances were received from ten builders, two land agents, ten second-hand vehicle dealers, three electricians, and one security agent. In addition three traders gave an assurance that they would not breach the Fair Trading Act 1987. A register of assurances received is publicly available on the OCBA website, and a summary of the assurances received during the 2010-11 year is provided at Appendix 13.

Court action

During the 2010-11 year OCBA took prosecution or disciplinary action against 33 individuals and companies who breached fair trading and occupational licensing laws, including: one gas fitter, one electrician, eighteen builders, seven car dealers and two traders who breached the Fair Trading Act 1987.

An overview of each of the 33 court matters is provided in Appendix 13, including the offenders, breaches and outcomes. Of particular note are the court actions taken against the following:

- A builder, Nicholas Martin was prosecuted and convicted and ordered to pay almost \$20,000 in fines and compensation for undertaking sub-standard building work, whilst unlicensed and trading under an unregistered business name. He was caught by OCBA for the second time in five years following the lodging of a consumer complaint concerning incomplete building work.
- Raymond Bartolo was prosecuted and convicted and ordered to pay fines and costs totalling \$9,000, for posing as a licensed builder and registered plumber and electrician. Although unlicensed, he had been engaged to construct an extension to a home and having received substantial payments upfront, then failed to complete the work he was contracted to undertake.
- A licensed second-hand vehicle dealer, Arunkuma Yasari was prosecuted, convicted and fined \$6,200 plus \$800 costs for masquerading as a private seller and misrepresenting the history of a vehicle for sale. This followed an audit by OCBA of second-hand vehicle advertisements. It was found he had carried on his business at places other than the registered premises and that he had failed to display the required notices in the second-hand vehicles being offered for sale.
- DG Professional Financial Services Pty Ltd and its directors Thanh Kim Duong and Nicholas Ginever were prosecuted, convicted and fined a total of \$23,000 plus costs, after pleading guilty to a total of nine breaches of the Conveyancers Act 1994 in that they conducted conveyancing and passed themselves off as conveyancers despite not being registered to do so. They ran a mortgage broking business at Rosewater, where they also did property conveyancing and advertised this through signage on the business and in advertisements with a local Vietnamese-language newspaper.
- Disciplinary action was taken against a licensed second-hand vehicle dealer, Benjamin Ronald Buttigieg. It was alleged he had acted unlawfully or improperly in his business as a second-hand vehicle dealer, including making false representations and interfering with odometers. He was permanently disqualified from holding or obtaining a licence, permanently prohibited from being employed or otherwise engaged in the business of a dealer, and permanently prohibited from being a director of, or having an interest in, a body corporate that is a dealer.

- Disciplinary action was taken against second-hand vehicle dealers, Grantley David Murdock and David William Lines of Emacord Autos Pty Ltd. The action was based on unfair conduct including selling cars on consignment and not passing on the funds and selling poorly maintained vehicles and failing to repair them under warranty. As a result of disciplinary proceeding commenced by the Commissioner for Consumer Affairs, Mr Murdock was permanently banned from the second-hand vehicle industry. Mr Lines was disqualified from being licensed as a second-hand vehicle dealer and prohibited from being a director of a company that is a dealer until further order.

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

Access for regional customers

Eleven regional Service SA centres provide a range of OCBA services. Customers can lodge applications for a range of key services such as applying for a birth certificate, lodging a rental bond, registering a business name and renewing a builder's licence. These service centres are located in Berri, Port Augusta, Mount Gambier, Naracoorte, Whyalla, Port Lincoln, Port Pirie, Gawler, Kadina and Murray Bridge.

Registration of births, deaths and marriages

BDM maintains registers of all births, deaths, marriages, name changes, adoptions and sexual reassessments that occur in SA. Appendix 9 provides a summary of events registered during 2010-11. Notably, marriages at the Registry continued to increase. Of 8 154 marriages registered in South Australia, 997 (12%) were solemnised at the Registry which is the highest since BDM has been at Chesser House. There were 19 879 births and 12 849 deaths registered.

More than 119 000 certificates were issued in accordance with the access policy, with 27% of certificate applications made online. Commemorative Birth Certificates can also be ordered online; the popular 'Pandas' style continued to be one of the two best-selling designs in the range. Funeral directors are also offered an online service with approximately 40% of deaths registered online.

BDM also provided data for research, epidemiology and national statistics, and continued to participate in national initiatives to minimise identity crime.

Licensing of occupations

CBS's licensing register contains approximately 84,000 licences and registrations for certain occupations with over 7,500 new or upgrading applications for licences and registrations processed during the financial year. Licensed occupations include builders, plumbers, gas fitters, electricians, security and investigation agents, travel agents, second-hand vehicle dealers, conveyancers and land agents. Appendix 7 provides statistical information for each of the licensing areas.

Registration of business names, incorporated associations and cooperatives

OCBA maintains registers for business names, incorporated associations and co-operatives that can be accessed by members of the public. As at 30 June 2011 there were approximately 95 600 registered business names, 19 270 incorporated associations and 60 co-operatives. Statistical information about the three registers is provided at Appendix 8.

Residential and commercial tenancies

In addition to the tenancies advice and conciliation role mentioned earlier in this report, rental bonds are held by the Commissioner as an independent third party. Over \$157 million in bonds were held including residential, retail and residential park bonds. During the year there were around 55 000 residential bonds lodged and 49 000 bonds refunded, approximately 596 retail bonds were lodged and 213 bonds were refunded, and 245 residential park bonds were lodged and 213 refunded. OCBA also provided operational and

administrative support for around 7,000 Residential Tenancies Tribunal hearings. For further statistical information see Appendix 10.

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

Real estate reforms

For most people buying a property is the biggest financial investment they will ever make. It is crucial that the legislation in place to protect consumers in their dealings with land agents is robust and effective, so that both vendors and purchasers are confident that their transactions are handled competently and ethically.

In 2007 legislation was introduced to establish higher standards for land agents as to what constitutes lawful and ethical behaviour when it comes to the sale of real estate. In 2010 OCBA commenced a review of the reforms by writing to industry bodies and inviting the public to make a submission. In response submissions were received from:

- the Real Estate Institute of South Australia (REISA),
- the Society of Auctioneers and Appraisers,
- the Australian Institute of Conveyancers (AIC),
- the Law Society of South Australia (LSSA); and
- the Consumers Association of South Australia (Consumers SA).

Those submissions culminated in a report that was tabled in Parliament in September 2010. The report considered the way properties are advertised and sold, as well as the way consumers engage the services of an agent. In particular the report looked at:

- sales agency agreements that authorise agents to act on behalf of vendors;
- the way offers to buy are recorded and presented to the vendor;
- the way the price of properties are advertised;
- requirements for agents who give financial advice to warn consumers; and
- the prohibition on agents selling to associates without the approval of the Commissioner.

The report also considered the way auctions are conducted, including:

- standard auction conditions;
- the requirement for the standard conditions to be made available and announced;
- the requirement for bidders to register;
- the requirement for a bidder's number to be announced before accepting a bid;
- the prohibition on collusive practices at auctions;
- the offence of disrupting an auction; and
- the offence of dummy bidding.

Residential Tenancies Act Review

The reform of the *Residential Tenancies Act 1995* (the RTA) was progressed with a set of recommendations for the amendment of the RTA by OCBA. Proposed amendments predominantly relate to improved protections for landlords and tenants and rooming house proprietors and residents. It is proposed to also adopt the national model provisions for the regulation of residential tenancy databases.

Second-hand vehicle dealers

Changes to the *Second-hand Vehicle Dealers Act 1995* commenced in November 2010. The key change is the introduction of a two day cooling off period in which the buyer can reconsider before signing the contract. Buyers may be asked to pay a deposit of up to 10 percent of the contract price but should the buyer decide not to proceed with the sale, the dealer can retain a small amount of the deposit to cover their costs (two percent of the contract price or \$100.00, whichever is the lesser). Buyers will be able to waive these cooling off rights by signing a new form.

The definition of a dealer has been expanded so as to crack down on backyard dealers.

A dealer is now defined as anyone who buys or sells at least 4 second-hand vehicles during a period of 12 months. This is rebuttable if a person can demonstrate the vehicles were bought or sold for private purposes. Under the changes to the law, a person and a close associate are presumed to be dealers if, between them, they buy or sell six or more second-hand vehicles during a 12 month period.

CBS conducted an extensive campaign informing dealers and consumers of their new rights and responsibilities. This included media, brochures, radio interviews and two training DVDs (for consumers and dealers) which are available on the CBS website.

Residential Tenancies Tribunal Fee

The Residential Tenancies Tribunal application fee commenced on 1 July 2010. The revenue collected from the fee is being used to benefit both landlords and tenants through education initiatives, more advocacy support and the provision of financial counselling services.

Organisational Capability - Investing in our people

Encouraging staff to take on the challenges of development and growth

The 197 staff members (equivalent to 183.2 full time employees) are informed of important changes via regular correspondence and staff forums. Relevant training is promoted by managers and temporary positions are available within the organisation which provides opportunities for staff development. 105 Performance Management discussions took place prior to 30 June 2011. This regular Performance Development process supports staff in assessing their skills and planning for career growth through identifying training and development areas to be explored.

Providing a safe work environment

OCBA is committed to achieving and maintaining high standards of safety to minimise risks, prevent harm to employees and to provide a harmonious workplace. Staff received training in occupational health and safety issues, including the training of several new members of the OCBA Occupational Health Safety and Welfare Committee. As a division of the Attorney-General's Department, many health and safety issues are reported on and handled by the Department. However, OCBA continues to manage local health and safety matters that arise and to pursue improvements in work practices and procedures. During 2010-11 the Terms of Reference of the OCBA OHSW committee were reviewed, with the aim of establishing a joint committee with the Office of the Liquor & Gambling Commissioner, which will become the Consumer & Business Services OHSW committee. As part of this review, membership and representation on the committee is being redefined. It is expected this new committee will be adopted early in 2011-12.

Consumer & Business Services

OCBA is undertaking a change program involving a merger with the Office of the Liquor and Gambling Commissioner to form Consumer & Business Services. This Change Program is designed to align like functions across the two agencies, create efficiencies for both the organisation and the customers who interact with us on a daily basis and at the same time develop staff through cross-skilling and career progression opportunities.

Change Agents

Aligned to the Consumer & Business Services Change Program, a Change Agents program has been developed across the Attorney General's Department. In OCBA 23 staff have undertaken a formal training and become Change Agents for the Change Program.

These staff are given the tools to support their colleagues through a change process and contribute to the success of the change program. These tools include training in change management, communication and influencing skills and providing feedback.

Momentum Middle Management Program

This program is designed to develop middle managers and in particular will aim to develop capability in leadership competencies and in supporting managers to lead through change.

Three managers in OCBA undertook the initial training program which involved various modules on leadership, project management and engagement with a focus on developing the manager, their team and the organisation.

Performance Development Policy

A vital part of the Make a Difference Change Program is a new approach to performance management and development through the department's new Performance Development Policy. This is the foundation for continually improving our organisational capability, strengthening our performance culture, supporting each other to 'raise the bar', and recognising when we do. The rollout of the new Performance Development Process (PDP) across the department occurred in March 2011.

In accordance with the department's Performance Development Policy, the new PDP has been designed to ensure:

- Staff are recognised for their effort, contributions and achievements;
- Staff and their manager discuss and document their responsibilities regarding their work performance and behaviours;
- Everyone is treated fairly and that consistent processes are followed;
- There are opportunities for staff to continuously improve;
- Under-performance issues are addressed through regular, meaningful feedback and performance discussions;
- Unsatisfactory performance issues are addressed in a way which is fair, consistent and free from discrimination; and
- Staff are engaged in a rewarding workplace.

Organisational Capability - Reducing red tape

In 2010 -11 OCBA delivered major milestones on 5 projects under the Council of Australian Government's (COAG) National Partnership Agreement to Deliver a Seamless National Economy (the NPA).

Australian consumer law

On 1 January 2011, amendments to South Australia's *Fair Trading Act 1987* took effect. These changes applied the ACL in South Australia.

All other jurisdictions in Australia also commenced their application laws on 1 January 2011, delivering on a key milestone under the NPA to commence the ACL in full nationally by that date.

The ACL enhances consumer protection and provides a single regulatory framework for businesses across Australia through a new unfair contract terms law; a new national product safety framework; a new national consumer guarantees law (which replaces implied warranties and conditions for consumer goods and services contracts); and other reforms such as sales practices relating to lay-bys, billing and receipting and telemarketing contracts.

National occupational licensing system

In 2008 COAG agreed to a national occupational licensing system (NOLS) to remove inconsistencies across State borders and allow for a more mobile workforce for occupations forming a large part of the economy.

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

The first wave of occupations (electrical; plumbing and gas fitting; refrigeration and air-conditioning mechanics; and property occupations, excluding conveyancers and valuers) is scheduled to commence under NOLA from July 2012.

The framework and draft legislation for NOLS was largely developed in 2009-10, with the lead jurisdiction (Victoria) passing the model national law in September 2010.

The *Occupational Licensing National Law (South Australia) Bill 2010*, applying the national law in SA was passed by the Legislative Council on 24 November 2010. The Bill was passed by the House of Assembly on 23 February 2011. The provisions of the SA Application Act necessary for the establishment of NOLA came into operation on 23 June 2011. The remaining provisions will be proclaimed prior to commencement of NOLS in 2012.

OCBA has been working closely with industry stakeholders to support a smooth transition for current and prospective SA licensees for occupations coming under NOLS.

Business names registration

Under the National Business Names Registration (NBNR) regime a business will need to register their name only once and pay a single fee to operate anywhere in Australia under that name.

With significant input from States and Territories, the Commonwealth legislative package, comprising the Business Names Registration Bill; Business Names Registration (Transitional and Consequential Provisions) Bill; and Business Names Registration (Fees) Bill was substantively completed in 2010-11.

Subject to consideration of the package by the Australian Parliament and passage of necessary State referral and transitional legislation, the NBNR is scheduled to commence in the first half of 2012.

National consumer credit law

From 1 July 2010 all Consumer Credit matters became the responsibility of the Australian Securities and Investment Commission (ASIC). Consumer protection is enhanced through the requirement for credit providers to be registered with ASIC and comply with new responsible lending requirements. A number of further reforms are being considered under the NPA for a Seamless National Economy in consultation with States and Territories.

National trade measurement reforms

Consistent with the NPA milestone OCBA's Trade Measurement function was successfully transferred to the Commonwealth's National Measurement Institute on 1 July 2010, to become part of a single national system of trade measurement. The national approach reduces the regulatory burden on traders, now operating under a single law, and dealing with one national regulator for all trade measurement matters.

