

NSW OFFICE OF

Fair Trading

DEPARTMENT OF COMMERCE

for consumers
& traders

Motor Vehicle Repair Industry Authority Annual Report 2007 – 2008

2007-2008

www.fairtrading.nsw.gov.au

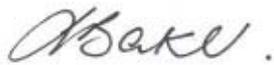
To Parliament

The Hon Virginia Judge, MP
Minister for Fair Trading
Minister for Citizenship, and
Minister Assisting the Premier on the Arts
Parliament House Sydney

Dear Ms Judge

I am pleased to present the Annual Report of the Motor Vehicle Repair Industry Authority for the year ended 30 June 2008.

The report has been prepared for presentation to the Parliament of New South Wales in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984*.



Lyn Baker
Commissioner for Fair Trading
30 October 2008

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New South Wales
Office of Fair Trading
Parramatta NSW Australia
October 2008

Motor Vehicle Repair Industry Authority

The Motor Vehicle Repair Industry Authority is a statutory authority, established by the *Motor Vehicle Repairs Act 1980*. The Authority's functions are carried out by the Office of Fair Trading. They include the licensing of motor vehicle repair businesses, the certification of tradespeople working in those businesses and the mediation of disputes between motor vehicle owners and repairers.

Legislation

- The *Motor Vehicle Repairs Act 1980*
- The *Motor Vehicle Repairs Regulation 1999*.

Clientele

- Persons carrying on the business of repairing motor vehicles
- Tradespeople who perform repair work
- Consumers of motor vehicle repair services

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Access

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Introduction

On Monday 5 May 2008 the Motor Vehicle Repair Industry Authority was fully integrated into the Office of Fair Trading, when all of its branches and staff were relocated to various Fair Trading divisions.

This integration follows the review of the *Motor Vehicle Repairs Act* in 2004, to determine whether its policy objectives remained valid and whether the terms of the Act remained appropriate for securing those objectives. The review report, which was tabled in Parliament in late 2004, found that overall the legislation was meeting its objectives, however a number of enhancements were recommended, including the integration of the Authority into the Office of Fair Trading.

A great deal of planning and preparatory work for the integration was completed during both the previous and this reporting period to allow the integration to proceed smoothly and without jeopardising the continued provision of services to the community and to the motor vehicle repair industry, whilst ensuring that compliance with the Act continued.

I am pleased to say that the integration was entirely successful, due in no small part to the willing co-operation of the staff involved, both within the Authority and the Office of Fair Trading. All of the functions of the Authority are now fully integrated

into the service structures of Fair Trading and already the benefits of integration that were foreshadowed are being realised.

Consumers and the trade are now able to easily access information and services through the network of 24 Fair Trading Centres located throughout New South Wales, or by phoning the Fair Trading Information Centre, which provides a single, convenient point of access for enquiries. Licensing and certification services are provided by the new whole-of-government Government Licensing Service, dispute mediation services are now part of the state-wide Customer Services Division and effective compliance has been enhanced by integration into Fair Trading's new Investigation and Enforcement Division.

Further amendments to the *Motor Vehicle Repairs Act* are anticipated in the coming reporting period, aimed at strengthening consumer protection in the vehicle repair marketplace as well as providing the trade with better trained and skilled tradespeople. These measures will contribute to the achievement of the NSW State Plan activities of delivering better services and rights, respect and responsibility.



