



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 3

MEMORANDUM

To	Hon Peter Breen MLC Hon Amanda Fazio MLC Hon Edward Obeid MLC Hon Charlie Lynn MLC Hon Greg Pearce MLC Hon John Tingle MLC Hon Ian West MLC	cc:	Hon Peter Primrose MLC Hon Don Harwin MLC
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From	Budget Estimates Secretariat
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Subject	Answers to Questions on Notice – Fair Trading
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Date	22 October 2004
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Reference	
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Please find attached a copy of the answers provided to the questions taken on notice by the Hon Reba Meagher MP, Minister for Fair Trading at the Budget Estimates hearing on Wednesday 15 September 2004.

Tanya Bosch  
Director, Budget Estimates



Minister for Fair Trading  
Minister Assisting the Minister for Commerce

RML: M04/5087

Min No: 04/3042

Mr S Reynolds  
Director  
General Purpose Standing Committees  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

**LEGISLATIVE COUNCIL  
COMMITTEES**

22 OCT 2004

**RECEIVED**

Dear Mr Reynolds

I refer to the hearing of the General Purpose Standing Committee No 3 held on 15 September 2004 at which I took a number of questions on notice.

In accordance with the Committee's request, please find attached answers to each of the questions that were taken on notice.

Would you please arrange for the publication of the attached responses.

Yours sincerely

Reba Meagher MP  
**Minister**

22 OCT 2004

**15 September 2004**  
(General Purpose Standing Committee No. 3)

**Portfolio**  
**Fair Trading**

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 1**

**The Hon. CHARLIE LYNN:** What is the range of penalties under section 216?

**Answer**

Clause 45 of the Property, Stock and Business Agents Regulation 2003 prescribes the amount of penalties imposed by section 216 of the Act. Schedule 15 of the Regulation sets out the range of penalties for penalty notice offences. These amounts range:

For individuals – from \$550 to \$5,500

For corporations – from \$1,100 to \$2,200.

**Reba Meagher**  
**Minister**

**15 September 2004**  
(General Purpose Standing Committee No. 3)

**Portfolio**  
*Fair Trading*

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 2**

**The Hon. CHARLIE LYNN:** I refer to the Property Services Compensation Fund and section 165. What were the credit balances of moneys held in the compensation fund for the 12-month periods ended 30 June 2002, 30 June 2003 and 30 June 2004? During each 12-month period, what was the total amount claimed in compensation? What was the total compensation paid to claimants by the fund? What was the total amount recovered by the fund in each year from licensees who failed to account and caused claims to be made for compensation?

**Answer**

I am advised that the credit balances held in the Compensation Fund for each of the years were as follows:

<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2004</b>
\$24,678,332	\$25,579,607	\$26,957,242

I am advised that the total amount claimed in compensation for each of the years is as follows:

<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2004</b>
\$1,614,950	\$789,713	\$439,911

I am advised that the total amount of compensation paid to claimants by the Fund for each of the years is as follows:

<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2004</b>
\$1,614,950	\$789,713	\$439,911

I am advised that the total amount recovered by the Fund for each of the years is as follows:

<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2004</b>
\$116,222	\$130,034	\$149,417

**Reba Meagher**  
**Minister**

**15 September 2004**  
(General Purpose Standing Committee No. 3)

**Portfolio**  
*Fair Trading*

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 3**

**The Hon. CHARLIE LYNN:** My question was what were the total amounts of interest earned on money in the licensee trust accounts during each 12-month period ending 30 June 2002, 30 June 2003 and 30 June 2004, and what are the budgeted projections for interest to be earned during the current year ended 30 June 2005?

**Answer**

I am advised that the total amount of interest earned on money in the Statutory Interest account for each of the years is as follows:

<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2004</b>
\$21,889,584	\$25,254,110	\$27,891,561

I am advised that the budgeted projection for interest to be earned during the current year ending 30 June 2005 is \$24,600,000.

**Reba Meagher**  
**Minister**

**15 September 2004**  
*(General Purpose Standing Committee No. 3)*

**Portfolio**  
*Fair Trading*

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 4**

**Mr Silk:** As I said earlier, the Office of Fair Trading and the CTTT are subject to a mix of funding arrangements: a combination of consolidated funding, real estate statutory interest account, and fees and charges that are collected and retained.

**The Hon. GREG PEARCE:** We are just trying to get the breakdown. How much of the interest has been allocated to the operations, the actual figure for 2003-04?

**Mr Silk:** I appreciate that. The \$42 million is not an actual allocation as such. Over the course of the year there will be interest on that investment. It is actually interest earned on that investment of \$42 million that goes to meet the operating expenses.

**The Hon. GREG PEARCE:** I am trying to get the figure that has been spent in 2003-04. You do not actually have a budget?

**Mr SILK:** I would have to break down the operating costs of each of those three entities.

**Answer**

I refer to the information provided in the Annual Financial Statement of the Rental Bond Board, contained in the Department of Commerce Annual Report.

**Reba Meagher**  
**Minister**

**15 September 2004**

*(General Purpose Standing Committee No. 3)*

***Portfolio***

***Fair Trading***

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 5**

**The Hon. CHARLIE LYNN:** What is the total of the legal costs, counsel's fees and other costs involved in the investigation and prosecution of Mr John Leach incurred by the Department of Fair Trading?

**Answer**

The Commissioner for Fair Trading retained Counsel to appear in the Licensing Court in the civil proceedings taken against Mr Leach under the *Property, Stock and Business Agents Act 1941*.

I am advised that Counsel has been paid \$38,126 for services performed between July 2002 and March 2004.

The solicitor representing the Commissioner is a salaried officer of the Office of Fair Trading as are the investigative staff who were involved.

**Reba Meagher  
Minister**

**15 September 2004**  
(General Purpose Standing Committee No. 3)

**Portfolio**  
*Fair Trading*

**ANSWERS TO QUESTIONS TAKEN ON NOTICE DURING HEARING**

**Question 6**

**The Hon. CHARLIE LYNN:** Why will investigators not respond in the early stage of an investigation to requests for information from solicitors acting on behalf of real estate agents?

**Answer**

The response of investigators to solicitors' requests for information is dependent on the individual circumstances of the matter.

**Reba Meagher**  
**Minister**