

AGENTS BOARD OF THE ACT

Objectives

The Board aims to protect consumer interests when dealing with real estate, travel and employment agents by maintaining an effective and efficient licensing regime.

The objective of the Board is to ensure that all consumers using the services of real estate, travel and employment agents are, at all times, dealing with qualified and experienced practitioners. The Board also aims to maintain the confidence of all interested parties in the administration of the *Agents Act 1968* and, where provided for by law, ensure that consumers have access to a strong and equitable compensation scheme.

2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 are ongoing and include:

- expanding the regulatory regime to include employment agents, subsequent to legislative amendments passed by the Assembly during 1999-2000;
- streamlining the processing and screening of licence and registration applications;
- improving the monitoring of the conduct of registered and licensed agents;
- increasing agent and consumer awareness of the objectives of the *Agents Act 1968*; and
- promoting and providing financial assistance to facilitate the provision of educational programs relating to real estate matters for agents and the general public.

Agents Board of the ACT Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
92	Taxes Fees and Fines	1 199	1 196	..	1 202	1 206	1 212
965	Interest	240	245	2	257	269	283
1 057	Total Revenue	1 439	1 441	..	1 459	1 475	1 495
Expenses							
289	Employee Expenses	243	380	56	389	399	409
43	Superannuation Expenses	40	55	38	56	57	58
180	Administrative Expenses	164	266	62	273	279	285
120	Grants and Purchased Services	120	120	-	120	120	120
632	Total Expenses	567	821	45	838	855	872
425	Operating Result	872	620	-29	621	620	623
1 356	Accumulated Funds - Start of Period	2 166	2 062	-5	2 182	2 303	2 423
-500	Amounts transferred to/from Reserves	-1 000	-500	50	-500	-500	-300
0	Inc/Dec in Net Assets from Admin Restructure	24	0	-100	0	0	0
1 281	Accumulated Funds - End of Period	2 062	2 182	6	2 303	2 423	2 746

**Agents Board of the ACT
Statement Of Financial Position**

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets							
57	Cash	56	105	88	34	62	94
113	Receivables	177	183	3	186	190	193
4 450	Investments	5 300	5 900	11	6 600	7 200	7 800
4 620	Total Current Assets	5 533	6 188	12	6 820	7 452	8 087
Non Current Assets							
0	Property, Plant and Equipment	27	27	-	27	27	27
0	Total Non Current Assets	27	27	-	27	27	27
4 620	TOTAL ASSETS	5 560	6 215	12	6 847	7 479	8 114
Current Liabilities							
5	Creditors	88	73	-17	73	73	73
33	Employee Entitlements	75	115	53	117	119	122
60	Other	90	93	3	95	98	100
98	Total Current Liabilities	253	281	11	285	290	295
Non Current Liabilities							
41	Employee Entitlements	45	52	16	59	66	73
41	Total Non Current Liabilities	45	52	16	59	66	73
139	TOTAL LIABILITIES	298	333	12	344	356	368
4 481	NET ASSETS	5 262	5 882	12	6 503	7 123	7 746
REPRESENTED BY FUNDS EMPLOYED							
1 281	Accumulated Funds	2 062	2 182	6	2 303	2 423	2 746
3 200	Reserves	3 200	3 700	16	4 200	4 700	5 000
4 481	TOTAL FUNDS EMPLOYED	5 262	5 882	12	6 503	7 123	7 746

Agents Board of the ACT Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
4 069	CASH AT BEGINNING OF REPORTING PERIOD	19	56	195	105	34	62
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
91	Taxes, Fees and Fines	1 208	1 199	-1	1 204	1 209	1 214
965	Interest Received	201	245	22	254	266	280
0	Other Revenue	0	18	#	24	24	25
1 056	Operating Receipts	1 409	1 462	4	1 482	1 499	1 519
	Payments						
318	Related to Employees	287	388	35	436	447	457
180	Related to Administration	100	281	181	273	279	285
120	Grants and Purchased Services	120	120	-	120	120	120
0	Other	0	24	#	24	25	25
618	Operating Payments	507	813	60	853	871	887
438	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	902	649	-28	629	628	632
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
0	Purchase of Investments	865	600	-31	700	600	600
0	Investing Payments	865	600	-31	700	600	600
0	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-865	-600	31	-700	-600	-600
	CASH FLOWS FROM FINANCING ACTIVITIES						
0	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	0	0	-	0	0	0
438	NET INCREASE/(DECREASE) IN CASH HELD	37	49	32	-71	28	32
4 507	CASH AT THE END OF THE REPORTING PERIOD	56	105	88	34	62	94

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

Amendments to the *Agents Act 1968* (the Act) passed in the Legislative Assembly and gazetted in November 1999 have resulted in the Agents Board assuming responsibility for all of its operating costs from December 1999 onwards. Further, the regulatory regime has also been expanded to regulate employment agents from 2000-01. These have impacted significantly on the following:

- employee expenses: increase of \$0.137m from 1999-2000 estimated outcome to 2000-01 Budget; and
- administrative expenses: increase of \$0.102m from 1999-2000 estimated outcome to 2000-01 Budget.
- taxes, fees and fines: the increase of \$1.107m from the 1999-2000 Budget to the estimated outcome is due to reclassification of revenue derived from real estate agents' trust accounts. Under the Act, licensed agents are required to maintain Trust Accounts for the safe keeping of monies held in trust on behalf of an agent's principal. As agents have a fiduciary relationship with their principal, they are not permitted to retain any other benefit, such as interest accruing to trust accounts, from that relationship. The Agents Board is authorised under the Act to enter into arrangements with the banks to collect such interest and to apply it to funding the regulatory regime; and
- amounts transferred to reserves: The Agents Board has allowed for ongoing transfers (\$1m in 1999-2000 and \$0.5m in 2000-01) to reserves to supplement the Agents Fidelity Guarantee Fund, a consumer compensation fund established under the Act. The current balance of the fund is \$2.2m and, with future transfers budgeted, the target balance of \$5m should be achieved by the end of 2003-04. While transfers to reserves have been budgeted, the Minister is awaiting review of the Act before approving any such transfer.

Statement of Financial Position

- property, plant and equipment: the increase of \$0.027m from the 1999-2000 Budget to the estimated outcome is due to transferring the part of the leasehold improvements attributable to the Agents Board by the Department of Justice and Community Safety, as part of the Agents Board assuming full financial responsibility for its operations;
- current employee entitlements: the increase of \$0.042m from the 1999-2000 Budget to the estimated outcome is due to the Agents Board assuming full financial responsibility for its operations and the increase of \$0.040m from the estimated outcome to the 2000-01 Budget is due to expected regulation of employment agents commencing 2000-01; and
- other current liabilities: the increase of \$0.030m from the 1999-2000 budget to the estimated outcome is due to increased levels of licence fees paid in advance by employment agents.