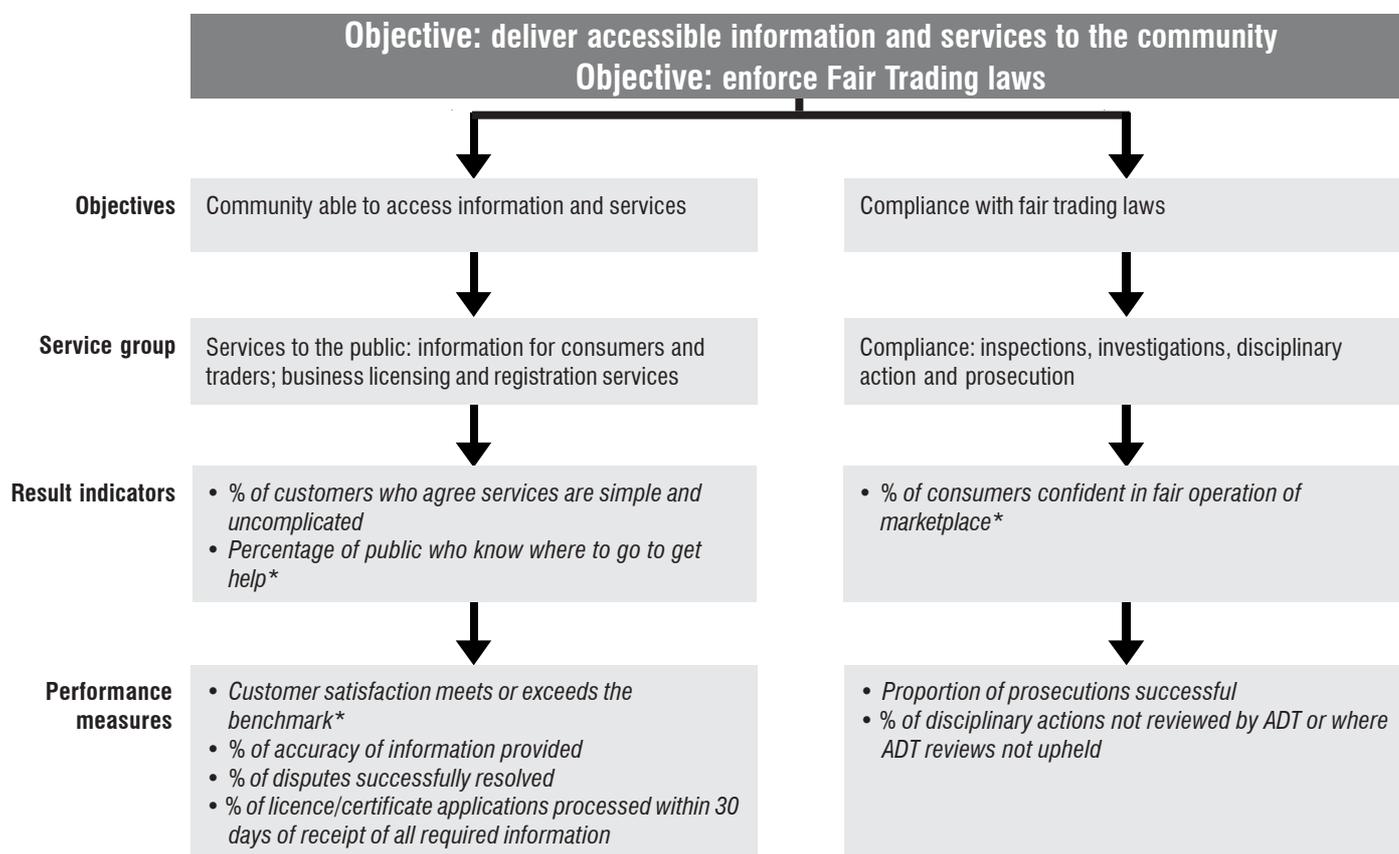
Lyn Baker
Commissioner for Fair Trading

Planning Framework

The Authority's functions are carried out in accordance with the operational objectives of the Office of Fair Trading Strategic Plan 2007-2010. The Motor Vehicle Repair Industry Authority operates in line with Fair Trading's strategic objectives to:

- simplify service provision for consumers and traders
- achieve fair marketplace regulation with minimal red tape
- deliver accessible information and services to the community
- enforce Fair Trading laws
- win and maintain respect as a credible, efficient and effective organisation.

To address these objectives, information is provided through Fair Trading's phone, counter and electronic service channels. Help is provided via dispute handling services where individual consumers who are in dispute with a repairer over the cost or quality of a repair can get ready access to assistance, without going through a formal process such as a Tribunal hearing. A key function is the licensing of motor vehicle repair businesses and tradespeople to ensure appropriate standards for the industry. The second objective is addressed by investigating breaches of the legislation. Enforcement options range from warnings and penalty notices through to prosecution or disciplinary action such as suspension or cancellation of a licence or the imposition of conditions.



* Relevant services provided as part of OFT's overall services. Results are monitored for services as a whole

Services to the public

Objective: Community able to access information and services

This is the first of two objectives that contribute to simplifying processes for dealing with government and promoting a fair marketplace in the area of motor vehicle repairs. Once a fair regulatory framework is in place, which is achieved through the policy and legislative development work of the Office of Fair Trading, it is essential for the community - consumers and traders - to be able to access information on their rights and obligations under that framework, for consumers who are having difficulty acting on their rights to be able to get help and for businesses and tradespeople to have access to an efficient licensing and certification system.

Result indicator	03-04	04-05	05-06	06-07	07-08	Target
% of customers who agree services are simple and uncomplicated*	-	-	-	87%	82%	85% **
% of public who know where to go to get help*	73%	73%	70%	66%	63% ^	65-70%

* Results are monitored by survey for OFT services as a whole. Survey results valid to $\pm 5\%$ @ 95% level of confidence

**Until at least three years of data are available it is not technically feasible to set a firmer target

^Fair Trading is working on a communication strategy to increase awareness.

Comment/Interpretation

These indicators are measured through surveys conducted independently on behalf of the Office of Fair Trading. Customers' views on the complexity of services concern the contribution that regulatory requirements make to the complexity or otherwise of the services provided. A high level of agreement would indicate customers are generally not troubled by what they may need to do to obtain the service and that regulatory requirements are reasonable and appropriate. A low level of agreement would suggest a need for increased reform efforts - within the context of the regulatory objectives. Its value therefore is as a general indicator that in combination with customer satisfaction and information accuracy survey results, allows Fair Trading to gauge its response to the goal of customer friendly services with increased customer satisfaction.

The community is unable to access services unless they know where to go. The survey results show the proportion of the general public who knows which government agency to approach for information about, or help with, consumer protection issues. It would be unrealistic to expect 100% community knowledge of OFT services and the target has been set at 65-70%.

Performance measures	03-04	04-05	05-06	06-07	07-08	Target
Customer satisfaction meets or exceeds the benchmark *	89%	87%	90%	90%	85% ^	≥90%
% of accuracy of information provided *	99%	83%	93%	89%	90%	≥95% **
% of disputes successfully resolved	78%	74%	65%	60%	64%	≥70%
% of applications processed within 30 days of receipt of all required information	100%	100%	98%	100%	100%	≥95%

* Results are monitored by survey for OFT services as a whole. Survey results valid to ± 5% @ 95% level of confidence

**The target was increased during 2007-2008 from 90% to 95%

^ Customer satisfaction will be kept under review in the current reporting period.

Comment/Interpretation

We help consumers get a fair go in the vehicle repairs marketplace by providing information on their rights under the *Motor Vehicle Repairs Act 1980*. Fair Trading monitors the quality of information services provided to customers, assessing both customer satisfaction and the accuracy of information provided, through independently conducted annual surveys. The Authority's services are included in both surveys but due to their proportion within the overall sample, the isolation of specific MVRIA results is not appropriate - hence overall Fair Trading results appear above. Individual consumers can also contact Fair Trading with a complaint, and it will approach the repairer to help the parties reach agreement - offering a speedy result for the consumer and helping cut government costs by reducing the load on the Consumer, Trader and

Tenancy Tribunal. The percentage of disputes successfully resolved was below target again this year due to the mix of simple and difficult disputes, together with a decrease in the number of disputes handled. This will be kept under review in the coming reporting period.

From the perspective of both consumers and repairers, an efficient and effective licensing regime is essential to the viability of the motor repair industry. The target licensing and certification processing timeframes continue to be surpassed - demonstrating that the industry is not subject to any administrative or regulatory impediments.

Providing accurate information to consumers and traders

Informing the public about the industry

Fair Trading aims to increase vehicle owners' understanding of their rights and obligations in respect to motor vehicle repair work and to enable them, as much as possible, to resolve differences with repairers without the need for recourse to more formal avenues. Fair Trading also aims to raise the awareness of vehicle owners as to the complexity of motor vehicles and the importance of regular maintenance by licensed repairers.

Web site information for motor vehicle owners and repairers

Fair Trading's web site is a useful source of information for motor vehicle owners and repairers with a range of information related to motor vehicle repairs and dealing with repairers.