Further Reduction Initiatives

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

- Two separate projects aimed at streamlining occupational business licensing processes including the methodology for assessing financial and business experience criteria, are expected to decrease waiting times for the issuing of licenses. A review into application process for lapsed licenses also looked to decrease the burden on businesses and shorten the timeframes. Collectively these initiatives will result in red tape savings of around \$7.2m pa.
- A number of initiatives continue to be pursued as part of the National Council of Australian Governments Reform strategy. The ACL, including uniform product safety laws, commenced on 1 January 2011. Work is continuing on implementing a national ABN/Business Names registration system and national Occupational Licensing System. Collectively it is anticipated that these initiatives will reduce Red Tape to business by in excess of \$4.5m pa.

- Work was completed on implementation of the ApplyOnLine business names registration system which allows business names to be registered online twenty four hours a day resulting in red tape savings valued at \$1.141m.
- Funding has been approved to commence work on an on-line facility for the lodgement, refund and enquiries of tenancy bonds. This work will be completed mid 2012.

Appendix 1

Terminology

BDM - Births, Deaths and Marriages Registration Office

Consumer...a person who:

- (a) acquires, or proposes to acquire, goods and services; or
- (b) purchases or leases, or proposes to purchase or lease premises, not being a person acting in the course of a business or in the course of setting up a business (except for Part 10 of the *Fair Trading Act 1987*).

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

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

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

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

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

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

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

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

OCBA - Office of Consumer and Business Affairs

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

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

Retail shop means:

- (a) business premises
 - (i) at which goods are sold to the public by retail; or
 - (ii) at which services are provided to the public, or to which the public is invited to negotiate for the supply of services; or
- (b) business premises classified by regulation as premises to which the *Retail and Commercial Lease Act 1995* applies.

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

Appendix 2

Legislation Administered

The Commissioner for Consumer Affairs administers the following Acts:

Australian Consumer Law (SA) 2010
Building and Construction Industry (Security of Payment) Act 2009
Building Work Contractors Act 1995
Consumer Transactions Act 1972
Conveyancers Act 1994
Fair Trading Act 1987
Hairdressers Act 1988
Land Agents Act 1994
Land and Business (Sale and Conveyancing) Act 1994
Land Valuers Act 1994
Plumbers, Gas Fitters and Electricians Act 1995
Prices Act 1948
Recreational Services (Limitation of Liability) Act 2002
Residential Parks Act 2007
Residential Tenancies Act 1995
Retail and Commercial Leases Act 1995
Second-hand Vehicle Dealers Act 1995
Security and Investigation Agents Act 1995
Trade Standards Act 1979
Travel Agents Act 1986

The following legislation also provides important consumer rights:

Manufacturers Warranties Act 1974
Misrepresentation Act 1972

The Commissioner for Consumer Affairs also holds three other offices:

1. The Commissioner for Prices, in which capacity, the Commissioner administers the:
Prices Act 1948

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

Associations Incorporation Act 1985

Business Names Act 1996

Co-operatives Act 1997

3. The Commissioner for Liquor and Gambling, in which capacity the Commissioner administers the following Acts:

Liquor Licensing Act 1997

Gaming Machines Act 1992

Casino Act 1997

Authorised Betting Operations Act 2000

Racing (Proprietary Business Licensing) Act 2000

Lottery and Gaming Act 1936

Collections for Charitable Purposes Act 1939

OCBA also reports in respect to certain functions related to:

Evidence Act 1929

Partnership Act 1891

Trustee Companies Act 1988

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

Births, Deaths and Marriages Registration Act 1996

Commonwealth Marriage Act 1961 (administration in SA)

The Registrar also has statutory responsibilities under the:

Adoption Act 1988

Cremation Act 2000

Sexual Reassignment Act 1988

Witness Protection Act 1996.

Appendix 3

Products Withdrawn or Recalled 2010-11

| Products Withdrawn or Recalled | Outcome/Reason |
|--|--|
| General Market Surveillance July 2010 (4 product lines) | |
| Novelty bag | Recalled - choking hazard |
| 2 strollers | Withdrawn - Failed mandatory safety |
| Portable cot | Withdrawn - Failed mandatory safety |
| General Market Surveillance August 2010 (1 product line) | |
| Rope dog toy | Withdrawn - strangulation hazard |
| Royal Adelaide Show August 2010 (8 product lines) | |
| 'Scooby Doo' plush toy | Withdrawn prior to sale - Failed safety standard |
| 'Toy Story 3 Woody' plush toy | Withdrawn prior to sale - Failed safety standard |
| 'Lovely Dolls' plush toy | Withdrawn prior to sale - Failed safety standard |
| 'Dollykins' toy stroller | Withdrawn prior to sale - entrapment hazard |
| 'Mega Pony' wand | Withdrawn prior to sale - penetration hazard |
| Baby nightwear | Withdrawn - failed safety standard |
| Sunglasses | Withdrawn - failed safety standard |
| Riverland Field Days September 2010 (3 product lines) | |
| Elastic luggage straps | Withdrawn - Failed mandatory safety |
| Vehicle jack | Withdrawn - Failed mandatory safety |
| Sunglasses | Withdrawn - Failed mandatory safety |
| General Market Surveillance September 2010 (2 product lines) | |
| 2 bean bags | Withdrawn - Failed mandatory safety |
| General Market Surveillance October 2010 (1 product line) | |
| 'Wicked Fizz Sour Head Licker' liquid candy | Recalled - banned dangerous good |
| Christmas Market Surveillance November 2010 (5 product lines) | |
| 'Tinkers' wooden car toy | Recalled - Failed mandatory safety standard |
| 'Tinkers' wooden dog pull along toy | Recalled - Failed mandatory safety standard |
| 'Tinkers' wooden snake pull along toy | Recalled - Failed mandatory safety standard |
| 'Shrek' plush toy | Recalled - Failed mandatory safety standard |
| 'Sir Squeakles' plush toy | Recalled - Failed mandatory safety standard |

| | |
|---|--|
| General Market Surveillance November 2010 (3 product lines) | |
| 'Wiggles' toy clock | Recalled - Failed mandatory safety standard |
| 'Fisher Price' high chair | Withdrawn - item previously recalled |
| Expanding novelty toy | Withdrawn - banned good |
| General Market Surveillance December 2010 (4 product lines). | |
| 3 styles 'pop top' water bottles | Withdrawn - Choking hazard |
| Candle holder | Recalled - Failed mandatory safety standard |
| General Market Surveillance January 2011 (4 product lines). | |
| 'Wacky Whistle' novelty whistle | Withdrawn - choking hazard |
| 'Hess' bell rattle | Withdrawn - choking hazard |
| 'Glow' novelty whistle | Recalled - choking hazard |
| 'Fisher Price' high chair | Withdrawn - item previously recalled |
| General Market Surveillance March 2011 (2 product lines). | |
| 'Baby Jogger' pram seat | Recalled - fall hazard |
| 'Smiggle' water bottle | Withdrawn - choking hazard |
| Lucindale Field Days March 2011 (1 product line) | |
| Vehicle jacks | Withdrawn - Failed mandatory safety standard |
| General Market Surveillance June 2011 (1 product line) | |
| 'Bruin' baby walker | Recalled -Failed mandatory safety standard |

Appendix 4

Analysis of Fair Trading Enquiries Received

Analysis of Enquiries Received by Category

1 July 2010 to 30 June 2011

| Main Category | Variation | 10/11 | 09/10 |
|---------------------------------|-------------|---------------|---------------|
| 1 General Goods | -20% | 14442 | 18148 |
| 2 Building & Construction | -11% | 9682 | 10907 |
| 3 Motor Vehicles | -14% | 6944 | 8064 |
| 4 Travel, Hospitality & Tourism | -5% | 1243 | 1314 |
| 5 Communication | -33% | 1692 | 2522 |
| 6 Insurance | -9% | 499 | 547 |
| 7 Credit & Finance | -33% | 581 | 871 |
| 8 Real Estate & Accommodation. | 4% | 1715 | 1655 |
| 9 Marketing Methods | 25% | 791 | 631 |
| 10 General Services | 15% | 13045 | 11350 |
| 11 Referred Matters | -44% | 11677 | 20887 |
| 12 Scams & Schemes | 36% | 3254 | 2386 |
| 13 Product Safety & Standards | -78% | 904 | 4020 |
| 14 Other | 205% | 9704 | 3186 |
| TOTAL for Period | -12% | 76,173 | 86,488 |

Note 1 - The OCBA Advisory Service provides free fair trading advice to consumers and traders.

Enquiries include contacts by telephone and in person.

Appendix 5

Analysis of Complaints¹ Received by Product or Service

1 July 2010 to 30 June 2011

| Category | Variation | 10/11 | | 09/10 | |
|--|-------------|-------------|-------|--------------|-------|
| | | Sub-total | Total | Sub-total | Total |
| 1 General Consumer Products | 2% | 1322 | | 1,301 | |
| Air conditioners | | 15 | | 33 | |
| Literature, Stationery, CDs & DVDs | | 40 | | 48 | |
| Clothes | | 61 | | 86 | |
| Electrical goods - other | | 71 | | 91 | |
| Food products | | 77 | | 86 | |
| Footwear | | 27 | | 22 | |
| Furnishings | | 70 | | 80 | |
| Furniture - lounge suites | | 54 | | 54 | |
| Furniture - other | | 97 | | 77 | |
| Haberdashery, clothing materials & accessories | | 6 | | 10 | |
| Heaters & hot water systems | | 34 | | 68 | |
| Household Appliances | | 26 | | 28 | |
| Jewellery, clocks and watches | | 42 | | 45 | |
| Pets & pet products | | 33 | | 37 | |
| Photographic equipment & supplies | | 15 | | 10 | |
| Health & cleaning products ² | | 248 | | 55 | |
| Sports & camping equipment | | 27 | | 23 | |
| Televisions, VCRs & DVD players | | 73 | | 105 | |
| Whitegoods - other | | 17 | | 24 | |
| Whitegoods - refrigerators | | 28 | | 27 | |
| Whitegoods - washing machines | | 17 | | 23 | |
| Other general goods | | 244 | | 269 | |
| Motor vehicles and Transport | | | | | |
| 2 Products | -14% | 469 | | 547 | |
| Purchase of new motor vehicles | | 38 | | 58 | |
| Purchase of new & used motor cycles | | 15 | | 47 | |
| Purchase of used motor vehicles | | 177 | | 175 | |
| Consignment sales | | 1 | | 2 | |
| Automotive repair & servicing | | 135 | | 154 | |
| Spare parts & accessories | | 54 | | 55 | |
| Other transport vehicles & equipment | | 49 | | 56 | |
| 3 Residential Building Construction³ | -22% | 1055 | | 1360 | |
| Air conditioning, heating installation | | 49 | | 58 | |
| Building & decorating products | | 71 | | 92 | |
| Carpentry, joinery | | 7 | | 7 | |
| Pest control services | | 9 | | 6 | |
| Concrete work, foundations, brickwork, paving | | 61 | | 65 | |
| Electrical (incl solar panel systems) | | 185 | | 40 | |

| | | |
|--|-----|-----|
| Fences, garden walls, gates | 24 | 49 |
| Garages, carports, sheds, water tanks | 77 | 93 |
| Gardening & outdoor products | 10 | 11 |
| Home Construction, extensions, renovations | 283 | 397 |
| Painting, decorating, plastering | 16 | 18 |
| Plumbing - water, gas, drainage | 44 | 52 |
| Roofing, insulation, roof treatments | 79 | 326 |
| Swimming pools, spas, hot tubs | 43 | 29 |
| Tiling | 11 | 19 |
| Other | 86 | 98 |

| Category | Variation | 10/11 | | 09/10 | |
|--|-------------|-----------|------------|-----------|------------|
| | | Sub-total | Total | Sub-total | Total |
| 4 Insurance | 26% | 29 | 29 | 23 | 23 |
| 5 Credit, finance, investment | -29% | | 53 | | 75 |
| Credit & finance | | 48 | | 68 | |
| Investment | | 5 | | 7 | |
| 6 Communication & Information⁴ | -18% | | 318 | | 390 |
| Telephone services & products | | 154 | | 164 | |
| Internet | | 21 | | 37 | |
| Television & other services | | 8 | | 10 | |
| Computers and software ³ | | 135 | | 179 | |
| 7 Marketing Methods | -19% | | 56 | | 69 |
| Mail Order | | 3 | | 3 | |
| Discount & gift voucher schemes | | 17 | | 17 | |
| Other | | 36 | | 49 | |
| 8 Real estate, accommodation⁵ | -16% | | 120 | | 143 |
| Property sales and listings | | 65 | | 73 | |
| Property Management | | 12 | | 13 | |
| Other - Accommodation and Real Estate | | 43 | | 57 | |
| 9 General Services⁶ | -14% | | 563 | | 653 |
| Dry Cleaning | | 16 | | 16 | |
| Education & training | | 36 | | 40 | |
| Employment | | 7 | | 10 | |
| Health & Fitness (Gyms) | | 34 | | 27 | |
| Furniture removals | | 20 | | 33 | |
| Health services | | 14 | | 21 | |
| Household services | | 60 | | 78 | |
| Introduction Agencies | | 7 | | 10 | |
| Transport services | | 25 | | 24 | |
| Personal services | | 104 | | 89 | |
| Professional & technical services | | 47 | | 67 | |
| Utilities & fuel supply | | 45 | | 32 | |
| Sport, culture & recreation | | 36 | | 29 | |
| Other services | | 112 | | 177 | |

| | | | | |
|-------------------------|---|-------------|--------------|--------------|
| 10 | Travel, Hospitality and Tourism | 19% | 378 | 318 |
| | Travel Agents | 24 | 48 | |
| | Tours | 11 | 21 | |
| | Hotels, Motels, Hostel | 40 | 38 | |
| | Other | 303 | 211 | |
| 11 | Scams and Schemes⁷ | -13% | 805 | 928 |
| | Scams (eg Nigerian Scam) | 754 | 844 | |
| | Get Rich Quick Schemes ⁶ | 51 | 84 | |
| 12 | Product Safety | 0% | 105 | 105 |
| | Product safety/standards & hazardous products | 105 | 105 | |
| TOTAL FOR PERIOD | | -11% | 5,273 | 5,912 |

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

Note 2- Complaints on Health products increased significantly as a result of an on-line seller failing to deliver low cost product due to financial difficulties.

Note 3 - The 22 % decrease for Residential Building Construction is mainly due to a 76% decrease of complaints about insulation services associated with the Commonwealth economic stimulus package.

Other building areas also experienced a decrease due to a decline in general building activity. Complaints about solar power generated systems increased due to the high demand for systems ahead of changes to rebate schemes (complaints increased by 77%)

Note 4 - The decrease for Communication & Information is mainly attributable to a 35% decrease in computer and software complaints

Note 5 - Real Estate complaints continue to decline (down 16%) as industry practices stabilise following the introduction of industry reforms in 2008.

