INDEPENDENT AUDITOR'S REPORT

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Audit Office of South Australia

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

Opinion

I have audited the financial report of the Second-hand Vehicles Compensation Fund for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Second-hand Vehicles Compensation Fund as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, the Chief Financial Officer, Attorney-General's Department and the Assistant Commissioner, Strategy, Corporate and Registry Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Second-hand Vehicles Compensation Fund. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Commissioner for Consumer Affairs 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioner for Consumer Affairs is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Second-hand Vehicles Compensation Fund for the financial year ended 30 June 2026.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit 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 Second-hand Vehicles Compensation Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner for Consumer Affairs
- conclude on the appropriateness of the Commissioner for Consumer Affairs use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Commissioner for Consumer Affairs about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

30 October 2026

Second Hand Vehicles Compensation Fund

Financial Statements

For the year ended 30 June 2026

Second Hand Vehicles Compensation Fund
Certification of the Financial Statements
for the year ended 30 June 2026

We certify that the:

- financial statements for the Second Hand Vehicles Compensation Fund:
  - are in accordance with the accounts and records of the Fund;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Fund at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Second Hand Vehicles Compensation Fund for the financial year over its financial reporting and its preparation of financial statements have been effective.



Andrew Swanson
Chief Financial Officer
Attorney-General's Department
29 October 2026



Brett Humphrey
Commissioner for Consumer Affairs
Consumer and Business Services
29 October 2026



Fiona Gowen
Assistant Commissioner, Strategy, Corporate and Registry Services
Consumer and Business Services
29 October 2026

Second Hand Vehicles Compensation Fund
Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
Contribution by licensees	3.1	256	246
Investment and interest revenue	3.2	395	331
Net gain on revaluation of investments	3.3	-	103
Other income	3.4	35	44
Total income		**686**	**724**
Expenses			
Compliance and administration	4.1	232	229
Net loss on revaluation of investments	3.3	19	-
Other expenses	4.2	68	35
Total expenses		**319**	**264**
Net result		**367**	**460**
Total comprehensive result		**367**	**460**

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Second Hand Vehicles Compensation Fund
Statement of Financial Position
as at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Investments	5.3	2 599	2 488
Cash and cash equivalents	5.2	657	651
Receivables	5.4	231	166
Total current assets		**3 487**	**3 305**
Non-current assets			
Investments	5.3	4 616	4 418
Total non-current assets		**4 616**	**4 418**
Total assets		**8 103**	**7 723**
Current liabilities			
Payables	6.2	13	-
Total current liabilities		**13**	**-**
Total liabilities		**13**	**-**
Net assets		**8 090**	**7 723**
Equity			
Retained earnings		8 090	7 723
Total equity		**8 090**	**7 723**

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Second Hand Vehicles Compensation Fund
Statement of Changes in Equity
for the year ended 30 June 2026

	Retained earnings $'000	Total equity $'000
Balance at 1 July 2024	**7 263**	**7 263**
Net result for 2024-25	460	460
Total comprehensive result for 2024-25	**460**	**460**
Balance at 30 June 2025	**7 723**	**7 723**
Net result for 2025-26	367	367
Total comprehensive result for 2025-26	**367**	**367**
Balance at 30 June 2026	**8 090**	**8 090**

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Second Hand Vehicles Compensation Fund
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Cash inflows			
Contribution by licensees		256	246
Interest receipts		28	26
GST recovered		-	2
Cash generated from operating activities		**284**	**274**
Cash outflows			
Compliance and administration		(220)	(229)
Other payments		(58)	(27)
Cash used in operating activities		**(278)**	**(256)**
Net cash provided by operating activities		**6**	**18**
Net increase in cash and cash equivalents		**6**	**18**
Cash and cash equivalents at the beginning of the reporting period		651	633
Cash and cash equivalents at the end of the reporting period	5.2	**657**	**651**

The accompanying notes form part of these financial statements.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. About the Second Hand Vehicles Compensation Fund

The Second Hand Vehicles Compensation Fund (SHVCF) is a not-for-profit entity regulated by the *Second-hand Vehicle Dealers Act 1995* (the Act). The SHVCF is administered by the Commissioner for Consumer Affairs (the Commissioner). 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. The SHVCF does not control any other entity and has no interest in unconsolidated structured entities.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987;*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987;* and
- relevant Australian Accounting Standards, applying simplified disclosures.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars ($'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets that are sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the SHVCF has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policies are set out throughout the notes.

The Commissioner for Consumer Affairs is liable for fringe benefits tax (FBT) and goods and services tax (GST). GST collections and payments are carried out by the Attorney-General's Department (AGD) on behalf of the Fund.

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, 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.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

The net amount of GST recoverable from, or payable to, the ATO is not recognised as part of receivables or payables in the Statement of Financial Position as the SHVCF is a member of an approved GST group of which AGD is responsible for the remittance and collection of GST.

1.2. Objectives of the Second Hand Vehicles Compensation Fund

The SHVCF is regulated by the Act. The SHVCF 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 SHVCF.

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

2. Board and committees

2.1. Key management personnel

Key management personnel of the SHVCF include the Minister and the Commissioner for Consumer Affairs who have responsibility for the strategic direction and management of the fund. The compensation received by the Commissioner is included in the controlled financial statements of AGD.