Register of licensed repairers and certificate holders

Members of the public are able to telephone Fair Trading to check the register to ensure that a business they intend using for repair work holds a licence. Repairers are able to check the register to see if tradespeople hold the necessary certificate to be employed to carry out repair work. This information is provided free of charge.

Workshop visits by inspectors

All new repair businesses are visited by an inspector as soon as possible after they have commenced business. This provides an opportunity for the requirements of the legislation, fair trading principles and general business fundamentals to be discussed with the licensee, as well as ensuring that the requirements of the *Motor Vehicle Repairs Act* are being complied with.

Providing effective consumer help to the public

Telephone assistance to repairers

Fair Trading provides a telephone information service to repairers to assist them with questions about repair, regulatory, dispute and business matters.

Liaison with peak industry bodies

Fair Trading has well-established communications channels with the various peak industry groups to ensure a proper two-way flow of information about issues related to the industry.

Technical advisory service to consumers

Fair Trading provides a free technical advisory service to motor vehicle owners who have concerns about the cost or quality of motor vehicle repairs. The technical advisory service is staffed by qualified and experienced tradespeople who discuss the issues of concern with the motor vehicle owner. In many cases this discussion is sufficient for the owner to realise that their concern is unfounded or addresses the issue so that further action is not needed.

In other instances the Technical Advisory Officer is able to provide the owner with information to enable them to discuss the dispute with the repairer in an informed manner and to reach a satisfactory outcome.

Where appropriate the Technical Advisory Officer will ring the repairer to discuss the matter. This also often results in a settlement being reached.

Where the matter cannot be resolved and if the owner intends to pursue it further, they are sent a notice of dispute form to formally lodge their dispute. The technical advisory service answered approximately 13,400 telephone enquiries during the year.

Dispute mediation

If an owner lodges a notice of dispute arrangements are made for a Dispute Mediation Officer to either meet with the owner and repairer or to conduct a tele-conference to try to assist them reach a mutually agreed settlement. This process is free of charge and is entirely voluntary. If a settlement can be reached, the terms of the settlement are recorded in writing and signed by the owner and repairer as evidence of their agreement. The settlement terms can then be referred to in evidence if the matter is taken to another forum such as a Court or the Consumer, Trader and Tenancy Tribunal. During the year 1,096 dispute matters were mediated, with 696 of these being either withdrawn by the owner or settled without the need for any further action. In 400 cases the dispute was not able to be resolved or the owner decided to proceed with a Consumer, Trader and Tenancy Tribunal claim.

Claims to the Consumer, Trader and Tenancy Tribunal

Where a matter cannot be resolved the owner is informed that they can lodge a claim with the Consumer, Trader and Tenancy Tribunal. In these cases the Dispute Mediation Officer provides a report of the matter to both parties, which can be used by the Tribunal in its consideration of the matter.

Contingency fund

If a motor vehicle owner has suffered a loss due to repair work that was incompetent then, subject to certain conditions, a payment can be made from the Contingency Fund to recoup the amount of the loss, up to the maximum amount allowed, which is \$30,000. To be eligible for a Contingency Fund payment the owner must have done everything possible to recover the loss, such as taking debt recovery action through the courts. During the reporting period 6 owners were paid a total of \$28,685 from the Contingency Fund.

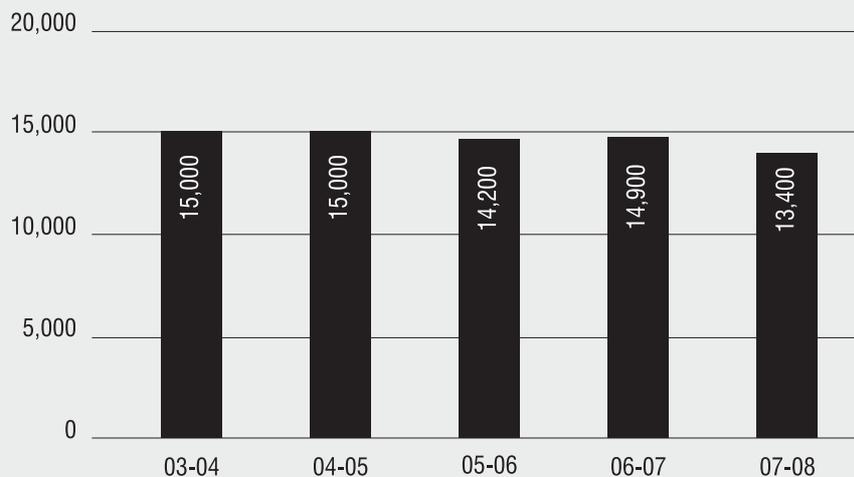
Monitoring repairers' dispute histories

Fair Trading reviews the dispute files of any repairer who has had three or more disputes in the previous twelve months.

Where the nature of the disputes suggests that either the standard of repair work needs improvement, the costs appear unreasonably high

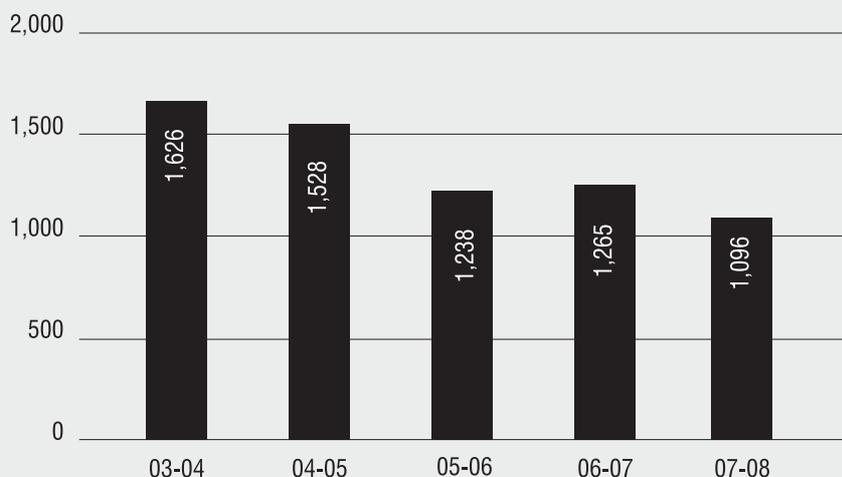
or the repairer has poor customer relations skills, the matters are discussed with the repairers in question and their conduct is then kept under review. This process is successful in reducing disputes.