Note 6 - General Services complaints decreased by 14%. This is attributed to higher than normal complaints seen last year as a result of two large fitness groups going into liquidation

Note 7 - The incidence of reported Scams continue to drop (down13%) due to greater consumer awareness and greater utilisation of the national SCAMwatch reporting mechanism.

Appendix 6

Analysis of Complaints Investigated by Practice

1 July 2010 to 30 June 2011

| Practice | Variation | 10/11 | 09/10 |
|--|------------------|--------------|--------------|
| 1 Advertising | -51% | 125 | 255 |
| 2 Representations | -15% | 306 | 358 |
| 3 Product Labelling | -18% | 9 | 11 |
| 4 Sale Methods | -9% | 77 | 85 |
| 5 Price | -21% | 254 | 323 |
| 6 Quality | -19% | 1315 | 1615 |
| 7 Credit | -53% | 19 | 40 |
| 8 Contracts | 14% | 1315 | 1150 |
| 9 Warranties | -9% | 504 | 556 |
| 10 Miscellaneous Conduct | 2% | 453 | 446 |
| 11 Scams and Schemes | -18% | 791 | 968 |
| 12 Trade Measurements ¹ | -100% | 0 | 97 |
| 13 Product Safety/Standards & Hazardous Products | 0% | 105 | 105 |
| TOTAL | -12% | 5,273 | 6,009 |

Note 1 :Trade Measurement responsibilities transferred to the Commonwealth's National Measurement Institute on 1 July 2010.

Appendix 7

Occupational Licensing and Registration

Licences and registrations issued 2010-11

- OCBA administers registers containing over 84 000 licences/registrations under seven separate pieces of legislation.
- Staff handle around 1320 general telephone enquiries weekly.
- Over 7500 applications for new and upgraded 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).

| Licences (Builders) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Held by bodies corporate (usually companies) | 3 956 | 3 729 |
| Held by natural persons (individuals or members of partnerships) | 19 418 | 19 297 |
| Held by building work supervisors registrations only | 3 159 | 2 996 |
| Total | 26 533 | 26 022 |

| Builders | 2010-11 | 2009-10 |
|--|----------------|----------------|
| <i>Licences</i> | | |
| - Any building work | 1 419 | 1 456 |
| - Light commercial/industrial and/or residential | 6 108 | 5 917 |
| - Specified building work | 15 871 | 15 653 |
| <i>Registrations</i> | | |
| - Any building work | 1 434 | 1 480 |
| - Light commercial/industrial and/or residential | 4 993 | 4 832 |
| - Specified building work | 16 134 | 15 981 |

| Licence Applications (Builders) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new licences/registrations processed | 2 454 | 2 256 |
| Applications for change to licence/registration conditions | 43* | 116* |

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

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).

| Licences (Security and Investigation Agents) | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Held by bodies corporate (usually companies) | 358 | 334 |
| Held by natural persons | 8448 | 8 363 |
| Total | 8 806 | 8 697 |

| Licence Applications (Security and Investigation Agents) | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Applications for new licences processed | 1 251 | 1 579 |
| Applications for change to licence conditions | 4* | 9* |

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

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.

| Plumbers, Gas Fitters and Electricians | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Licences | | |
| - Plumbing | 1 743 | 1 674 |
| - Gas Fitting | 1 215 | 1 154 |
| - Electrical | 4 958 | 4 784 |
| Registrations | | |
| - Plumbing | 4 860 | 4 710 |
| - Gas Fitting | 3 837 | 3 673 |
| - Electrical | 19 630 | 18 732 |
| Total | 36 243 | 34 727 |

| Licence Applications (Plumbers, Gas Fitters and Electricians) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new licences/registrations processed | 2 951 | 2 523 |
| Applications for change to licence/registration conditions | 44* | 130* |

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

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

Land Agents

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

| Licences (Land Agents) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Held by bodies corporate (usually companies) | 807 | 787 |
| Held by natural persons | 1 915 | 1 799 |
| Total | 2 722 | 2 586 |

| Licence Applications (Land Agents) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new registrations processed | 281 | 272 |

Real Estate Sales Representatives & Auctioneers

Real Estate Sales Representatives and Auctioneers are registered under the *Land Agents Act 1994*. The requirement for sales representatives and auctioneers to be registered commenced in July of 2008 as part of the real estate reforms.

| Licences (Real Estate Sales Representatives & Auctioneers) | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Held by natural persons | 2 324 | 2 136 |
| Total | | |

| Licence Applications (Real Estate Sales Representatives & Auctioneers) | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Applications for new registrations processed | 486 | 482 |

Conveyancers

Conveyancers are registered under the *Conveyancers Act 1994*.

| Licences (Conveyancers) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Held by bodies corporate (usually companies) | 63 | 60 |
| Held by natural persons | 609 | 612 |
| Total | | 672 |

| Licence Applications (Conveyancers) | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new registrations processed | 21 | 40 |

Second-hand Vehicle Dealers

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

| Licences (Second-hand Vehicle Dealers) | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Held by bodies corporate (usually companies) | | |
| - second-hand vehicle dealers | 375 | 367 |
| - second-hand motor cycle dealers | 36 | 34 |
| Held by natural persons | | |
| - second-hand vehicle dealers | 763 | 762 |
| - second-hand motor cycle dealers | 64 | 60 |
| Total | 1 238 | 1 233 |

| <i>Licence Applications (Second-hand Vehicle Dealers)</i> | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new licences processed: | | |
| - second-hand vehicle dealers | 98 | 76 |
| - second-hand motor cycle dealers | 0 | 4 |
| Registration of trading premises | 68 | 52 |

Travel Agents

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

| <i>Licences (Travel Agents)</i> | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Held by bodies corporate (usually companies) | 147 | 148 |
| Held by natural persons | 66 | 71 |
| Total | 213 | 219 |

| <i>Licence Applications (Travel Agents)</i> | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Applications for new licences processed | 17 | 17 |

Photographic Images Captured for Occupational Licences

8042 digital photographic images have been captured during the year. Of these, 4036 have been captured at the head office in Adelaide with the remainder captured at Customer Service Centres (Transport SA) or Service SA offices across metropolitan and regional South Australia.

Appendix 8

Business Name, Association and Co-operative Registrations

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

Staff handle around 682 general telephone enquiries each week.

Business Names Act 1996

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--|----------------|----------------|----------------|----------------|
| Business names on the register (at 30 June) | 95 603 | 94 285 | 92 702 | 93 708 |
| New registrations | 13 389 | 13 967 | 12 381 | 12 830 |
| Renewals | 19 050 | 19 414 | 18 722 | 18 451 |
| Changes | 5 968 | 5 961 | 6 511 | 6 619 |
| Cessations | 666 | 743 | 837 | 930 |
| Transactions | 87 375 | 84 634 | 76 922 | 82 019 |

Associations Incorporations Act 1985

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--|----------------|----------------|----------------|----------------|
| Incorporated associations on the register (at 30 June) | 19 270 | 19 046 | 18 802 | 18 615 |
| Incorporated during the year | 348 | 364 | 327 | 407 |
| De-registered and wound-up | 103 | 91 | 126 | 138 |
| Periodic returns lodged | 974 | 863 | 882 | 1 153 |
| Searches of the public register | 901 | 847 | 980 | 826 |

Co-operatives Act 1987

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--|----------------|----------------|----------------|----------------|
| Co-operatives on the register (at 30 June) | 60 | 59 | 56 | 56 |
| Incorporations | 1 | 1 | 0 | 0 |
| Foreign registrations | 0 | 2 | 0 | 0 |
| De-registrations | 0 | 0 | 0 | 0 |

Appendix 9 **Births, Deaths and Marriages**

| REGISTRATIONS | 2010-2011 | 2009-2010 | % Movement |
|------------------------------|------------------|------------------|-------------------|
| Births | 19 801 | 20 155 | -1.8 |
| Still-births | 78 | 79 | -1.3 |
| <i>Total Births</i> | <i>19 879</i> | <i>20 234</i> | <i>-1.8</i> |
| Deaths | 12 849 | 12 601 | 2.0 |
| Marriages | 8 154 | 8 187 | -0.4 |
| Change of Name Registration | 2 919 | 2 983 | -2.1 |
| CON - Court Order/Interstate | 157 | 184 | -14.7 |
| CON - Rejected | 3 | 5 | |
| <i>Total CON</i> | <i>3 079</i> | <i>3 172</i> | <i>-2.9</i> |
| Adoptions - Open | 1 | 0 | |
| - Closed | 18 | 36 | -50.0 |
| Reassignment of sex | 6 | 5 | |
| Legitimisations | 91 | 108 | -15.7 |
| Cremation Permits | 8 629 | 7 968 | 8.3 |
| Corrections | 10 280 | 9 263 | 11.0 |

| DOCUMENTS ISSUED (Mail, Counter, SSA) | | | |
|--|-----------------------|-----------------------|--------------------|
| Std Certificates - Births | 36 851 | 41 912 | -12.1 |
| Std Certs (from commems) - Births | 10 779 | 10 918 | -1.3 |
| Certificates - Deaths | 11 297 | 11 907 | -5.1 |
| Certificates - Marriages | 14 229 | 16 067 | -11.4 |
| Std Certs (from commems) - Marriages | 155 | 97 | 59.8 |
| Certificates - Change Of Name | 2 300 | 2 522 | -8.8 |
| <i>Sub-total Certificates</i> | <i>75 611</i> | <i>83 423</i> | <i>-9.4</i> |
| DOCUMENTS APPLIED FOR ONLINE | | | |
| Online Certificates - Births | 18 074 | 16 153 | 11.9 |
| Online Certificates - Deaths | 5 237 | 5 035 | 4.0 |
| Online Certificates - Marriages | 9 232 | 8 006 | 15.3 |
| Online Certificates - CON | 4 | 2 | |
| <i>Sub-total Online Certificates</i> | <i>32 547</i> | <i>29 196</i> | <i>11.5</i> |
| <i>Total commem certificates</i> | <i>11 316</i> | <i>11 485</i> | <i>-1.5</i> |
| <i>Grand Total Certificates</i> | <i>119 092</i> | <i>123 634</i> | <i>-3.7</i> |
| MARRIAGES AT THE REGISTRY | | 2009-10 | % Movement |
| Notices given | 1 274 | 1 165 | 9.4 |
| Marriages solemnised | 997 | 936 | 6.5 |
| Registry marriages as % of all SA marriages | 12.2 | 11.4 | |

Appendix 10

Residential and Retail Tenancies

| Bonds | June 2011 | June 2010 | June 2009 |
|---|-----------------------|------------------|--------------------|
| Total tenant provided residential bonds held | 97,090 | 94,531 | 92,000 |
| Total SAHT provided residential bonds held | 368 | 411 | 461 |
| Total SAHT residential bond guarantees held | 30,553 | 26,763 | 23,544 |
| Total residential bonds held | 128,011 | 121,705 | 116,005 |
| Tenant provided residential bonds (\$) | 125,618,939.63 | 113,038,837 | 100,666,323 |
| SAHT provided residential bonds (\$) | 156,943.67 | 176,120 | 197,374 |
| SAHT residential bond guarantees (\$) | 26,916,238.45 | 21,183,984 | 16,572,230 |
| Total residential bonds held (\$) | 152,692,120.75 | 134,398,941 | 117,435,929 |
| Residential bonds lodged | 55,394 | 54,113 | 48,951 |
| Residential bonds refunded | 49,049 | 48,405 | 47,817 |
| Total retail bonds held | 3,305 | 3,272 | 2,757 |
| Total retail bonds held (\$) | 4,825,389.16 | 4,688,832.68 | 3,799,323 |
| Retail bonds lodged | 596 | 626 | 514 |
| Retail bonds refunded | 320 | 245 | 289 |
| Total residential park bonds held | 464 | 432 ¹ | 396 |
| Total residential park bonds held (\$) | 167,117.90 | 247,875 | 113,064 |
| Residential park bonds lodged | 245 | 269 | 265 |
| Residential park bonds refunded | 213 | 233 | 255 |
| Incoming bond calls | 49,602 | 44,699 | 50,705 |
| Average speed of answer (secs) | 86.33 | 90 | 35 |
| Average duration of calls (minutes) | 2.47 | 2.37 | 2.28 |
| Incoming emails requesting advice | 1,137 | 670 | |

| Advice | June 2011 | June 2010 | June 2009 |
|---|------------------|------------------|------------------|
| Requests for assistance (files) | 384 | 409 | 408 |
| Tribunal files investigated | 2,345 | 2,794 | 3,450 |
| Customer contacts (inc outgoing calls and counter) | 4,830 | | |
| Incoming tenancy advice calls (09/10 includes outgoing calls & counter) | 68,084 | 82,476 | 100,154 |
| Average speed of answer (secs) | 122 | 121 | 129 |
| Average duration of calls (minutes) | 3.7 | 3.8 | 4 |
| Incoming emails requesting advice | 1,616 | 1,330 | |
| Education sessions | 40 | | |
| Expiation notices issued by the Branch | 146 | 161 | 151 |

| Tribunal Support Section | June 2011 | June 2010 | June 2009 |
|--|------------------|------------------|------------------|
| Applications lodged | 10,537 | 14,660 | 15,156 |
| Hearings listed - metro | 7,646 | 9,702 | 9,970 |
| Hearings listed - country | 697 | 957 | 727 |
| Hearings listed - country - video conference | 590 | 657 | 744 |
| Hearings actually conducted | 6,933 | 10,050 | 9,701 |
| Incoming emails relating to hearings | 1,141 | 670 | |

Residential Tenancies Tribunal Listings by Category (may not have progressed to hearing)

| | June 2011 | | June 2010 | | June 2009 | |
|-----------------------|------------------|------------|------------------|----------|------------------|-------------|
| | No. | % | No. | % | No. | % |
| Bond and compensation | 2,399 | 29 | 3,464 | 32.5 | 3,259 | 30.5 |
| Vacant possession | 4,809 | 58 | 5,999 | 56 | 6,099 | 57.0 |
| Immediate termination | 43 | 0.4 | 47 | 0.4 | 46 | 0.4 |

¹ Amendment made to an incorrect figure provided in the 2009-10 Annual Report.

| | | | | | | |
|-----------------------------------|--------------|-----|---------------|-----|---------------|-----|
| Miscellaneous | 637 | 7 | 461 | 4.3 | 462 | 4.3 |
| Retirement Villages | 8 | 0.1 | 18 | 0.2 | 8 | 0.1 |
| Vary or set aside | 333 | 4 | 499 | 4.7 | 542 | 5 |
| Exemptions | 1 | 0.1 | 2 | 0.1 | 6 | 0.1 |
| Termination due to tenant conduct | 113 | 1.4 | 175 | 1.8 | 194 | 1.8 |
| Total | 8,343 | | 10,665 | | 10,697 | |

Retail and Commercial Leases Act 1995 - Disputes Lodged

For the purposes of S78(2)(a) of the *Retail and Commercial Leases Act 1995* this table details the number of disputes lodged with the Magistrates Court of South Australia:-

| Court | S12 Disclosure statement | S15 Premium prohibited | S20 Bond refund | S68 Jurisdiction of the Magistrates Court | S77 Exemptions | Grand total |
|-------------------------------|--------------------------------|------------------------------|-----------------------|--|-------------------|----------------|
| Adelaide Magistrates Court | | | 6 | 23 | 2 | 31 |
| Berri | | | | 1 | | 1 |
| Christies Beach | | | 1 | | | 1 |
| Elizabeth | | 1 | 1 | | 2 | 3 |
| Holden Hill | 1 | 1 | | | | |
| Mount Barker | | | | | 1 | 1 |
| Mt Gambier | | | | | 1 | 1 |
| Port Augusta | | | | | 1 | 1 |
| Total | 1 | 2 | 7 | 29 | 2 | 41 |

For the purposes of S78 (2)(b) of the *Retail and Commercial Leases Act 1995*, the Courts Administration Authority has declared that there are no other matters that ought to be reported on.