The Minister's remuneration and allowances are set by *the Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

The SHVCF did not enter into any transactions with key management personnel or their close family during the reporting period.

3. Income

3.1. Contribution by licensees

	2026	2025
	$'000	$'000
Contribution by licensees	256	246
Total contribution by licensees	**256**	**246**

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

3.2. Investment and interest revenue

	2026	2025
	$'000	$'000
Distributions from investments held with Public Trustee	274	207
Interest from investments held with Public Trustee	93	98
Interest from deposits held with the Treasurer	28	26
Total investment and interest revenue	**395**	**331**

3.3. Net (loss)/gain on revaluation of investments

	2026	2025
	$'000	$'000
Net (loss)/gain on revaluation of investments	(19)	103
Total net (loss)/gain on revaluation of investments	**(19)**	**103**

3.4. Other income

	2026 $'000	2025 $'000
Management fee recovery	25	24
Services received free of charge	10	10
Derecognition of prior year audit fee	-	10
Total other income	**35**	**44**

From 2024-25, audit fees are accounted for as auditing services received free of charge, under *AASB 1058 Income of Not-for-Profit Entities*.

4. Expenses

4.1. Compliance and administration

	2026 $'000	2025 $'000
Compliance and administration expenses	232	229
Total administration	**232**	**229**

Compliance and administration expenses of the SHVCF include payments made to the Commissioner for Consumer Affairs under section 3(2)(b) of the *Second-hand Vehicle Dealers Act 1995* as reimbursement for administering the SHVCF. The estimated annual costs of these resources are paid as compliance and administration expenses.

4.2. Other expenses

	2026 $'000	2025 $'000
Audit fees*	10	10
Other	58	25
Total other expenses	**68**	**35**

*Fair value of audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

Second Hand Vehicles Compensation Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. Assets

5.1. Financial assets

	2026 $'000	2025 $'000
Financial assets measured at amortised cost		
Cash and cash equivalents	657	651
Financial assets measured at fair value through profit or loss		
Investments	7 215	6 906
Total financial assets	**7 872**	**7 557**

5.2. Cash and cash equivalents

	2026 $'000	2025 $'000
Deposits with the Treasurer	657	651
Total cash and cash equivalents	**657**	**651**

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

5.3. Investments

	2026 $'000	2025 $'000
Current		
Funds invested with the Public Trustee	2 599	2 488
Total current investments	**2 599**	**2 488**
Non-current		
Funds invested with the Public Trustee	4 616	4 418
Total non-current investments	**4 616**	**4 418**
Total investments	**7 215**	**6 906**

Investments represent funds deposited with the Public Trustee. These investments have been classified as financial assets held at fair value through profit and loss as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet claim 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 2026 the SHVCF held investments in common funds in the following proportions:

Cash	36%
Balanced	34%
Capital Stable	30%

Investments are measured at fair value in accordance with unit prices at balance date as advised by the Public Trustee.

Investments are classified as either current or non-current.

Revaluation increments and decrements are recognised at fair value through profit or loss. The fair value of assets traded in active markets are based on quoted market prices for identical assets at balance date.

For further information on risk management refer to Note 8.1.

5.4. Receivables

	2026 $'000	2025 $'000
Current		
Accrued interest and distributions	231	166
Total current receivables	**231**	**166**
Total receivables	**231**	**166**

Receivables relate to accrued interest on investments and distributions with the Department of Treasury and Finance and the Public Trustee. They are non-interest bearing and are held with the objective of collecting the contractual cash flows and measured at amortised costs.

6. Liabilities

6.1. Financial liabilities

	2026 $'000	2025 $'000
Financial assets measured at amortised cost		
Contractual payables	13	-
Total financial liabilities	**13**	**-**

All financial liabilities are measured at amortised cost.

6.2. Payables

	2026 $'000	2025 $'000
Current		
Contractual payables	13	-
Total current payables	**13**	**-**

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are measured at amortised cost. Contractual payables are normally settled within 15 days from the date the invoice is first received.

7. Outlook

7.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

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

7.2. 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.

The SHVCF has an estimated contingent liability to pay nil (2025: $10 000) relating to claims against the Fund.

The SHVCF does not have any contingent assets at the reporting date.

7.3. Events after the reporting period

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

8. Measurement and risk

8.1. Financial instruments

Financial risk management

SHVCF risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The SHVCF's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Market and credit risk

All cash balances and cash common funds held with the Public Trustee are available at call. Investments held with the Public Trustee are classified as 'fair value through profit and loss' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised through the profit and loss.

Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments which expose the Fund to investment risks, including market, credit, interest and currency risk. At reporting date, funds totalling $7.2 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 SHVCF has no significant concentration of credit risk.

The SHVCF 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.

Cash is also subject to interest rate risk.

There have been no changes in risk exposure since the last reporting period.

Impairment of financial assets

The SHVCF considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Categorisation of financial instruments

Details of the material accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective note.

Classification of financial instruments

With the exception of investments with the Public Trustee, all financial instruments are measured at amortised cost and have a contract maturity within one year.