Technical advisory telephone enquiries



Although increasing numbers of customers are using Fair Trading's website, demand for traditional contact methods remain high.

Formal disputes handled per year



The number of formal disputes handled each year is demand driven.

Compliance

Objective: Compliance with fair trading laws

Fair Trading strives for compliance with the laws through a range of enforcement activities that include inspection programs as well as investigations that arise from inspections or from specific consumer complaints. Enforcement options range from warnings and penalty notices through to prosecution or disciplinary action such as suspension or cancellation of a licence or the imposition of conditions.

Result indicator	03-04	04-05	05-06	06-07	07-08	Target
% of consumers confident in fair operation of marketplace*	70%	71%	69%	73%	79%	68-74%

* Results are monitored by survey for OFT services as a whole. Survey results valid to $\pm 5\%$ @ 95% level of confidence

Comment/Interpretation

Consumer confidence, which is measured through an independently conducted survey, is a recognised proxy measure used in several jurisdictions to assess marketplace fairness, but it is impacted by the activities of many agencies across jurisdictions. Results can be affected by major events, including those interstate or overseas, during or just prior to the survey. The aim is to

maintain levels in a target range comparable to other similar jurisdictions (68-74%). It is highly unlikely that much higher results would ever be achieved given marketplace complexity but subject to above qualifications, significant drops would trigger further marketplace analysis to examine whether the results reflect an issue of concern.

Performance measures	03-04	04-05	05-06	06-07	07-08	Target
Proportion of prosecutions successful	100%	100%	100%	100%	100%	$\geq 95\%$
% disciplinary actions not reviewed by ADT or where ADT reviews not upheld	100%	100%	100%	100%	100%	$\geq 95\%$

Comment/Interpretation

Good service level measures for compliance work are quite hard to develop. Currently successful prosecutions - those that result in conviction, as well as those where the offence is proven but a conviction is not recorded are measured. This measure reports the outcome of enforcement through the courts in matters where Fair Trading is satisfied, as a result of investigation, that significant legislative breaches have occurred. Although this is a service-level measure, the results are not completely controllable as the outcomes depend not just on the cases prepared by Fair Trading, but on Court decisions.

The quality of disciplinary action is measured by the percentage of its actions that are successfully challenged in the Administrative Decisions Tribunal. That any such reviews have not been upheld in the past five years indicates the disciplinary processes meet high standards of professionalism and thoroughness.

Licensing of motor vehicle repair businesses

Motor vehicle owners have a legitimate expectation that repairs to their motor vehicles will be carried out to proper trade standards and at a fair cost.

The core strategy to achieve this is the monitoring and enforcement of licensing and certification requirements and repair standards. This requires repair businesses to perform work to proper trade standards from a fixed or mobile workshop and to employ qualified tradespeople for the repair work undertaken.

All motor vehicle repair businesses in New South Wales must hold a repairer's licence for the class or classes of repair work that they perform.

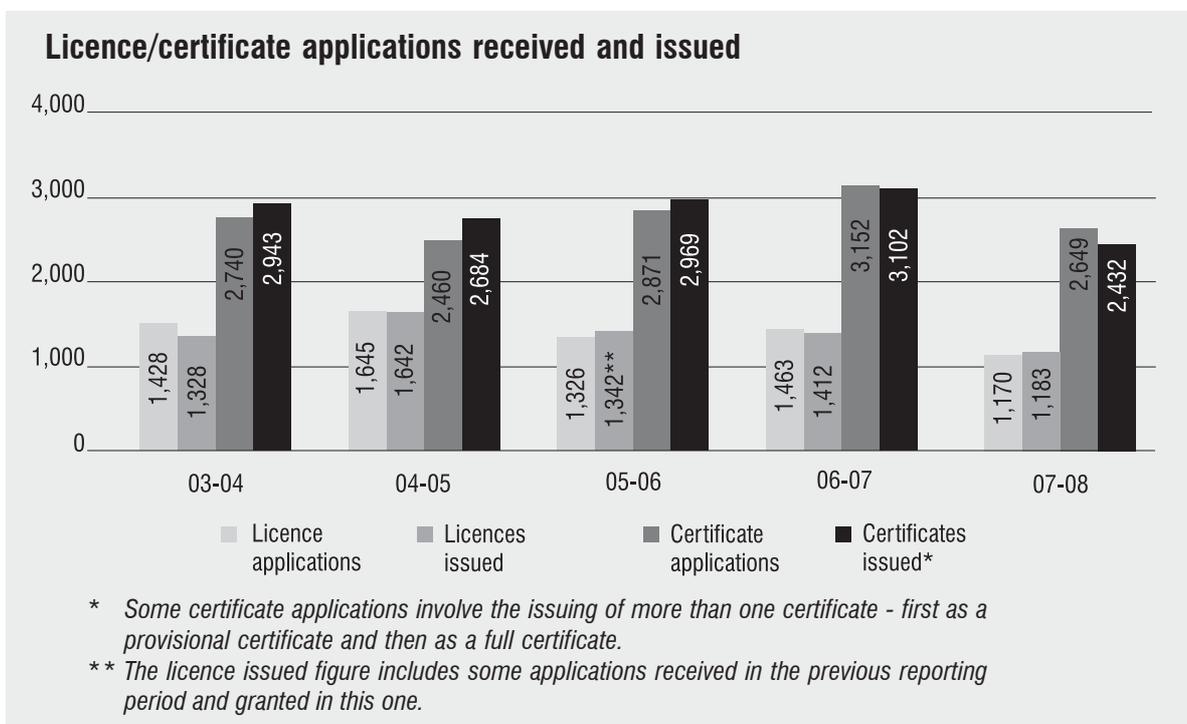
To be granted a licence operators must be fit and proper, must have sufficient financial and material resources to carry on the business and must employ suitably qualified tradespeople to perform the repair work. During the year 1,170 applications for licences were received.