Appendix 11 **Companies and Co-operatives Liquidation Accounts**

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

| Companies Liquidation Account | \$ |
|---|-----------|
| Balance at 1 July 2010 | 94 244.40 |
| Add: Amounts received during the year pursuant to section 427(1) of the Companies Code | 0 |
| Less: Amount paid to claimants in accordance with section 427(1) | 0 |
| Payments to Consolidated Account in accordance with section 427(6) | |
| Balance at 30 June 2011 | 94 244.40 |

| Co-operatives Liquidation Account | \$ |
|--|-----------|
| Balance at 1 July 2010 | 64 992.85 |
| Add: Amounts received during the year pursuant to section 331 of the Co-operatives Act 1997 | 0 |
| Less: Amount paid to claimants in accordance with section 331 | 0 |
| Payments to Consolidated Account in accordance with section 331 | |
| Balance at 30 June 2011 | 64 992.85 |

Appendix 12

Miscellaneous Corporate Affairs Commission Responsibilities

Evidence Act 1929

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

Partnerships Act 1891 - Part 3 - Limited Partnership

Part 3 of the Partnership Act 1891 provides for the registration of a limited partnership. There were four new registrations and no de-registrations during the year with the total number of limited partnerships registered as 28. Part 3 of the Partnership Act 1891 also provides for the registration of an incorporated limited partnership. There were no new registrations and no de-registrations during the year with the total number of incorporated limited partnerships registered remaining at two.

Da Costa Samaritan Fund (Incorporation of Trustees) Act 1953

The Act requires the lodgement of a report on the financial position and accounts of the trust by a registered company auditor. The Act also requires the auditor to lodge a certificate certifying that he/she has inspected the documents of title and securities evidencing the property held by the trust and is satisfied that the balance sheet contains a true statement of the property held by the trust. The report and certificate relating to the financial year ending 31 December 2010 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 2011 are due to be lodged with the Corporate Affairs Commission by the end of October 2011.

Trustee Companies Act 1988

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

Appendix 13

Assurances and Court Actions

Assurances

| No. | Trader | Date | Act | Section | Undertaking |
|-----|---------------------------|-------------|-------------------------|---------|--|
| 835 | Daniel James PIX | 2-Jul-2010 | Second-hand vehicles | s 7 (1) | Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence. |
| 836 | Robert P DUNNICLIFFE | 2-Jul-2010 | Second-hand vehicles | s 7 (1) | Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence. |
| 837 | Peter Corey KAVANAGH | 2-Jul-2010 | Second-hand vehicles | s 7 (1) | Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence. |
| 838 | Jesse Luke KAVANAGH | 2-Jul-2010 | Second-hand vehicles | s 7 (1) | Will refrain from carrying on business as a second-hand vehicle dealer whilst not being the holder of a second-hand vehicle dealers licence. |
| 839 | Williams,Craig Anthony | 2-Jul-2010 | electrical | 13(a) | Will refrain from performing electrical work whilst not being the holder of an electrical workers registration. |
| 840 | Craig JACKMAN | 14-Jul-2010 | Second-hand vehicles | 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. |

| | | | | | |
|-----|--|-------------|-------------------------|---|--|
| 841 | Plamenko DJURASEVIC | 16-Jul-2010 | Second-hand vehicles | 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. |
| 842 | Adel Saleh AL FAR | 16-Aug-2010 | Second-hand vehicles | 20 (3) | Will refrain from causing the publication of advertisements for second-hand vehicles that do not contain the words "Licensed Second-hand Vehicle Dealer" (which may be abbreviated to "LVD") immediately followed by Mr Al Far's second-hand vehicle dealers licence number. |
| 843 | Gary Scott WILLIAMS | 2-Sep-2010 | Second-hand vehicles | 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. |
| 844 | James Paul LINDNER | 9-Sep-2010 | Building | 6(1)(a) & 6(1)(b) | Will refrain from carrying on business as a building work contractor, contract for building work, or hold himself out as being entitled to contract for building work without a licence. |
| 845 | Thomas Stellmacher Construction Pty Ltd | 9-Sep-2010 | Building | 34(a) | Will refrain from failing to take out a policy of indemnity insurance. |
| 846 | George FRANGOS | 17-Sep-2010 | Second-hand vehicles | Regulation 20 (3), Section 14 (1), Section 16 (1), Section 17 (1) (3) Section 18 (1). | Will refrain from causing the publication of advertisements for the sale of second-hand vehicles that do not contain SHVD Licence number. Carrying on business as a second-hand vehicle dealer at a premises not registered. Exposing a second-hand vehicle for sale without appropriate forms. Not supplying contracts for the sale of second-hand vehicles. Failing to ensure that the purchaser of a second-hand vehicle sold is given a copy of the required notices. |

| | | | | | |
|-----|----------------------------------|-------------|----------------------|-------------------------------|---|
| 847 | James Arthur Hutchinson | 7-Oct-2010 | Building | 6(1)(a) | Will refrain from carrying on business as a building work contractor, without a licence. |
| 848 | Margaret Raelene Hutchinson | 7-Oct-2010 | Building | 6(1)(a) | Will refrain from carrying on business as a building work contractor, without a licence. |
| 849 | Basically Baby Australia Pty Ltd | 21-Sep-2010 | Fair Trading | 58(e) | Will refrain from making representations that goods have approval that they do not have. |
| 850 | Flippin Out (SA) Pty Ltd | 11-Nov-2010 | Real Estate | 43(1)(c) | Will refrain from acting improperly as an agent in making a false and misleading representation in advertising that industry 'land agent' commissions are fixed at standard rates, rather than being deregulated. |
| 851 | Gary Raymond McCarthy | 16-Dec-2010 | Second-hand vehicles | 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. |
| 852 | Quality Roofing Services Pty Ltd | 3-Feb-2011 | Building | 28, 30, & 34 + 18 of the Regs | (a) Will refrain from entering into domestic building work contracts that are not in the prescribed format, (b) will refrain from requesting deposits that contravene the Act & Regs, and (3) will refrain from failing to take out a policy of building indemnity insurance. |
| 853 | Gursewak SINGH | 16-Feb-2011 | Security | 6(1)(a) & (b) | Will refrain from carrying on business as a security agent whilst not appropriately licenced, and will refrain from holding himself out as being entitled to carry on business as a security agent, whilst not appropriately licenced. |

| | | | | | |
|-----|------------------------------------|-------------|--------------|--|--|
| 854 | Peelwood Holdings Pty Ltd | 23-Feb-2011 | Fair Trading | 58(k) | Will refrain from making a false or misleading representation concerning the existence, exclusion or effect of any condition, warranty, guarantee, right or remedy as per section 58(k) of the Fair Trading Act 1987. |
| 855 | Carrex Electrical Services Pty Ltd | 8-Mar-2011 | Electrical | 6(1)(a) | Will refrain from carrying on a business as an electrical contractor except as authorised by a licence in contravention of Section 6(1)(a) of the Plumbers Gasfitters and Electricians Act 1995. |
| 856 | D.C.C.P Pty Ltd | 11-Mar-2011 | Building | 6(1)(a) | Will refrain from carrying on business as a building work contractor except as authorised by a building work contractor's licence, pursuant to Section 6(1)(a) of the Building Work Contractors Act 1995. |
| 857 | Malcolm Trevor LONG | 11-Mar-2011 | Building | 6(1)(a) | will refrain from carrying on business as a building work contractor except as authorised by a building work contractor's licence, pursuant to Section 6(1)(a) of the Building Work Contractors Act 1995. |
| 858 | ALADA PTY LTD | 24-Mar-2011 | Electrical | 6(1)(a) & 4(3)(a) and 4(30(b) of the Regulations | Will refrain from carrying on a business as an electrical contractor in contravention of section 4(3)(a) and 4(3)(b) of the Plumbers Gasfitters and Electricians Regulations 1995, and section 6(1)(a) of the Plumbers Gasfitters and Electricians Act 1995. |
| 859 | Whistles Corp Pty Ltd | 6-Apr-2011 | Fair Trading | 58(k) | Will refrain from making a false or misleading representation concerning the existence, exclusion or effect of any condition, warranty, guarantee, |

| | | | | | |
|-----|---|-------------|------------------------------------|----------------------------------|---|
| | | | | | right or remedy as per section 58(k) of the Fair Trading Act 1987. |
| 860 | Trish Pickering Interior Design Pty Ltd | 12-Apr-2011 | Building | 6(1)(a) | Will refrain from carrying on business as a building work contractor. |
| 861 | Vonto Bre Pty Ltd | 28-Apr-2011 | Real Estate | 24A(2)(a) | Will refrain from making a representation as to the likely price of land that is less than the prescribed minimum advertising price in contravention of section 24A(2)(a) of the Land and Business (Sale and Conveyancing) Act 1994. |
| 862 | Fluid Plumbing Services Pty Ltd | 1-Jun-2011 | Building Gasfitting Plumbing | 6(1)(a) Section 12 6(1)(b) | Will refrain from : (a) Contracting for gas work in contravention of Section 6(1)(a) of the Plumbers Gas Fitters and Electricians Act 1995 (b) Failing to ensure that plumbing work is carried out by a registered worker in contravention of Section 12 of the Plumbers Gas Fitters and Electricians Act 1995 (c) Holding out as being entitled to carry on business as a building work contractor in contravention of Section 6(1)(b) of the Building Work Contractors Act 1995. |
| 863 | James Laurence Charles CONLEY | 20-Jun-2011 | Building | 6(1)(a) | Will refrain from: carrying on business as a building work contractor without a building work contractors licence; holding out as being entitled to carry on business as a building work contractor without a building work contractors licence. |

Court Actions

| Name | Act | Section | Allegations | Outcome |
|--|--|--------------------|--|--|
| Clifford James Higgins | Plumbers, Gas Fitters and Electricians Act Fair Trading Act | 13(a) 81(1) | Performed gas fitting work whilst unregistered as a worker. Acted contrary to an Assurance accepted by the Commissioner. | On 1 July 2010 Higgins was convicted and fined \$3,500. |
| Branfox Pty Ltd | Building Work Contractors Act | 6(1)(a) & (b) | Carried on business as a building work contractor, while unlicensed and held itself out as being entitled to carry on business as a builder. | On 20 July 2010 the company was convicted and fined \$7,000. |
| Norman Mark Axon | Building Work Contractors Act | 6(1)(a) & (b) | As a director of Branfox Pty Ltd is vicariously liable for offences committed by the company. The company carried on business as a building work contractor, while unlicensed and held itself out as being entitled to carry on business as a builder. | On 20 July 2010 Axon was convicted and fined \$3,000. |
| DG Professional Financial Services Pty Ltd | Conveyancers Act | 5 | Holding out as being entitled to carry on business as conveyancer whilst unregistered. | On 29 July 2010 the company was convicted and fined \$2,000. |
| Nicholas Ginever | Conveyancers Act | 5 | As a director of DG Professional Financial Services Pty Ltd is vicariously liable for offences committed by the company. Holding out as being entitled to carry on business as conveyancer whilst unregistered. | On 29 July 2010 Ginever was convicted and fined \$12,000. |
| Kim Tranh Duong | Conveyancers Act | 5 | As a director of DG Professional Financial Services Pty Ltd is vicariously liable for offences committed by the company. | On 29 July 2010 Duong was convicted and fined \$9,000. |

| | | | | |
|------------------------|-------------------------------|-----------------------|---|---|
| | | | Holding out as being entitled to carry on business as conveyancer whilst unregistered. | |
| Bernard Ignatius Flood | Conveyancers Act | 45(1)(c) | Acted negligently and unlawfully whilst carrying on business as a conveyancer. | On 3 September 2010 Mr Flood was reprimanded and fined \$2,000. |
| Laprac Pty Ltd | Building Work Contractors Act | 21(1)(c) | Acted unlawfully and negligently whilst engaged in the business of a builder | On 8 September 2010 the company was fined \$1200. |
| Michael Marshman | Building Work Contractors Act | 21(1)(c) 21(2)(b) | As a director of Laprac Pty Ltd is liable for disciplinary action for the conduct of the company. Acted negligently in the course of acting as a building work supervisor. | On 8 September 2010 Mr Marshman was fined \$400. |
| John Meyer | Building Work Contractors Act | 6(1)(a) | Carried on business as a building work contractor, while unlicensed | On 16 September 2010 Mr Meyer was convicted and fined \$4,000. Jointly with Ms Meyer-Jennings the defendants were ordered to pay a total of \$6,041.60 in compensation to two clients. |
| Karen Meyer-Jennings | Building Work Contractors Act | 6(1)(a) | Carried on business as a building work contractor, while unlicensed | On 16 September 2010 Ms Jennings- Meyer was convicted and fined \$4,000. Jointly with Mr Meyer the defendants were ordered to pay a total of \$6,041.60 in compensation to two clients. |

