

FIDELITY GUARANTEE FUND, ALLOCATIONS

186. Hon Barry House to the Minister for Racing and Gaming representing the Minister for Consumer and Employment Protection

Further to question on notice No. 146, answered on August 21 2001 -

- (1) What allocations, in terms of funds and purpose, have been made from the Fidelity Guarantee Fund over the past two years?
- (2) What allocations, in terms of funds and purpose, have been made from the Education and General Purpose Fund over the past two years?
- (3) What allocations, in terms of funds and purpose, have been made from the Board Interest Account over the past two years?
- (4) What will funds in these three accounts be used for in the next 12 months?

Hon N.D. GRIFFITHS replied:

- (1) The following allocations were made from the Fidelity Guarantee Fund in the past two years:

	1999/2000	2000/2001
	\$	\$
Fidelity Guarantee Fund claims	1,427,801	915,301
Legal fees	33,012	93,339
Fund administration costs	2,214	4,365
Total	1,463,027	1,013,005

- (2) The following allocations were made from the Education and General Purpose Fund in the past two years:

	1999/2000	2000/2001
	\$	\$
Costs incurred with the administration and enforcement of the Act	3,854,697	4,308,976
Education grants	250,723	140,721
Total	4,105,420	4,449,697

- (3) The following allocations were made from the Board Interest Account in the past two years:

	1999/2000	2000/2001
	\$	\$
Fund administration costs	4,414	4,211
Distribution to the Education & General Purpose Fund	3,621,554	4,570,624
Distribution to the Fidelity Guarantee Fund	56,586	71,416
Distribution to the Home Buyers Assistance Fund	1,980,538	2,499,559
Total	5,663,092	7,145,810

- (4) In the next 12 months, funds in these accounts will be used for the following purposes:

Fidelity Guarantee Fund: In accordance with section 110 of the Real Estate and Business Agents Act 1978, expenditure from this Fund will be used to pay successful claims against the Fund, and to meet the cost of all expenses incurred in defending claims against the Fund and administering the Fund.

Education and General Purpose Fund: In accordance with section 124C of the Real Estate and Business Agents Act 1978, expenditure from this Fund will be used to administer and enforce the Act (which includes the remuneration for Board members and employees) and provide education grants to registered real estate training providers. Key activities that will be undertaken in the next 12 months include:

Monitoring the behaviour of agents and sales representatives.

Receiving complaints.

Investigating complaints.

Investigating qualified audit reports and complaints of trust account breaches.

Conciliating disputes between parties to a real estate transaction.

Holding Inquiries into complaints.

Applying sanctions.

Undertaking proactive assessments of compliance.

Providing education grants to fund industry professional development courses.

Providing telephone and counter advisory services for consumers and industry members.

Producing publications, conducting seminars and undertaking other awareness activities for consumers and industry members.

Receiving and reviewing new applications and renewals for real estate and business agent licences/triennial certificates, and sales representative certificates of registration.

Maintaining a licensing database.

Reviewing and approving real estate industry training programs for registration and licensing purposes.

Board Interest Account: In accordance with section 127 of the Real Estate and Business Agents Act 1978, expenditure from this Account will be used to pay the costs involved in administering the Account, and the balance remaining will be transferred to the Board's Funds in the following proportions, in accordance with Regulation 11:

1% to the Fidelity Guarantee Fund;

64% to the Education and General Purpose Fund; and

35% to the Home Buyers Assistance Fund.