Certification of tradespeople

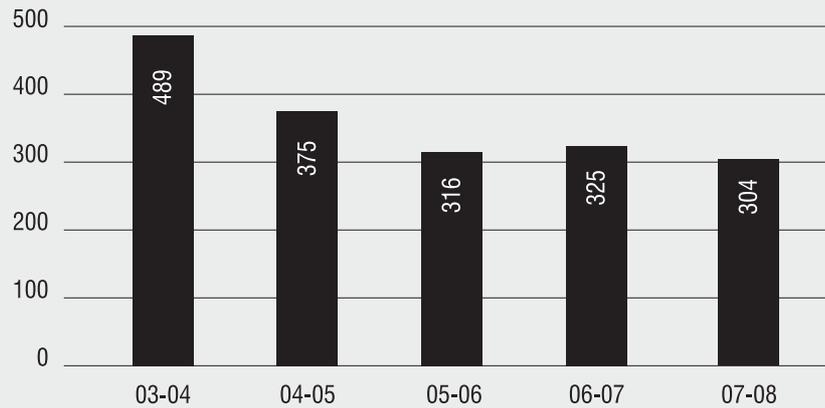
The *Motor Vehicle Repairs Act* requires motor vehicle repair businesses and commercial vehicle owners to employ tradespeople who are suitably qualified to perform the type of repair work carried on by the business. These tradespeople are required to hold tradespersons' certificates issued under the Act.

The completion of an apprenticeship or traineeship for the particular work performed is the most common qualification used to support an application for a tradesperson's certificate. People who do not have formal qualifications may be granted a provisional tradesperson's certificate, to allow them to work in the industry while they gain the necessary skills and qualifications to be granted a full certificate.

Provisional certificates are usually granted for a specific period of time and may also be subject to certain conditions or restrictions, such as limiting the range of work that can be performed, or requiring the person to work under supervision. During the reporting period 2,649 applications for tradesperson certificates were received.



Complaints



Complaints about unlicensed repair work or uncertificated tradespeople are initiated by members of the public and the vehicle repair trade itself. They fluctuate according to marketplace activity.

Disciplinary action against repairers

Disciplinary action can be taken against repairers and tradespeople due to the way they conduct their business or the repair work they perform.

The most common grounds for disciplinary action is where the trade work of a repair business is below usual trade standard or where the business is being carried on in a dishonest or unfair manner.

Four formal disciplinary matters were finalised during the year. In one case the licence holder's licence was cancelled, due to work that was below the usual trade standard, a failure to comply with the provisions of the Act and dishonest or unfair conduct. The licence holder applied to the Administrative Decisions Tribunal for a review, but the Tribunal affirmed the decision to cancel the licence. In another case action was taken against a licence holder for work that was considered to be below the usual trade standard and a failure to comply with an order of the Consumer, Trader and Tenancy Tribunal. The licence holder was ordered to pay \$17,000 into the Contingency Fund. In the third matter action was taken because of work considered to be below the usual trade standard and the licence holder was ordered to pay \$10,000 into the Contingency Fund. The licence holder applied to the Administrative Decisions Tribunal for a review of the decision and the Tribunal affirmed the decision. In the final case related to work considered to be below the usual trade standard the licence holder was issued with a warning letter.

Prosecution of offences

It is an offence under the *Motor Vehicle Repairs Act* to conduct a motor vehicle repair business without holding a licence for the class or classes of repair work performed or to employ uncertificated people to perform repair work.

On investigation, the majority of cases there is no breach of the Act, as the repair work being done is not the carrying on of a business, but is being done by an owner on his or her own vehicle or vehicles, or those of family members.

During the reporting period 304 complaints were received about possible breaches of the Act. As in past years on investigation the majority of these complaints proved to be unfounded. As a result of investigations 6 people were prosecuted for a total of 13 offences.

The offences related to the carrying on or advertising the business of motor vehicle repairer without a licence and the employment of uncertificated tradespeople and the failure to produce records to the Authority. All matters were found proven and a total of \$13,818 was awarded in fines and costs.

Prosecutions and disciplinary actions	03-04	04-05	05-06	06-07	07-08
Number of prosecutions	5	10	9	22	6
Number of disciplinary actions	4	2	12	19	4



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Motor Vehicle Repair Industry Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Motor Vehicle Repair Industry Authority (the Authority), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority as at 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The Commissioner's Responsibility for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating 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.

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Heather Watson
Director, Financial Audit Services

20 October 2008
SYDNEY

STATEMENT BY COMMISSIONER

In accordance with Section 41 C of the *Public Finance and Audit Act, 1983*, I state that:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Motor Vehicle Repair Industry Authority as at 30 June 2008 and the transactions for the period then ended.
2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit (General) Regulation, 2005* and the Treasurer's Directions.

Further, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Authority



LYN BAKER
Commissioner for Fair Trading,
Office of Fair Trading

Dated: 20 October 2008

MOTOR VEHICLE REPAIR INDUSTRY AUTHORITY
Income Statement
for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
Revenue			
Fees from Regulatory Activities	1(e)(i)	1,350,906	2,860,819
Interest on Investments	1(e)(ii)	205,626	267,934
Other		1,954	12,829
Total revenue from ordinary activities	1(e)	<u>1,558,486</u>	<u>3,141,582</u>
Less:			
Expenditure			
Administration Charge	3	3,208,985	2,437,995
Audit Fees	4	29,700	21,100
Bank Charges		1,619	998
Depreciation & Amortisation	1(g)(v)	18,273	19,375
Education & Research Fund Expenditure	5	58,994	63,043
Contingency Fund Payments	6	28,685	91,388
Total expenditure from ordinary activities		<u>3,346,256</u>	<u>2,633,899</u>
Surplus/(Deficit) from ordinary activities		<u>(1,787,770)</u>	<u>507,683</u>

The accompanying notes form part of these financial statements.

MOTOR VEHICLE REPAIR INDUSTRY AUTHORITY
Balance Sheet
as at 30 June 2008

	Notes	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	1,189,646	4,671,048
Receivables	8	889,710	2,110
Land and Buildings held for sale	9	2,350,000	-
Total Current Assets		4,429,356	4,673,158
Non-Current Assets			
Property, Plant and Equipment			
- Land		-	1,450,000
- Buildings		-	736,250
- Plant and Equipment		-	-
Total Property, Plant and Equipment	1(g), 10	-	2,186,250
Total Non-Current Assets		-	2,186,250
Total Assets		4,429,356	6,859,408
LIABILITIES			
Current liabilities			
Creditors & Accruals	11	27,956	852,261
Total Current Liabilities		27,956	852,261
Total Liabilities		27,956	852,261
Net Assets		4,401,400	6,007,147
EQUITY			
Reserves		1,926,499	1,744,476
Accumulated funds		2,474,901	4,262,671
Total Equity	15	4,401,400	6,007,147

The accompanying notes form part of these financial statements.