| | | | | |
|--------------------------|--|--|--|---|
| Milorad Ivanovic | Building Work Contractors Act | 6(1)(a) 34(a) | Carried on business as a builder while unlicensed. Failed to take out a policy of building indemnity insurance. | On 17 September 2010 Mr Ivanovic was convicted and fined \$7,500. |
| Jesse Kavanagh | Second-hand Vehicle Dealers Act | 34(1) | Interfered with the odometer of a vehicle. | On 21 September 2010 Mr Kavanagh was convicted and fined \$250. |
| Ronald Neville McGorm | Building Work Contractors Act | 34(a) 28(1)(f) 28(1)(a) 30(1)(b) | Failed to have in place a policy of building indemnity insurance. He failed to commit the building contract to writing. Failed to provide a Form 1 notice in the prescribed form containing the prescribed information and a copy of the signed contract. Demanded a deposit payment in excess of the prescribed amount. | On 5 October 2010 Mr Mc Gorm was convicted and given a 3 year bond in the sum of \$2,000 to be of good behaviour. |
| Warren Victor Pearse | Building Work Contractors Act | 6(1)(a) | Carried on business as a builder whilst unlicensed. | On 11 October 2010 Mr Pearse was convicted and fined \$6,000. Mr Pearse was also ordered to pay a total of \$5,000 in compensation to three clients. |
| Steven Charles Carpenter | Building Work Contractors Act | 6(1)(a) 6(1)(b) | Carried on business as a building work contractor, while unlicensed. Holding himself as being entitled to carry on business as a building work contractor whilst unlicensed. | On 15 October 2010 Mr Carpenter was convicted ordered to perform 300 hours of community service. Mr Carpenter was also ordered to pay a total of \$4,273.51 in compensation to three clients. |
| Kalitheia Pty Ltd | Fair Trading Act | 58(g) | Made a false and misleading statement with respect to the price of goods. | On 20 October 2010 Kalitheia Pty Ltd was convicted and fined \$1,200. |
| Arunkumar Yarasi | Second-hand Vehicle Dealers Act Second-hand Vehicle Dealers Regulations | 14(1), 16(1), 17(3), 18(1) 20(3) | Whilst carry on business as a licensed vehicle dealer he failed to:- • Conduct business from a registered premises; | On 27 October 2010 Mr Yarasi was convicted and fined \$6,200. |

| | | | | |
|-----------------------|--|------------------------------|---|---|
| | Fair Trading Act | 58(a) | <ul style="list-style-type: none"> • Attach to vehicles for sale a display notice; • Use compliant contracts for the sale of a second hand vehicle; • Provide purchasers with a copy of the display notice and a notice in the prescribed form and • Comply with the advertising requirements. <p>He misrepresented the history of the vehicles he was selling.</p> | |
| Raymond Bartolo | Building Work Contractors Act | 30(1)(b) 6(1)(a) 34(b) | Carried on business as a building work contractor whilst unlicensed. Demanded payment not of a type authorised by the Act. Failed to provide a certificate of indemnity insurance. | On 14 December 2010 Mr Bartolo was convicted and fined \$7,500. |
| | Plumbers, Gas Fitters and Electricians Act | 13(a) | He performed plumbing and electrical work whilst unregistered as a worker. | |
| Scott Jenkinson | Building Work Contractors Act | 6(1)(a) | Carried on business as a building work contractor, while unlicensed. | On 18 January 2011 Mr Jenkinson was convicted and fined \$500. Mr Jenkinson was also ordered to pay a total of \$2,400 in compensation to his client. |
| Gary John Cutting | Building Work Contractors Act | 21(1)(c) | Mr Cutting acted unlawfully and improperly whilst carrying on business as a building work contractor | On 28 January 2011 Mr Cutting was reprimanded |
| Nicholas Brett Martin | Building Work Contractors Act | 6(1)(a) | Carried on business as a building work contractor, while unlicensed. | On 18 February 2011 Mr Martin was convicted and fined \$9,500. Mr Martin was also ordered to pay a total of \$7,300 in compensation to his client. |

| | | | | |
|--------------------------------------|------------------------------------|-------------------------------|---|---|
| Clifford James Higgins | Fair Trading Act | 82(1)(a) | Acted contrary to an Assurance accepted by the Commissioner. | On 22 February 2011 Mr Higgins was permanently prohibited from personally carrying out gas fitting work. |
| Arunkumar Yarasi | Second-hand Vehicle Dealers Act | 27(1)(c) | Acted unlawfully whilst conducting the business as a second hand vehicle dealer. | On 25 March 2011 the Court ordered that Mr Yarasi's licence be suspended for 6 months |
| Benjamin Buttigieg | Second-hand Vehicle Dealers Act | 27(1)(c) 27(1)(h) | Acted unlawfully and improperly whilst conducting the business as a second hand vehicle dealer. Events have occurred so that he does not now meet the eligibility criteria to be granted a license. | On 12 April 2011 the Court ordered that Mr Buttigieg be permanently disqualified from holding or obtaining a licence, permanently disqualified from being employed or otherwise engaged in the business of a dealer and permanently disqualified from being a director of, or having an interest in, a body corporate that is a dealer. |
| Prestige Fencing Contractors Pty Ltd | Building Work Contractors Act 1995 | 34(a) 28(1)(f) 30(1)(b) | Failed to provide a certificate of building indemnity insurance. Failed to provide a Form 1 notice in the prescribed form containing the prescribed information. Demanded a deposit payment in excess of the prescribed amount. | On 29 June 2011 Prestige Fencing Contractors Pty Ltd was fined \$1500 and convicted on all counts except the count relating to a breach of 34(a) of the Building Work Contractors Act. |
| David Day | Building Work Contractors Act 1995 | 34(a) 28(1)(f) 30(1)(b) | As a director of Prestige Fencing Contractors Pty Ltd is vicariously liable for offences committed by the company. Failed to provide a certificate of building indemnity insurance. Failed to provide a Form 1 notice in the prescribed form containing the prescribed information. Demanded a deposit payment in excess of the prescribed amount. | On 29 June 2011 Mr Day was fined \$1000 and convicted on all counts except the count relating to a breach of 34(a) of the Building Work Contractors Act.. |

| | | | | |
|------------------------|------------------------------------|-------------------------------|--|---|
| Marilyn Day | Building Work Contractors Act 1995 | 34(a) 28(1)(f) 30(1)(b) | <p>As a director of Prestige Fencing Contractors Pty Ltd is vicariously liable for offences committed by the company.</p> <p>Failed to provide a certificate of building indemnity insurance. Failed to provide a Form 1 notice in the prescribed form containing the prescribed information. Demanded a deposit payment in excess of the prescribed amount.</p> | On 29 June 2011 Ms Day was fined \$1000 without conviction. |
| Emacord Autos Pty Ltd | Second-hand Vehicle Dealers Act | 27(1)(c) | The company acted improperly and unlawfully whilst engaged in the business of second-hand vehicle dealer | Company in liquidation no orders made against the company. |
| David William Lines | Second-hand Vehicle Dealers Act | 27(1)(c) 27(1)(d) | <p>As a director of Emacord Autos Pty Ltd is vicariously liable for improper and unlawful conduct of the company.</p> <p>Acted improperly in the course of managing and supervising the business of the company.</p> | On 20 May 2011 the court ordered that Mr Lines be disqualified from being licensed and prohibited from being a director or having an interest in a body corporate that is a dealer until further order. |
| Grantley David Murdoch | Second-hand Vehicle Dealers Act | 27(1)(c) 27(1)(h) | <p>As a director of Emacord Autos Pty Ltd is vicariously liable for improper and unlawful conduct of the company.</p> <p>Events have occurred so that he does not now meet the eligibility criteria to be granted a license.</p> | On 20 May 2011 the Court ordered that Mr Murdoch be permanently disqualified from being licensed, prohibited from being a director or having an interest in a body corporate that is a dealer and prohibited from being employed by or otherwise engaged in the business of a dealer. |
| Warren Victor Pearse | Building Work Contractors Act 1995 | 21(1)(c) | Acted improperly, negligently and unlawfully whilst carrying on business as a building work contractor. | On 23 June the Court ordered that Mr Pearse be permanently prohibited from being employed or otherwise engaged in the business of a building work contractor. |

| | | | | |
|----------------------|--|-------|--|---|
| | | | | Prohibited from being a director of a body corporate that is a building work contractor. Prohibited from carrying on business as a building consultant. Prohibited from being employed or otherwise engaged as a building consultant. Prohibited from being a director of a body corporate that is a building consultant. Disqualified from being licensed or registered under the Act. |
| Kenneth Mike Mendrin | Plumbers, Gas Fitters and Electricians Act | 13(a) | Performed electrical work whilst unregistered as a worker. | On 26 May 2011 Mr Mendrin was fined \$2,000 without conviction |

APPENDIX 14

Residential Tenancies Fund

Audit Report

Second-hand Vehicles Compensation Fund

Audit Report

Agents Indemnity Fund

Audit Report

Retail Shop Leases Fund

Audit Report

**RESIDENTIAL TENANCIES FUND
STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--|-------------|----------------|----------------|
| Income | | | |
| Interest revenue | | 8,814 | 5,376 |
| Other income | 3 | 388 | 328 |
| Total income | | 9,202 | 5,704 |
| Expenses | | | |
| Staffing costs | 4 | 3,577 | 3,995 |
| Accommodation | | 733 | 658 |
| Depreciation | 5 | 58 | 171 |
| Other expenses | 6 | 836 | 927 |
| Total expenses | | 5,204 | 5,751 |
| Net cost of providing services | | 3,998 | (47) |
| Other Comprehensive Income | | | |
| Net gain/(loss) on financial assets taken to equity | | 1,311 | 1,549 |
| Changes in property, plant and equipment revaluation reserve | | - | - |
| Total comprehensive result | | 5,309 | 1,502 |

The net result is attributable to the SA Government as owner

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

**RESIDENTIAL TENANCIES FUND
STATEMENT OF FINANCIAL POSITION**

As at 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--------------------------------------|-------------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 7 | 3,536 | 9,400 |
| Investments | | 72,600 | 51,490 |
| Receivables | 8 | 3,204 | 1,804 |
| Total current assets | | 79,340 | 62,694 |
| Non-current assets | | | |
| Plant and equipment | 9 | 13 | 71 |
| Investments | | 63,363 | 62,051 |
| Total non-current assets | | 63,376 | 62,122 |
| Total assets | | 142,716 | 124,816 |
| Current liabilities | | | |
| Security bonds lodged | 10 | 52,548 | 53,484 |
| Payables | 11 | 2,849 | 3,334 |
| Total current liabilities | | 55,397 | 56,818 |
| Non-current liabilities | | | |
| Security bonds lodged | 10 | 76,806 | 62,794 |
| Total non-current liabilities | | 76,806 | 62,794 |
| Total liabilities | | 132,203 | 119,612 |
| Net assets | | 10,513 | 5,204 |
| Equity | | | |
| Asset revaluation reserve | | (2,295) | (3,606) |
| Retained earnings | | 12,808 | 8,810 |
| Total equity | | 10,513 | 5,204 |

The total equity is attributable to the SA Government as owner

Contingent assets and liabilities 13

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

**RESIDENTIAL TENANCIES FUND
STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2011

| | Asset revaluation reserve | Retained earnings | Total |
|--|---------------------------------|----------------------|--------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 30 June 2009 | (5,155) | 8,862 | 3,707 |
| Net result for 2009-10 | - | (47) | (47) |
| Net gain on financial assets taken to equity | 1,549 | - | 1,549 |
| Total comprehensive result 2009-10 | 1,549 | (47) | 1,502 |
| Change in asset recognition policy | - | (5) | (5) |
| Balance at 30 June 2010 | (3,606) | 8,810 | 5,204 |
| Net result for 2010-11 | 1,311 | 3,998 | 5,309 |
| Balance at 30 June 2011 | (2,295) | 12,808 | 10,513 |

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

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

[Signature]

**RESIDENTIAL TENANCIES FUND
STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2011

| | Note No. | 2011 Inflows (Outflows) \$'000 | 2010 Inflows (Outflows) \$'000 |
|---|-------------|---|---|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Interest received | | 7,414 | 4,962 |
| Bond lodgements | | 71,253 | 66,152 |
| Bond guarantee receipts | | 3,999 | 3,253 |
| Other receipts | | 388 | 328 |
| Cash generated from operations | | 83,054 | 74,695 |
| Cash outflows | | | |
| Administration | | (5,631) | (3,804) |
| Bond refunds | | (58,178) | (53,466) |
| Bond guarantee payments | | (3,999) | (3,253) |
| Other payments | | - | - |
| Cash used in operations | | (67,808) | (60,523) |
| Net cash provided by operating activities | 12 | 15,246 | 14,172 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Payments for investments | | (21,110) | (17,147) |
| Payments for property, plant and equipment | | - | - |
| Cash used in investing activities | | (21,110) | (17,147) |
| Net cash used in investing activities | | (21,110) | (17,147) |
| Net (decrease) increase in cash and cash equivalents | | (5,864) | (2,975) |
| Cash and cash equivalents at the beginning of the financial year | | 9,400 | 12,375 |
| Cash and cash equivalents at the end of the financial year | 7 | 3,536 | 9,400 |

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

2011

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

Note 1. Summary of Significant Accounting Policies

a) Objectives of the Residential Tenancies Fund

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

b) Statement of Compliance

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

Except for the amendments to Australian Accounting Standards AASB 2009-12 which the Fund has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2011. These are outlined in Note 2.

c) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Department's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies that are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of
 - b) board/committee member and remuneration information where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented.

d) Reporting Entity

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

e) Comparative Information

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

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

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

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

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

f) Rounding

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

g) Taxation

The Fund is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST),emergency services levy,land tax equivalents and local government rate equivalents.

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

- When the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office,in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from,or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

h) Income

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

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

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

Net gain on non-current assets

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

i) Expenses

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

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

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

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

Staffing Costs

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

Superannuation

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

Accommodation

Accommodation expenses include the cost to lease office space to accommodate staff to administer the Fund. These costs are recouped from the Fund by the Attorney-General's Department.

Depreciation and Amortisation

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

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

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

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

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

| | YEARS |
|------------------------|---------------|
| Leasehold improvements | life of lease |
| Plant and equipment | 1-16 |
| Information technology | 3-12 |

j) Current and Non-Current Classification

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

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

k) Assets

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

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

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash at bank and on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

Receivables

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

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is realised when there is objective evidence that the Fund will not be able to collect the debt. These are generally receivables that are 90 days or more overdue. Bad debts are written off when identified.

Other financial assets

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

As at 30 June 2011 the Fund held investments in common funds in the following proportions:

| | |
|------------------|--------|
| Capital Stable | 31.07% |
| Balanced | 15.53% |
| Cash Common Fund | 53.40% |

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

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

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

Non-Current Asset Acquisition and Recognition

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

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

Revaluation of Non-Current Assets

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

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

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

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

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

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

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

Impairment

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

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

I) Liabilities

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

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

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

Payables

Payables include creditors and accrued expenses.

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

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

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

Leases

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

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

Employee Benefits

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

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

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

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

Bond Guarantee Scheme

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by Housing SA. In the event of a claim by a landlord, a payment is made by the Fund. Housing SA then reimburses the Fund. The value of bond guarantees lodged at 30 June 2011 is \$20.6 million (\$16.1 million).