MOTOR VEHICLE REPAIR INDUSTRY AUTHORITY
Cash Flow Statement
for the year ended 30 June 2008

	Notes	2008	2007
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers and employees		(5,039,888)	(3,298,261)
Total Payments		<u>(5,039,888)</u>	<u>(3,298,261)</u>
Receipts			
Regulatory Fees		1,350,906	2,860,819
Interest Received		205,626	267,934
Other		1,954	12,829
Total Receipts		<u>1,558,486</u>	<u>3,141,582</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u>(3,481,402)</u>	<u>(156,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant, equipment and building		-	-
Less proceeds from sale of plant & equipment		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH		(3,481,402)	(156,679)
Opening cash and cash equivalents		<u>4,671,048</u>	<u>4,827,727</u>
CLOSING CASH AND CASH EQUIVALENTS	7	<u>1,189,646</u>	<u>4,671,048</u>

The accompanying notes form part of these financial statements.

MOTOR VEHICLE REPAIR INDUSTRY AUTHORITY
Statement of Recognised Income and Expense
Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		182,023	-
Total Income and Expense Recognised Directly in Equity		182,023	(106,951)
Surplus/(Deficit) for the year		<u>(1,787,770)</u>	<u>507,683</u>
Total Income and Expense Recognised For the Year	15	<u>(1,605,747)</u>	<u>400,732</u>

The accompanying notes form part of these financial statements.

MOTOR VEHICLE REPAIR INDUSTRY AUTHORITY

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Reporting Entity*

The Motor Vehicle Repair Industry Authority as a reporting entity comprises all activities under its control. The administrative functions of the Authority are performed by Office of Fair Trading and costs associated with these functions are paid for on an operational basis in relation to activities performed (Note 2).

The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. This financial report for the year ended 30 June 2008 has been authorised for issue by the Commissioner for Fair Trading on 17 October 2008.

(b) *Basis of Preparation*

The financial report is a general-purpose financial report which has been prepared on a going concern, accrual and historical cost basis (except as otherwise stated) to exhibit a true and fair view of the financial position and transactions of the Authority in accordance with applicable Australian Accounting Standards, Accounting Interpretations and the requirements of the *Public Finance and Audit Act 1983*, and Regulations and the Treasurer's Directions.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific accounting standard, other authoritative pronouncements of the Australian Accounting Standards Board or Interpretations, the hierarchy of other pronouncements as outlined in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is considered.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets held for trading and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgement, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are expressed in Australian currency.

The following is a summary of the material accounting policies adopted by the Authority in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) *Statement of Compliance*

The financial report, comprising the financial statements and notes, complies with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) *Insurance*

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self- insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

(e) *Revenue Recognition Policy*

All revenues arise from Authority operating activities consistent with core operations. Revenue is recognised when the Board has control of the good or a right to receive, it is probable that the economic benefits will flow to the Board and the amount of revenue can be measured reliably.

In prior years, the Authority issued renewals in March, regardless of the month that the applicant had first applied for a license. During 2007/08, the Authority changed licensing systems and commenced using the Government Licensing System (GLS). As part of this change, the policy of only renewing licenses in March has been altered to renewing licenses on the anniversary date of application. The change in renewal timing brings the Authority's revenue recognition policy in line with the revenue recognition requirements of AASB 118 Revenue.

Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

i) Sale of Goods and Services

Revenue is derived mainly from the levying of annual licences and certifications. These charges are recognised as revenue when the Authority obtains control of the assets that result from them.

ii) Investment Income

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(f) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Cash Flow Statement on a gross basis.

(g) Assets

(i) Acquisition of Assets

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The cost method of accounting is used for the initial recording of all acquisitions. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair values at the date of acquisition.

(ii) Capitalisation Threshold

Items of plant and equipment costing \$2,000 and above individually are capitalised on a cost basis.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*, and AASB 140 *Investment Property*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling process for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Each class of physical non-current assets is revalued at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 May 2008 and was based on independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated. For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus / deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant and Equipment

At each reporting date, the Authority reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(v) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding land, is depreciated on a straight line basis over their useful lives to the Authority commencing from the time the asset is held ready for use. In accordance with AASB 5 Assets Held For Sale are not depreciated. The Authority does not own intangible assets. The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Buildings	2.5%

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(i) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between Government departments are recognised at the amount at which the asset was recognised by the transferor Government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(j) Comparative Information

Where necessary, previous year figures have been reclassified to facilitate comparison.

(k) New Australian Accounting Standards Issued But Not Effective

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative. At present, Treasury is mandating not to early adopt any of the new Standards / Interpretations, as per Treasury Circular TC 08/04. As such, these new Standards / Interpretations have not been early adopted by the Authority.

It is considered that the implementation of these Standards will not have any material impact on the Motor Vehicle Repair Industry Authority's financial results.

2. REVENUE

	2008	2007
	\$	\$
Revenue		
Fees from Regulatory Activities	1,350,906	2,860,819
Interest on Investments	205,626	267,934
Other	1,954	12,829
Total revenue from ordinary activities	<u>1,558,486</u>	<u>3,141,582</u>

In prior years, the Authority issued renewals in March, regardless of the month that the applicant had first applied for a license. This policy led to some licensees receiving less than twelve months of benefit in their initial license year. During 2007/08, the Authority changed licensing systems. As part of this change, the policy of only renewing licenses in March has been altered to renewing licenses on the anniversary date of application. As a consequence, licensees who received less than twelve months benefit in their first year, will recoup this benefit, now renewing on their anniversary date. This will result in the Authority receiving less income in 2007/08 in comparison with previous years. This shortfall is for the 2007/08 financial year only and future years revenue from regulatory activities is expected to return to 2006/07 levels.

3. ADMINISTRATION CHARGE

As mentioned in Note 1(a), the Department of Commerce has applied an Administrative Services Charge for the recovery of those expenses it has incurred on behalf of the Motor Vehicle Repair Industry Authority.

	2008	2007
	\$	\$
Personnel Services	1,623,000	1,768,000
Tribunal Costs	567,000	-
Operating Costs	223,000	214,240
Administrative Costs	310,000	258,000
Service & Legal Expenses	138,000	128,000
Minister/Executive Expenses	72,000	29,000
Policy Expenses	23,000	4,000
Corporate Overhead	53,000	15,000
Fit out charges	137,489	-
Minor Capital Expenditure	62,496	21,755
	<u>3,208,985</u>	<u>2,437,995</u>

4. AUDIT FEES

The Audit Office of NSW's fee for auditing the Authority's financial statements for 2007-08 was \$29,700 (\$21,100 in 2006-07).

5. GENERAL AND EDUCATION & RESEARCH FUNDS

As prescribed by the *Motor Vehicle Repairs Act* 1980, the Authority maintains three separate funds, namely the General Fund, Education and Research Fund and a Contingency Fund. Assets belonging to the Education and Research Fund are consolidated with the General Fund as follows:

	2008	2007
	\$	\$
Opening Balance	54,692	54,692
Add contribution from General Fund	58,995	63,043
	<u>113,687</u>	<u>117,735</u>
Less:		
Expenditure	58,995	63,043
Total Expenditure for the Fund	<u>58,995</u>	<u>63,043</u>
Closing Balance	<u>54,692</u>	<u>54,692</u>
Represented by:		
Cash	54,692	54,692
Total Assets	<u>54,692</u>	<u>54,692</u>
Less Accrued Expenses		
Closing Balance	<u>54,692</u>	<u>54,692</u>

6. CONTINGENCY FUND EXPENDITURE

During the year the Contingency Fund was used to pay compensation claims totalling \$28,685 (\$91,388 in 2006-07).

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2008 Book Value	2008 Market Value	2007 Book Value	2007 Market Value
	\$	\$	\$	\$
Cash at Bank	467,904	467,904	222,676	222,676
NSW Treasury Corp	721,742	721,742	4,448,372	4,448,372
	1,189,646	1,189,646	4,671,048	4,671,048

Reconciliation of Cash

	2008 \$	2007 \$
Cash at Bank and on Hand	467,904	222,676
T-Corp Hour Glass Cash Facility	721,742	4,448,372
Closing Cash and Cash Equivalents (as per Cash Flow Statement)	1,189,646	4,671,048

Weighted Average Effective Interest Rate was 6.55% for 2008 (6.55% 2007).

For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at bank, and deposits with the NSW Treasury Corporation (T-Corp) Hour Glass Cash Facility. Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

8. CURRENT ASSETS - RECEIVABLES

	2008 \$	2007 \$
Current		
Receivables - Office of Fair Trading	876,683	-
Accrued Income	7,514	-
Interest Receivable	3,943	-
Tax Credits	1,570	2,110
	889,710	2,110

9. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

	2008 \$	2007 \$
Assets held for sale		
Land and buildings	2,350,000	-
	2,350,000	-

The Authority's land and building at Five Dock is currently held for sale and the sale is expected to be finalised in 2008-2009.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings \$	Plant \$	Total \$
At 30 June 2008			
At Fair Value	-	-	-
Accumulated depreciation and impairment	-	-	-
Net Carrying Amount	-	-	-
At 1 July 2007			
At Fair Value	2,225,000	-	2,225,000
Accumulated depreciation and impairment	(38,750)	-	(38,750)
Net Carrying Amount	2,186,250	-	2,186,250

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land & Buildings	Plant	Total
	\$	\$	\$
Year ended 30 June 2008			
Net carrying amount at start of year	2,186,250	-	2,186,250
Net revaluation increment less revaluation decrements	182,023	-	182,023
Depreciation	(18,273)	-	(18,273)
Transfer to Assets Held for Sale	(2,350,000)	-	(2,350,000)
Net carrying amount at end of year	-	-	-
At 30 June 2007			
At Fair Value	2,225,000	-	2,225,000
Accumulated depreciation and impairment	(38,750)	-	(38,750)
Net Carrying Amount	2,186,250	-	2,186,250
At 1 July 2006			
At Fair Value	2,225,000	188,639	2,413,639
Accumulated depreciation and impairment	(19,375)	(81,688)	(101,063)
Net Carrying Amount	2,205,625	106,951	2,312,576

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land & Buildings	Plant	Total
	\$	\$	\$
Year ended 30 June 2007			
Net carrying amount at start of year	2,205,625	106,951	2,312,576
Additions	-	-	-
Disposals	-	-	-
Assets Transferred to Commerce – no cost	-	(106,951)	(106,951)
Depreciation expense	(19,375)	-	(19,375)
Net carrying amount at end of year	2,186,250	-	2,186,250

11. CURRENT / NON-CURRENT LIABILITIES - CREDITORS & ACCRUALS

	2008	2007
	\$	\$
Creditors & Accruals	27,956	852,261
	27,956	852,261

Since 9 March 2005, the Authority's staff have been employees of the NSW Department of Commerce, in accordance with the *Public Sector Employment and Management (Motor Vehicle Repair Industry Authority) Order 2005* and therefore all employee related provisions are assumed by the Crown or the Department of Commerce.

12. COMMITMENTS FOR EXPENDITURE

There are no commitments for capital or other expenditure or commitments for leases at balance date.

13. CONTINGENT ASSETS AND LIABILITIES

The Authority and solicitors acting for the Authority are unaware of any matter or event that may give rise to future economic sacrifice or benefit.

14. CASH FLOW STATEMENT

Reconciliation of Surplus/(Deficit) to Cash Flow from Operating Activities

	2008 \$	2007 \$
Surplus / (Deficit)	(1,787,770)	507,683
Non-cash flows in result		
Depreciation	18,273	19,375
Loss on sale of non-current assets	-	-
Changes in assets and liabilities		
(Decrease) / Increase in Creditors	(824,305)	(681,627)
(Increase) / Decrease in Receivables	(887,600)	(2,110)
Net Cash flows from Operating Activities	(3,481,402)	(156,679)

15. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Balance at the beginning of the financial year	4,262,671	3,861,939	1,744,476	1,744,476	6,007,147	5,606,415
Restated Opening Balance	4,262,671	3,861,939	1,744,476	1,744,476	6,007,147	5,606,415
Changes in equity - other than transactions with owners as owners	-	(106,951)	-	-	-	(106,951)
Surplus/(deficit) for the year	(1,787,770)	507,683	-	-	(1,787,770)	507,683
Other increases/(decreases)	-	-	182,023	-	182,023	-
Total	(1,787,770)	400,732	182,023	-	(1,605,747)	400,732
Balance at the end of the financial year	2,474,901	4,262,671	1,926,499	1,744,476	4,401,400	6,007,147

16. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Commissioner for Fair Trading has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Authority on a continuous basis.