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

m) Contingent assets and liabilities

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

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

2. New and revised accounting standards and policies

A change in accounting policy was adopted by the Fund with effect from 1 July 2009. Assets will now be expensed in the period in which they are acquired if they have an acquisition cost of less than \$10,000.

nm -

RESIDENTIAL TENANCIES FUND
NOTES TO THE ACCOUNTS

3. Other income

| | 2011 \$'000 | 2010 \$'000 |
|----------------------------------|-------------------|-------------------|
| Management fee recovery | 328 | 284 |
| Sundry recovery | 60 | 44 |
| <i>Total other income</i> | <u>388</u> | <u>328</u> |

4. Staffing costs

| | 2011 \$'000 | 2010 \$'000 |
|---|---------------------|---------------------|
| Salaries and wages | 3,068 | 3,165 |
| Payroll tax and superannuation expenses | 469 | 508 |
| Annual Leave | 8 | 212 |
| Long service leave expenses | 32 | 110 |
| <i>Total staffing costs</i> | <u>3,577</u> | <u>3,995</u> |

5. Depreciation

| | 2011 \$'000 | 2010 \$'000 |
|----------------------------------|------------------|-------------------|
| Leasehold improvements | 52 | 125 |
| Plant and equipment | 6 | 46 |
| <i>Total depreciation</i> | <u>58</u> | <u>171</u> |

6. Other expenses

| | 2011 \$'000 | 2010 \$'000 |
|---|-------------------|-------------------|
| Administration | 632 | 683 |
| Information and communications technology | 130 | 154 |
| Legal fees | 44 | 43 |
| Travel | 19 | 26 |
| Other (incl.audit fees) | 11 | 21 |
| <i>Total other expenses</i> | <u>836</u> | <u>927</u> |

7. Cash and cash equivalents

| | 2011 \$'000 | 2010 \$'000 |
|---|---------------------|---------------------|
| Deposits with Treasurer | 3,365 | 9,129 |
| Cash and cheques in transit | 171 | 271 |
| <i>Total cash and cash equivalents</i> | <u>3,536</u> | <u>9,400</u> |

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RESIDENTIAL TENANCIES FUND
NOTES TO THE ACCOUNTS

8. Receivables

| | 2011 \$'000 | 2010 \$'000 |
|--------------------------|----------------|----------------|
| Accrued interest | 3,204 | 1,803 |
| Other receivables | - | 1 |
| Total receivables | 3,204 | 1,804 |

9A. Plant and equipment

| | Cost/Valuation | Accumulated Depreciation | Written Down Value |
|------------------------|----------------|-----------------------------|-----------------------|
| | 2011 \$'000 | 2011 \$'000 | 2011 \$'000 |
| At 30 June 2011 | | | |
| Leasehold improvements | 317 | 317 | - |
| Information technology | 293 | 293 | - |
| Plant and equipment | <u>128</u> | <u>115</u> | <u>13</u> |
| | 738 | 725 | 13 |

| | Cost/Valuation | Accumulated Depreciation | Written Down Value |
|----------------------------|----------------|-----------------------------|-----------------------|
| | 2010 \$'000 | 2010 \$'000 | 2010 \$'000 |
| At 30 June 2010 | | | |
| Leasehold improvements (1) | 317 | 265 | 52 |
| Information technology | 293 | 293 | - |
| Plant and equipment (1) | <u>128</u> | <u>109</u> | <u>19</u> |
| | 738 | 667 | 71 |

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

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RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

9B. Plant and equipment movement schedule

| | Leasehold Improvements \$'000 | Information Technology \$'000 | Plant and Equipment \$'000 | Total \$'000 |
|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|-----------------|
| Carrying amount 1 July 2010 | 52 | - | 19 | 71 |
| Depreciation | (52) | - | (6) | (58) |
| Carrying amount 30 June 2011 | <u>-</u> | <u>-</u> | <u>13</u> | <u>13</u> |
| | Leasehold Improvements \$'000 | Information Technology \$'000 | Plant and Equipment \$'000 | Total \$'000 |
| Carrying amount 1 July 2009 | 179 | 3 | 65 | 247 |
| Depreciation | (125) | - | (46) | (171) |
| Write Back Of Assets | (2) | (3) | - | (5) |
| Carrying amount 30 June 2010 | <u>52</u> | <u>-</u> | <u>19</u> | <u>71</u> |

10. Security bonds lodged

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------|----------------|
| Current | | |
| Bonds lodged | 52,527 | 53,463 |
| Sale of goods | 12 | 12 |
| Rent held pursuant to Tribunal direction | 9 | 9 |
| Total current security bonds lodged | <u>52,548</u> | <u>53,484</u> |
| | | |
| Non Current | | |
| Bonds lodged | 76,806 | 62,794 |
| Total non-current security bonds lodged | <u>76,806</u> | <u>62,794</u> |

11. Payables

| | 2011 \$'000 | 2010 \$'000 |
|-----------------------|----------------|----------------|
| Creditors | 2,830 | 3,317 |
| Accruals | 19 | 17 |
| Total payables | <u>2,849</u> | <u>3,334</u> |

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

12. Cash flow reconciliation

| | 2011 \$'000 | 2010 \$'000 |
|---|-----------------|-----------------|
| Reconciliation of cash and cash equivalents at 30 June as per: | | |
| Statement of cash flows | 3,536 | 9,400 |
| Statement of Financial Position | 3,536 | 9,400 |
| Reconciliation of net cash provided by operating activities to net cost of providing services: | | |
| Net cash provided by (used in) operating activities | 15,246 | 14,172 |
| Add non cash items | | |
| Depreciation expense of non current assets | (58) | (171) |
| Movement in assets and liabilities | | |
| Increase / (decrease) in receivables | 1,400 | 414 |
| (Increase)/Decrease in payables | 485 | (1,775) |
| Increase in security bonds | <u>(13,075)</u> | <u>(12,687)</u> |
| Net cost of providing services | <u>3,998</u> | <u>(47)</u> |

13. Contingent assets and liabilities

Under the *Residential Tenancies Act 1995*, interest is paid to tenants when a bond is repaid to them and interest is not paid when a bond is paid to landlords or third parties such as the SA Housing Trust. The interest payable to tenants has not been recorded as a liability as the Fund does not have a present obligation until the tenant lodges a claim for the repayment of the bond. It is estimated that the interest liability as at 30 June 2011 is \$123,000 (2010 - \$146,000).

14. Auditor's Remuneration

The amount payable to the Auditor-General for audit services during the reporting period was \$18,200 (\$16,500). No other services were provided by the Auditor-General.

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

15. Remuneration of Board and Committee members

Members that were entitled to receive remuneration for membership during the 2010-11 financial year were

Residential Tenancies Tribunal

Mrs Marie Alvino
Ms Harrison Anderson
Mr Stuart Andrew
Mr Peter Carey
Mr Peter Duffy
Ms Julia Dunstone
Mr Stavros Georgiadis
Ms Karen Hannon
Ms Barbara Johns
Ms Jane McCaffrie (retired 1 April 2011)
Ms Patricia Mickan
Mrs Patricia Patrick (retired 5 November 2010)
Mr Thomas Rymill
Mr Douglas Stott (retired 1 April 2011)
Mr Gerard Twohig
Mr Roger Vincent
Ms Pamela Wilkinson (retired 1 April 2011)

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

| | | 2011 | 2010 |
|--------------------------------|--|-----------|-----------|
| \$0 - \$9 999 | | 1 | - |
| \$10 000 - \$19 999 | | 1 | 2 |
| \$20 000 - \$29 999 | | - | - |
| \$30 000 - \$39 999 | | 1 | - |
| \$40 000 - \$49 999 | | 2 | 2 |
| \$50 000 - \$59 999 | | 2 | 3 |
| \$60 000 - \$69 999 | | - | 3 |
| \$70 000 - \$79 999 | | 2 | - |
| \$80 000 - \$89 999 | | 3 | - |
| \$90 000 - \$99 999 | | 2 | 3 |
| \$100 000 - \$109 999 | | - | 1 |
| \$110 000 - \$119 999 | | 1 | 1 |
| \$150 000 - \$159 999 | | 1 | - |
| \$190 000 - \$199 999 | | 1 | - |
| \$260 000 - \$269 999 | | - | 1 |
| Total number of members | | 17 | 16 |

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 \$1.32 million (\$1.26 million).

Amounts paid to a superannuation plan for board/committee members was \$119,000 (\$106,000).

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RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

16. Financial Instruments

a. Categorisation of financial instruments

Financial Assets

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

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

Financial Liabilities

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

b. Credit Risk

At reporting date funds totalling \$135.96 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.

RESIDENTIAL TENANCIES FUND

NOTES TO THE ACCOUNTS

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 | Interest Rate Risk | | Price Risk | |
|----------------------------------|-----------------|--------------------|----------|------------|----------|
| | | -1% | 1% | -1% | 1% |
| | | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| 2011 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 3,536 | (35) | 35 | - | - |
| Investments | 135,963 | | | (1,360) | 1,360 |
| Total increase/(decrease) | | (35) | 35 | (1,360) | 1,360 |
| 2010 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 9,400 | (94) | 94 | - | - |
| Investments | 113,541 | - | - | (1,135) | 1,135 |
| Total increase/(decrease) | | (94) | 94 | (1,135) | 1,135 |

17. Transactions with SA Government

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

| | SA Government | |
|-------------------------|---------------|--------------|
| | 2011 | 2010 |
| | \$'000 | \$'000 |
| Income | | |
| Interest revenue | 8,814 | 5,376 |
| Management fee recovery | 328 | 328 |
| Total income | 9,142 | 5,704 |

| | SA Government | |
|-----------------------|---------------|--------------|
| | 2011 | 2010 |
| | \$'000 | \$'000 |
| Expenses | | |
| Staffing costs | 3,577 | 3,995 |
| Accommodation | 733 | 658 |
| Other expenses | - | - |
| Total expenses | 4,310 | 4,653 |

RESIDENTIAL TENANCIES FUND
NOTES TO THE ACCOUNTS

| | SA Government | |
|---|-----------------------|-----------------------|
| | 2011 | 2010 |
| | \$'000 | \$'000 |
| Financial assets | | |
| Cash and cash equivalents | 3,536 | 9,400 |
| Accrued interest | 3,204 | 1,803 |
| Investments | 135,963 | 113,541 |
| <i>Total financial assets</i> | <u>142,703</u> | <u>124,744</u> |
| Financial liabilities | | |
| Creditors | 2,830 | 3,317 |
| <i>Total financial liabilities</i> | <u>2,830</u> | <u>3,317</u> |

RESIDENTIAL TENANCIES FUND NOTES TO THE ACCOUNTS

STATEMENT BY EXECUTIVE

We certify that the attached General Purpose Financial Statements for the Residential Tenancies Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Fund; and
- present a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2011 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Fund for the financial year over its financial reporting and its preparation of the General Purpose Financial Statements have been effective throughout the reporting period.



Paul White
Commissioner for Consumer Affairs



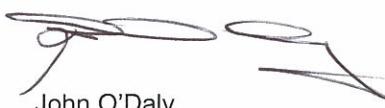
Andrew Swanson
Executive Director
Finance and Business Services
Attorney-General's Department



10 February 2012



10 February 2012



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



10 February 2012



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**To the Commissioner for Consumer Affairs
Consumer Business Services, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 102(2) of the *Residential Tenancies Act 1995*, I have audited the accompanying financial report of the Residential Tenancies Fund for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department and the Executive Director, Finance and Business Services, Attorney-General's Department.

Commissioner for Consumer Affairs' Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Residential Tenancies Fund as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
28 February 2012

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

For the Year Ended 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|---|-------------|----------------|----------------|
| Income | | | |
| Contribution by licensees | | 307 | 303 |
| Interest revenues | | 270 | 162 |
| Other income | 3 | 9 | 10 |
| Total income | | 586 | 475 |
| | | | |
| Claims | 4 | 117 | 21 |
| Administration | 5a | 45 | 21 |
| Other expenses | 5b | 86 | 12 |
| Total expenses | | 248 | 54 |
| Net cost of providing services | | 338 | 421 |
| | | | |
| Net gain/(loss) on financial assets taken to equity | | 44 | 44 |
| Total comprehensive result | | 382 | 465 |

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

SECOND HAND VEHICLES COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--|-------------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalent | 6 | 2,259 | 2,101 |
| Investments | | 1,456 | 1,317 |
| Receivables | 7 | 83 | 41 |
| Total current assets | | 3,798 | 3,459 |
| Investments | | 1,378 | 1,334 |
| Total non-current assets | | 1,378 | 1,334 |
| Total assets | | 5,176 | 4,793 |
| Payables | 8 | 5 | 4 |
| Total current liabilities | | 5 | 4 |
| Total liabilities | | 5 | 4 |
| Net assets | | 5,171 | 4,789 |
| Asset revaluation reserve | | (100) | (144) |
| Retained earnings | | 5,271 | 4,933 |
| Total equity | | 5,171 | 4,789 |
| The total equity attributable to the SA Government as owner | | 5,171 | 4,789 |

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

**SECOND HAND VEHICLES COMPENSATION FUND
STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2011

| | Asset revaluation reserve \$'000 | Retained earnings \$'000 | Total \$'000 |
|--|---|--------------------------------|-----------------|
| Balance at 30 June 2009 | (188) | 4,512 | 4,324 |
| Net result 2009-10 | - | 421 | 421 |
| Net gain on financial assets taken to equity | 44 | - | 44 |
| Total comprehensive result 2009-10 | 44 | 421 | 465 |
| Balance at 30 June 2010 | (144) | 4,933 | 4,789 |
| Net result 2010-11 | 44 | 338 | 382 |
| Balance at 30 June 2011 | (100) | 5,271 | 5,171 |

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

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

SECOND HAND VEHICLES COMPENSATION FUND
STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2011

| | Note No. | 2011 Inflows (Outflows) \$'000 | 2010 Inflows (Outflows) \$'000 |
|---|-------------|---|---|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Interest received | | 228 | 155 |
| Contribution by licensees | | 307 | 303 |
| Other receipts | | 8 | 10 |
| Cash generated from operations | | 543 | 468 |
| Cash outflows | | | |
| Administration | | (45) | (21) |
| Claims | | (117) | (21) |
| Other payments | | (85) | (12) |
| Cash used in operations | | (247) | (54) |
| Net cash provided by operating activities | 9 | 296 | 414 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Payments for investments | | (139) | (110) |
| Cash used in investing activities | | (139) | (110) |
| Net cash used in investing activities | | (139) | (110) |
| Net increase in cash and cash equivalents | | 157 | 304 |
| Cash and cash equivalents at the beginning of the financial year | | 2,102 | 1,798 |
| Cash and cash equivalents at the end of the financial year | 6 | 2,259 | 2,102 |

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

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SECOND HAND VEHICLES COMPENSATION FUND

NOTES TO THE ACCOUNTS

Note 1. Summary of Significant Accounting Policies

a) Objectives of the Second Hand Vehicles Compensation Fund

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

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

b) Statement of Compliance

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

Except for the amendments to Australian Accounting Standards AASB 2009-12, which the Fund has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2011. These are outlined in Note 2.

c) Basis of Preparation

The preparation of the financial statements requires:

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

SECOND HAND VEHICLES COMPENSATION FUND

NOTES TO THE ACCOUNTS

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented.

d) Reporting Entity

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

e) Comparative Information

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

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

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

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

f) Rounding

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

g) Taxation

The Fund is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST),emergency services levy,land tax equivalents and local government rate equivalents.

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

- When the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office,in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables which are stated with the amount of GST included.

SECOND HAND VEHICLES COMPENSATION FUND

NOTES TO THE ACCOUNTS

The net amount of GST recoverable from, or payable to, the Australian Taxation Office included as part of receivables or payables in the Statement of Financial Position.

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

h) Income

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

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

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

i) Expenses

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

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

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

j) Current and Non-current Classification

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

k) Assets

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

SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

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

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash at bank and on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

Receivables

Receivables include prepayments and other accruals.

Other financial assets

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

As at 30 June 2011 the Fund held investments in common funds in the following proportions:

| | |
|------------------|--------|
| Balanced | 48.65% |
| Cash Common Fund | 51.35% |

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

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

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

I) Liabilities

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

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

SECOND HAND VEHICLES COMPENSATION FUND

NOTES TO THE ACCOUNTS

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

Payables

Payables include creditors and accrued expenses.

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

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

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

m) Contingent assets and liabilities

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

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

2. New and revised accounting standards and policies

Except for AASB 2009-12, which the Fund has adopted early, the Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2011. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

SECOND HAND VEHICLES COMPENSATION FUND
NOTES TO THE ACCOUNTS

3. Other income

| | 2011 \$'000 | 2010 \$'000 |
|---------------------------|----------------|----------------|
| Management fee recovery | 8 | 7 |
| Sundry recovery | 1 | 3 |
| Total other income | 9 | 10 |

4. Claims

Payments of \$117,000 (\$21,000) to settle valid unsatisfied claims against 1 (3) second hand vehicle dealer.

5a Administration

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

5b Other Expenses

| | 2011 \$'000 | 2010 \$'000 |
|-----------------------------|----------------|----------------|
| Other (incl audit fees) | 86 | 12 |
| Total Other Expenses | 86 | 12 |

6. Cash and cash equivalents

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| Section 21 Deposit Account with the Treasurer | 2,259 | 2,101 |
| Total cash and cash equivalents | 2,259 | 2,101 |

7. Receivables

| | 2011 \$'000 | 2010 \$'000 |
|--------------------------|----------------|----------------|
| Accrued interest | 83 | 41 |
| Total receivables | 83 | 41 |

8. Payables

| | 2011 \$'000 | 2010 \$'000 |
|-----------------------|----------------|----------------|
| Accruals | 5 | 4 |
| Total payables | 5 | 4 |

9. Cash flow reconciliation

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| Reconciliation of cash and cash equivalents at 30 June as per: | | |
| Statement of cash flows | 2,259 | 2,101 |
| Statement of Financial Position | 2,259 | 2,101 |

Reconciliation of net cash provided by operating activities to net

Net cash provided by (used in) operating activities

296

413

Movement in assets and liabilities

| | | |
|---------------------------------------|------------|------------|
| Increase / (decrease) in receivables | 43 | 8 |
| Decrease in payables | (1) | |
| Net cost of providing services | 338 | 421 |

SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

10. Contingent assets and liabilities

The Fund has an estimated contingent liability to pay \$48,000 (\$40,000) relating to current and expected claims against the Fund.

11. Auditors Remuneration

The amount payable to the Auditor-General for audit services during the reporting period was \$5,300 (\$4,000). No other services were provided by the Auditor-General.

12. Financial Instruments

a. Categorisation of financial instruments

Financial Assets

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

Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for

b. Credit Risk

At reporting date funds totalling \$2.83 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.

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.

SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

Sensitivity Analysis

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

| | Carrying Amount (\$'000) | Interest Rate Risk | | Price Risk | | |
|----------------------------------|--------------------------------|------------------------|------------------------|--------------------|--------------------|--|
| | | -1% | 1% | -1% | 1% | |
| | | Net Result (\$'000) | Net Result (\$'000) | Equity (\$'000) | Equity (\$'000) | |
| 2011 | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash Equivalents | 2,259 | (23) | 23 | - | - | |
| Investments | 2,834 | - | - | (28) | 28 | |
| Total increase/(decrease) | | (23) | 23 | (28) | 28 | |
| 2010 | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash Equivalents | 2,101 | (21) | 21 | - | - | |
| Investments | 2,651 | - | - | (27) | 27 | |
| Total increase/(decrease) | | (21) | 21 | (27) | 27 | |

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 | |
|-------------------------------|-----------------------|-----------------------|
| | 2011 \$'000 | 2010 \$'000 |
| Income | | |
| Interest revenue | 270 | 162 |
| Management fee recovery | 8 | - |
| Total income | 278 | 162 |
| Financial assets | | |
| Cash and cash equivalents | 2,259 | 2,101 |
| Investments | 2,834 | 2,651 |
| Total financial assets | 5,093 | 4,752 |

SECOND HAND VEHICLES COMPENSATION FUND NOTES TO THE ACCOUNTS

STATEMENT BY EXECUTIVE

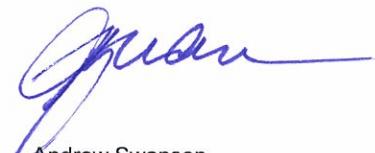
We certify that the attached General Purpose Financial Statements for the Second Hand Vehicles Compensation Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant *Australian Accounting Standards*
- are in accordance with the accounts and the records of the Fund; and
- present a true and fair view of the financial position of the Second Hand Vehicles Compensation Fund as at 30 June 2011 and the results of its operation and cash flows for the financial year.

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



Paul White
Commissioner for Consumer Affairs



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

10 February 2012

10 February 2012



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

10 February 2012



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**To the Commissioner for Consumer Affairs
Consumer Business Services, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and clause 6(2) of Schedule 3 to the *Second-hand Vehicles Compensation Act, 1995*, I have audited the accompanying financial report of the Second-hand Vehicles Compensation Fund for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department and the Executive Director, Finance and Business Services, Attorney-General's Department.

Commissioner for Consumer Affairs Responsibility for the Financial Report

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

Auditor's Responsibility

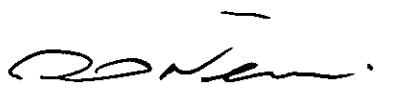
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Second-hand Vehicles Compensation Fund as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
28 February 2012

AGENTS INDEMNITY FUND
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--|-------------|----------------|----------------|
| Income | | | |
| Interest revenues | 3 | 12,220 | 8,688 |
| Other income | 4 | 117 | 121 |
| Total income | | 12,337 | 8,809 |
| Expenses | | | |
| Claims | 5 | - | - |
| Administration | | 151 | 93 |
| Professional Costs | | 283 | 226 |
| Other expenses | 6 | 388 | 381 |
| Total expenses | | 822 | 700 |
| Net cost of providing services | | 11,515 | 8,109 |
| Other Comprehensive Income | | | |
| Net gain/(loss) on financial assets taken to equity | | 718 | 719 |
| Total comprehensive result attributable to the SA Government as owner | | 12,233 | 8,828 |

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

**AGENTS INDEMNITY FUND
STATEMENT OF FINANCIAL POSITION**

As at 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--|-------------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalent | 7 | 45,246 | 36,494 |
| Investments | | 19,881 | 17,754 |
| Receivables | 8 | 2,639 | 1,939 |
| Other | | 6 | - |
| Total current assets | | 67,772 | 56,187 |
| Non-current assets | | | |
| Investments | | 22,367 | 21,649 |
| Total non-current assets | | 22,367 | 21,649 |
| Total assets | | 90,139 | 77,836 |
| Current liabilities | | | |
| Payables | 9 | 93 | 23 |
| Total current liabilities | | 93 | 23 |
| Total liabilities | | 93 | 23 |
| Net assets | | 90,046 | 77,813 |
| Equity | | | |
| Asset revaluation reserve | | 131 | (587) |
| Retained earnings | | 89,915 | 78,400 |
| Total equity | | 90,046 | 77,813 |
| The total equity attributable to the SA Government as owner | | 90,046 | 77,813 |

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 2011

| | Asset revaluation reserve \$'000 | Retained earnings \$'000 | Total \$'000 |
|--|---|--------------------------------|-----------------|
| Balance at 30 June 2009 | (1,306) | 70,291 | 68,985 |
| Net result for 2009-10 | - | 8,109 | 8,109 |
| Net gain on financial assets taken to equity 2009-10 | 719 | - | 719 |
| Total comprehensive result for 2009-10 | 719 | 8,109 | 8,828 |
| Balance at 30 June 2010 | (587) | 78,400 | 77,813 |
| Net result for 2010-11 | 718 | 11,515 | 12,233 |
| Balance at 30 June 2011 | 131 | 89,915 | 90,046 |

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

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

2011

**AGENTS INDEMNITY FUND
STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2011

| | Note No. | 2011 Inflows (Outflows) \$'000 | 2010 Inflows (Outflows) \$'000 |
|---|-------------|---|---|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Interest received | | 11,513 | 8,068 |
| Other receipts | | 118 | 120 |
| Cash generated from operations | | 11,631 | 8,188 |
| Cash outflows | | | |
| Claims | | - | - |
| Administration | | (151) | (93) |
| Professional Costs | | (283) | (226) |
| Other payments | | (318) | (434) |
| Cash used in operations | | (752) | (753) |
| Net cash provided by operating activities | 10 | 10,879 | 7,435 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Payments for investments | | (2,127) | (1,564) |
| Cash used in investing activities | | (2,127) | (1,564) |
| Net cash used in investing activities | | (2,127) | (1,564) |
| Net increase in cash and cash equivalents | | 8,752 | 5,871 |
| Cash and cash equivalents at the beginning of the financial year | | 36,494 | 30,623 |
| Cash and cash equivalents at the end of the financial year | 7 | 45,246 | 36,494 |

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

2

AGENTS INDEMNITY FUND

NOTES TO THE ACCOUNTS

Notes to and forming part of the financial statements

1. Summary of Significant Accounting Policies

a) Objectives of the Agents Indemnity Fund

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

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

b) Statement of Compliance

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

Except for the amendments to Australian Accounting Standards AASB 2009-12, which the Fund has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2011. These are outlined in Note 2.

c) Basis of Preparation

The preparation of the financial statements requires:

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented.

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

d) Reporting Entity

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

e) Comparative Information

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

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

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

f) Rounding

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

g) Taxation

The Fund is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables, which are stated with the amount of GST included.
- The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

h) Income

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

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

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

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

i) Expenses

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

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

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

Administration

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

Professional Costs

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

Other expenses - Consumer and Agent Education

Under Section 31 (2) (f) of the *Conveyancers Act 1994* and Section 29 (4) (f) of the *Land Agents Act 1994* the Commissioner for Consumer Affairs may make payments from the Fund for prescribed education programs. During 2010-11 payments were made to the Australian Institute of Conveyancers and Real Estate Institute of South Australia for these purposes.

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

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

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

j) Current and Non-current Classification

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

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

k) Assets

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

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

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash at bank and on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

Receivables

Receivables include prepayments and other accruals.

Other financial assets

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

As at 30 June 2011 the Fund held investments in common funds in the following proportions:

| | |
|------------------|--------|
| Balanced | 52.94% |
| Cash Common Fund | 47.06% |

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

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

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

l) Liabilities

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

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

2011

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

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

Payables

Payables include creditors and accrued expenses.

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

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

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

m) Contingent assets and liabilities

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

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

2. New and revised accounting standards and policies

Except for AASB 2009-12, which the Fund has early adopted, the Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2011. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

Ron

**AGENTS INDEMNITY FUND
NOTES TO THE ACCOUNTS**

3. Interest revenue

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------------|---------------------|
| Interest from Agents & Conveyancers Trust Accounts | 7,787 | 5,880 |
| Interest on Investments held with Public Trustee | 2,574 | 1,626 |
| Interest on deposits with the Dept of Treasury and Finance | 1,859 | 1,182 |
| Total Interest | <u>12,220</u> | <u>8,688</u> |

4. Other income

| | 2011 \$'000 | 2010 \$'000 |
|---------------------------|-------------------|-------------------|
| Management fee recovery | 115 | 108 |
| Sundry recovery | 2 | 13 |
| Total other income | <u>117</u> | <u>121</u> |

5. Claims

No payments were made for claims against defaulting conveyancers, mortgage financiers or land agents during 2010-11.

6. Other expenses

| | 2011 \$'000 | 2010 \$'000 |
|-----------------------------|-------------------|-------------------|
| Consumer & Agent Education | 377 | 352 |
| Other (incl.audit fees) | 11 | 29 |
| Total other expenses | <u>388</u> | <u>381</u> |

7. Cash and cash equivalents

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------------|----------------------|
| Section 21 Deposit Account with the Treasurer | 45,246 | 36,494 |
| Total cash and cash equivalents | <u>45,246</u> | <u>36,494</u> |

8. Receivables

| | 2011 \$'000 | 2010 \$'000 |
|--------------------------|---------------------|---------------------|
| Accrued interest | 2,639 | 1,939 |
| Total receivables | <u>2,639</u> | <u>1,939</u> |

9. Payables

| | 2011 \$'000 | 2010 \$'000 |
|-----------------------|------------------|------------------|
| Creditors | 86 | 17 |
| Accruals | 7 | 6 |
| Total payables | <u>93</u> | <u>23</u> |

Ron

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

10. Cash flow reconciliation

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------------|---------------------|
| Reconciliation of cash and cash equivalents at 30 June as per: | | |
| Statement of cash flows | 45,246 | 36,494 |
| Statement of Financial Position | 45,246 | 36,494 |
| Reconciliation of net cash provided by operating activities to net cost of providing services: | | |
| Net cash provided by (used in) operating activities | 10,879 | 7,435 |
| Movement in assets and liabilities | | |
| Increase/(Decrease) in receivables | 706 | 622 |
| (Increase)/Decrease in payables | (70) | 52 |
| Net cost of providing services | <u><u>11,515</u></u> | <u><u>8,109</u></u> |

11. Contingent assets and liabilities

The Fund has an estimated contingent liability of \$150,000 relating to current and expected claims against the Fund.