(a) Financial Instrument Categories

Financial Assets	Note	Category	Consolidated	
			2008	2007
			\$ Carrying Amount	\$ Carrying Amount
Class: Cash and cash equivalents	6	Not applicable	1,189,646	4,671,048
Receivables*	7	Loans and receivable (at amortised cost)	889,710	2,110
Class: Payables**	10	Financial liabilities measured at amortised cost	27,956	852,261

* Excludes statutory receivables and prepayments (ie not within scope of AASB 7)

** Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash and receivables. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counter parties and establishment of minimum credit rating standards. Deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

(c) Liquidity Risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment or risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Balance Sheet date. The analysis is performed on the same basis for 2007. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing deposits. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

	\$				
	Carrying Amount	Profit -1%	Equity -1%	Profit 1%	Equity 1%
2008					
<i>Financial Assets</i>					
Cash and cash equivalents	1,189,646	(11,896)	(11,896)	11,896	11,896
2007					
<i>Financial Assets</i>					
Cash and cash equivalents	4,671,048	(46,710)	(46,710)	46,710	46,710

Other Price Risk - TCorp Hour-Glass Facilities

Exposure to "other price risk" primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Department has no direct equity investments. The Department holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	Consolidated	
			2008 \$	2007 \$
Cash facility	Cash, money market instruments	Up to 1.5 years (pre-June 2008 - up to 2 years)	721,742	4,448,372

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Impact on Profit/Loss		
	Change in Unit Price	2008 \$	2007 \$
	Hour-Glass Investment - Cash Facility	+1.0%	7,217
	-1.0%	(7,217)	(44,484)

(e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using "redemption" pricing.

The amortised cost of financial instruments recognised in the Balance Sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

17. AFTER BALANCE DATE EVENTS

The Motor Vehicle Repair Industry Authority is not aware of any other circumstances that occurred after balance date that would render particulars included in the financial statements to be misleading.

End of Audited Financial Statements

Appendices

1. Annual report production details

- There were no external costs incurred in the production of this report. No consultant was used in the production of the report.
- The report is available at the Office of Fair Trading's website (www.fairtrading.nsw.gov.au).

2. Consultants

No consultants were engaged during the reporting period.

3. Credit card certification

No credit cards are issued or used within MVRIA.

4. Disposal of land

No land was disposed of during the reporting period.

5. Fees

The various fees associated with licences and certificates were increased once during the reporting period, on 1 July 2007, to take account of the 3.18% CPI increase since the previous increase in July 2006.

Repairers' Licences from 1 July 2007 - 30 June 2008

- \$391 for a new licence application, and an additional \$176 for each static or mobile workshop (\$567 in total for one workshop).
- \$272 for a new licence where the applicant held a licence which lapsed within the previous 12 months.
- \$176 annual fee for a licence to continue in force.
- \$64 for an application to amend a licence where a physical inspection of the premises is required, with a further fee of \$64 for each subsequent inspection.

Tradespersons' Certificates

- \$55 for a tradesperson's certificate from 1 July 2007 - 30 June 2008.

6. Investment management performance

The Authority uses the NSW Treasury Corporation's Hour Glass 'Cash' investment facility to invest its

surplus cash. The performance comparison for the period was 6.82% against the 7.34% benchmark provided by the Australia Bank Bill index. Cash movement during the period was as follows:

September 2007	\$4.130M
December 2007	\$2.750M
March 2008	\$2.290M
June 2008	\$0.722M

7. Legislative change

Motor Vehicle Repairs Amendment (Fees) Regulation 2007. This regulation was made to amend certain fees charged in respect to repairers licences and tradespersons certificates and commenced on 1 July 2007.

8. Major problems and issues and economic and other factors

In accordance with the Annual Reports legislation it is disclosed that there were no major problems encountered during the reporting period, nor were there any adverse economic or other factors that affected the operation of the Authority.

9. Management activities and structure

On 5 May 2008 all the branches and staff of the Authority were relocated into various divisions of the Office of Fair Trading within the Department of Commerce. Prior to then the day-to-day management of the Authority was by the Director, Anthony Tarplee. The position of Director is at Senior Executive Service level 2.

In accordance with the Annual Reports legislation it is disclosed that during the reporting period there was no formal internal or external performance review of the practices or organisational achievements of the Authority.

10. Overseas travel

No overseas travel was undertaken during the year.

Annual Reporting Requirements

Key:

- n/a - items not applying due to Authority's size and nature of operations
- C - covered in the Department of Commerce Annual Report 2007-2008.

Requirement	Reference
Letter of submission to Minister	Inside front cover
Application for extension of time	n/a
Charter	1
Aims & objectives	3
Access	Inside front cover
Summary review of operations	4-10
Funds granted to non-government community organisations	C
Legal change	27
Economic or other factors	27
Management & activities	4-10
Research & development	n/a
Human resources	C
Consultants	27
Equal employment opportunity	C
Disability plans	C
Land disposal	27
Promotion	C
Consumer response	C
Guarantee of service	C
Payment of accounts	C
Time for payment of accounts	C
Risk management and audit	C
Disclosure of controlled entities	n/a
Ethnic affairs priorities statements and any agreement	C
NSW Government action plan for women	C
Occupational health and safety	C
Waste reduction	C
Budgets	14
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Code of conduct	C
After balance events	n/a
Report production and availability	27, this page
Investment performance	27
Liability management performance	23
Exemptions	n/a
Performance and numbers of executive officers	C
<i>Freedom of Information Act</i>	C
Implementation of price determination	n/a
Privacy management plan	C
Program evaluation results	n/a
Departures from <i>Subordinate Legislation Act</i>	n/a
Government energy management policy	C
Electronic service delivery	C
Credit card certification	27

Availability

This annual report is available electronically through the Office of Fair Trading web site.

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For information and help on fair trading issues call the Office of Fair Trading

General enquiries

13 32 20

Language assistance

13 14 50

TTY for hearing impaired

1300 723 404

Aboriginal enquiry officer

1800 500 330

Consumer, Trader & Tenancy Tribunal

1300 135 399

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