12. Auditors Remuneration

The amount payable by the Fund for audit services during the reporting period was \$6,500 (\$6,200). No other services were provided by the Auditor-General.

13. Financial Instruments

a. Categorisation of financial instruments

Financial Assets

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

Financial Liabilities

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

b. Credit Risk

At reporting date funds totalling \$42.25 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.



AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

c. Ageing Analysis

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

d. Maturity Analysis

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

e. Liquidity Risk

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

f. Market Risk

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

| | Carrying Amount (\$'000) | Interest Rate Risk | | Price Risk | | |
|----------------------------------|--------------------------------|------------------------|------------------------|--------------------|--------------------|--|
| | | -1% | 1% | -1% | 1% | |
| | | Net Result (\$'000) | Net Result (\$'000) | Equity (\$'000) | Equity (\$'000) | |
| 2011 | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash Equivalents | 45,246 | (452) | 452 | - | - | |
| Investments | 42,248 | - | - | (422) | 422 | |
| Total increase/(decrease) | | (452) | 452 | (422) | 422 | |
| 2010 | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash Equivalents | 36,494 | (365) | 365 | - | - | |
| Investments | 39,403 | - | - | (394) | 394 | |
| Total increase/(decrease) | | (365) | 365 | (394) | 394 | |

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

14. Transactions with SA Government

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

| | SA Government | |
|-------------------------------|----------------------|----------------------|
| | 2011 | 2010 |
| | \$'000 | \$'000 |
| Income | | |
| Interest revenue | 4,433 | 2,808 |
| Management fee recovery | 115 | 108 |
| Total income | <u>4,548</u> | <u>2,916</u> |
| Expenses | | |
| Administration | 151 | 93 |
| Total expenses | <u>151</u> | <u>93</u> |
| Financial assets | | |
| Cash and cash equivalents | 45,246 | 36,494 |
| Accrued interest | 1,357 | 746 |
| Investments | 42,248 | 39,403 |
| Total financial assets | <u>88,851</u> | <u>76,643</u> |

DRW

AGENTS INDEMNITY FUND NOTES TO THE ACCOUNTS

STATEMENT BY EXECUTIVE

We certify that the attached General Purpose Financial Statements for the Agent's Indemnity Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Fund; and
- present a true and fair view of the financial position of the Agent's Indemnity Fund as at 30 June 2011 and the results of its operation and cash flows for the financial year.

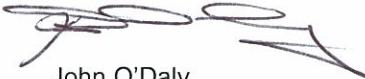
We certify that the internal controls employed by the Agent's Indemnity Fund for the financial year over its financial reporting and its preparation of the General Purpose Financial Statements have been effective throughout the reporting period.



Paul White
Commissioner for Consumer Affairs



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



10 February 2012



10 February 2012

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

10 February 2012





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**To the Commissioner for Consumer Affairs
Consumer Business Services, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 41(2) of the *Land Agents Act 1994*, and section 43(2) of the *Conveyancers Act 1994*, I have audited the accompanying financial report of the Agents Indemnity Fund for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department and the Executive Director, Finance and Business Services, Attorney-General's Department.

Commissioner for Consumer Affairs Responsibility for the Financial Report

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

Auditor's Responsibility

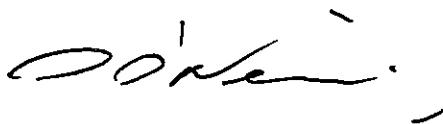
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Agents Indemnity Fund as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
28 February 2012

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

For the Year Ended 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|---|-------------|----------------|----------------|
| Income | | | |
| Interest revenue | | 330 | 200 |
| Other income | | 13 | 12 |
| Total income | | 343 | 212 |
| Expenses | | | |
| Administration | 3 | 91 | 81 |
| Total expenses | | 91 | 81 |
| Net cost of providing services | | 252 | 131 |
| Other comprehensive income | | | |
| Net gain/(loss) on financial assets taken to equity | | 64 | 69 |
| Total comprehensive result | | 316 | 200 |

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

2011

RETAIL SHOP LEASES FUND
STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

| | Note No. | 2011 \$'000 | 2010 \$'000 |
|--|-------------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 321 | 917 |
| Investments | | 3,210 | 1,973 |
| Receivables | 5 | 129 | 68 |
| Total current assets | | 3,660 | 2,958 |
| Investments | | 2,420 | 2,356 |
| Total non-current assets | | 2,420 | 2,356 |
| Total assets | | 6,080 | 5,314 |
| Security bonds lodged | 6 | 434 | 500 |
| Payables | 7 | 174 | 165 |
| Total current liabilities | | 608 | 665 |
| Security bonds lodged | 6 | 4,403 | 3,896 |
| Total non-current liabilities | | 4,403 | 3,896 |
| Total liabilities | | 5,011 | 4,561 |
| Net assets | | 1,069 | 753 |
| Asset revaluation reserve | | (122) | (186) |
| Retained earnings | | 1,191 | 939 |
| Total equity | | 1,069 | 753 |
| The total equity attributable to the SA Government as owner | | 1,069 | 753 |

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 2011

| | Asset revaluation reserve \$'000 | Retained earnings \$'000 | Total \$'000 |
|---|---|--------------------------------|-----------------|
| Balance at 30 June 2009 | (255) | 808 | 553 |
| Net result 2009-10 | - | 131 | 131 |
| Net gain on investments taken to equity 2009-10 | 69 | - | 69 |
| Total comprehensive result 2009-10 | 69 | 131 | 200 |
| Balance at 30 June 2010 | (186) | 939 | 753 |
| Net result 2010-11 | 64 | 252 | 316 |
| Balance at 30 June 2011 | (122) | 1,191 | 1,069 |

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

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

2011

**RETAIL SHOP LEASES FUND
STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2011

| | Note No. | 2011 Inflows (Outflows) \$'000 | 2010 Inflows (Outflows) \$'000 |
|---|-------------|---|---|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Interest received | | 270 | 183 |
| Bond lodgements | | 1,014 | 1,096 |
| Other receipts | | 13 | 12 |
| Cash generated from operations | | 1,297 | 1,291 |
| Cash outflows | | | |
| Administration | | (85) | - |
| Bond refunds | | (574) | (500) |
| Cash used in operations | | (659) | (500) |
| Net cash provided by operating activities | 8 | 638 | 791 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Payments for investments | | (1,234) | (174) |
| Cash used in investing activities | | (1,234) | (174) |
| Net cash used in investing activities | | (1,234) | (174) |
| Net (decrease)/increase in cash and cash equivalents | | (596) | 617 |
| Cash and cash equivalents at the beginning of the financial year | | 917 | 300 |
| Cash and cash equivalents at the end of the financial year | 4 | 321 | 917 |

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

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**RETAIL SHOP LEASES FUND
STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2011

| | Note No. | 2011 Inflows (Outflows) \$'000 | 2010 Inflows (Outflows) \$'000 |
|---|-------------|---|---|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Interest received | | 270 | 183 |
| Bond lodgements | | 475 | 1,096 |
| Other receipts | | 13 | 12 |
| Cash generated from operations | | 758 | 1,291 |
| Cash outflows | | | |
| Administration | | (53) | - |
| Bond refunds | | (67) | (500) |
| Cash used in operations | | (120) | (500) |
| Net cash provided by operating activities | 8 | 638 | 791 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Payments for investments | | (1,234) | (174) |
| Cash used in investing activities | | (1,234) | (174) |
| Net cash used in investing activities | | (1,234) | (174) |
| Net (decrease)/increase in cash and cash equivalents | | (596) | 617 |
| Cash and cash equivalents at the beginning of the financial year | | 917 | 300 |
| Cash and cash equivalents at the end of the financial year | 4 | 321 | 917 |

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

2011

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

Note1. Summary of Significant Accounting Policies

a) Objectives of the Retail Shop Leases Fund

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

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

b) Statement of Compliance

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

Except for the amendments to Australian Accounting Standards AASB 2009-12, which the Fund has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2011. These are outlined in Note 2.

c) Basis of Preparation

The preparation of the financial statements requires:

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

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented

d) Reporting Entity

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

e) Comparative Information

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

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

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

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

f) Rounding

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

g) Taxation

The Fund is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

- When the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

h) Income

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

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

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

i) Expenses

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

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

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

Employee benefits expenses

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

Superannuation

an

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

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

j) Current and Non-Current Classification

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

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

k) Assets

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash and bank and on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

Receivables

Receivables include prepayments and other accruals.

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

Other financial assets

Receivables

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

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

As at 30 June 2011 the Fund held investments in common funds in the following proportions:

| | |
|------------------|--------|
| Capital Stable | 13.89% |
| Balanced | 29.12% |
| Cash Common Fund | 56.99% |

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

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

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

I) Liabilities

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

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

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

Payables

Payables include creditors and accrued expenses.

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

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

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

Employee Benefits

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

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.

m) Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingencies are disclosed net of the amount of GST recoverable from, or payable, to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

2. New and revised accounting standards and policies

Except for AASB 2009-12, which the Fund has early adopted, the Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2011. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

[Signature]

RETAIL SHOP LEASES FUND
NOTES TO THE ACCOUNTS

3. Administration expenses

| | 2011 \$'000 | 2010 \$'000 |
|---|------------------|------------------|
| Staffing costs | 75 | 72 |
| Other (incl. audit fees) | 16 | 9 |
| <i>Total administration expenses (1)</i> | <u>91</u> | <u>81</u> |

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

4. Cash and cash equivalents

| | 2011 \$'000 | 2010 \$'000 |
|---|-------------------|-------------------|
| Deposits with Treasurer | 321 | 917 |
| <i>Total cash and cash equivalents</i> | <u>321</u> | <u>917</u> |

5. Receivables

| | 2011 \$'000 | 2010 \$'000 |
|---------------------------------|-------------------|------------------|
| Accrued interest | 129 | 68 |
| <i>Total receivables</i> | <u>129</u> | <u>68</u> |

6. Security bonds lodged

| | 2011 \$'000 | 2010 \$'000 |
|---|---------------------|---------------------|
| Current | | |
| Bonds lodged | 434 | 500 |
| <i>Total current security bonds lodged</i> | <u>434</u> | <u>500</u> |
| Non Current | | |
| Bonds lodged | 4,403 | 3,896 |
| <i>Total non-current security bonds lodged</i> | <u>4,403</u> | <u>3,896</u> |

7. Payables

| | 2011 \$'000 | 2010 \$'000 |
|--|-------------------|-------------------|
| Creditor – Attorney-General's Department | 169 | 160 |
| Accruals | 5 | 5 |
| <i>Total payables</i> | <u>174</u> | <u>165</u> |

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

8. Cash flow reconciliation

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------|----------------|
| Reconciliation of cash and cash equivalents at 30 June as | | |
| Statement of cash flows | 321 | 917 |
| Statement of Financial Position | 321 | 917 |
| Reconciliation of net cash provided by operating activities | | |
| to net cost of providing services: | | |
| Net cash provided by (used in) operating activities | 638 | 791 |
| Movement in assets and liabilities | | |
| Increase / (decrease) in receivables | 61 | 17 |
| Increase/(Decrease) in payables | (9) | (81) |
| Increase in Security Bonds | (438) | (596) |
| Net cost of providing services | <u>252</u> | <u>131</u> |

9. Contingent assets and liabilities

The Fund has no contingent liabilities or assets.

10. Auditors Remuneration

The amount payable to the Auditor-General for audit services during the reporting period was \$5,900 (\$4,700). No other services were provided by the Auditor-General.

11. Financial Instruments

a. Categorisation of financial instruments

Financial Assets

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

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

Financial Liabilities

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

Barry

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

b. Credit Risk

At reporting date funds totalling \$5.63 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

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

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

c. Liquidity Risk

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

d. Market Risk

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

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

Cash is also subject to interest rate risk.

Sensitivity Analysis

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

| | Carrying Amount (\$'000) | Interest Rate Risk | | Price Risk | |
|----------------------------------|--------------------------------|------------------------|--------------------|--------------------|-----------|
| | | -1% | 1% | -1% | 1% |
| | Net Result (\$'000) | Net Result (\$'000) | Equity (\$'000) | Equity (\$'000) | |
| 2011 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 321 | (3) | 3 | - | - |
| Investments | 5,630 | - | - | (56) | 56 |
| Total increase/(decrease) | | (3) | 3 | (56) | 56 |
| 2010 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 917 | (9) | 9 | - | - |
| Investments | 4,329 | - | - | (43) | 43 |
| Total increase/(decrease) | | (9) | 9 | (43) | 43 |

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

12. Transactions with SA Government

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

| | SA Government | |
|--|---------------------|---------------------|
| | 2011 \$'000 | 2010 \$'000 |
| Income | | |
| Interest revenue | 330 | 200 |
| Management fee recovery | 13 | - |
| Total income | <u>343</u> | <u>200</u> |
| Financial assets | | |
| Cash and cash equivalents | 321 | 917 |
| Receivables | 129 | 68 |
| Investments | 5,630 | 4,329 |
| Total financial assets | <u>6,080</u> | <u>5,314</u> |
| Financial liabilities | | |
| Creditor – Attorney-General's Department | 169 | 160 |
| Total financial liabilities | <u>169</u> | <u>160</u> |

RETAIL SHOP LEASES FUND NOTES TO THE ACCOUNTS

STATEMENT BY EXECUTIVE

We certify that the attached General Purpose Financial Statements for the Retail Shop Leases Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Fund; and
- present a true and fair view of the financial position of the Retail Shop Leases Fund as at 30 June 2011 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Fund for the financial year over its financial reporting and its preparation of the General Purpose Financial Statements have been effective throughout the reporting period.



Paul White
Commissioner for Consumer Affairs



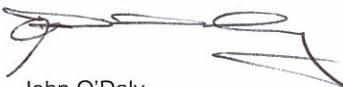
Andrew Swanson
Executive Director
Finance and Business Services
Attorney-General's Department



10 February 2012



10 February 2012



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



10 February 2012



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**To the Commissioner for Consumer Affairs
Consumer Business Services, Attorney-General's Department**

As required by section 31 of the *Public Finance and Audit Act 1987* and section 72(2) of the *Retail and Commercial Leases Act 1995*, I have audited the accompanying financial report of the Retail Shop Leases Fund for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, General Manager, Operational Support Services, Office of Consumer and Business Affairs, Attorney-General's Department and the Executive Director, Finance and Business Services, Attorney-General's Department.

Commissioner for Consumer Affairs' Responsibility for the Financial Report

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

Auditor's Responsibility

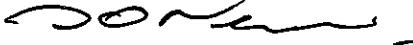
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Retail Shop Leases Fund as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.


S O'Neill
AUDITOR-GENERAL
28 February 2012