

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 2

Topic: Unclaimed Monies

Hansard Page: Tuesday 4 June 2013, Page 82

Senator CORMANN asked:

Senator CORMANN: Mr Kell, I refer you to the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Act, which is a measure that was part of the Mid Year Economic and Fiscal Outlook 2012-13. Given that we are now past the 31 May 2013 deadline for transfers under that particular piece of legislation, can you advise the committee, in gross terms, how much unclaimed money has been transferred to ASIC initially from the inactive bank accounts of individuals?

Mr Kell: Given that that 31 deadline has only just passed, we will have to take it on notice to come back to you with the full figure.

Senator CORMANN: You have no data about how much money—

Mr Kell: We do not have full data at this point in time.

Senator CORMANN: Okay, then up until when you have data available: what is the most recent data that you have?

Mr Kell: We have full data for last financial year, which we can report on.

Senator CORMANN: So you have no data for the year to date—

Mr Kell: I do not have the partial data in front of me for this period, but I am happy to take that on notice and provide it.

Senator CORMANN: It is highly unsatisfactory, I have to say, Mr Kell, because this was obviously a very contentious measure out of the Mid Year Economic and Fiscal Outlook. People across Australia are losing their money out of their bank accounts left, right and centre, and you are not prepared to answer questions here at estimates about how much money you have collected?

Mr Kell: Your question, as I understood it, was how much has come in at 31 May.

Senator CORMANN: This financial year, up until 31 May.

Mr Kell: Which is when the supplementary figures were coming through as a result of the changes. We do not have full data on that.

Senator CORMANN: What data have you got?

Mr Kell: The banking unclaimed money that is currently held by ASIC is \$315 million in total. The additional amount that was received in 2011-12 was an additional \$61 million.

Senator CORMANN: How much money have you collected between 1 January 2013 and 31 May 2013?

Mr Kell: I would have to take that question on notice.

Senator CORMANN: So you have no indication at all how much money has been collected by ASIC as a result of the Treasury Legislation Amendment (Unclaimed Money and Other Measures Act) 2012, despite the public outcry that is out there, that the government is grabbing people's money out of their supposedly lost bank accounts left, right and centre?

Mr Kell: Public outcry or not, that does not impact on how fast institutions present their money to us and how we are able to process that information.

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Answer:

In this transitional year, institutions were permitted to lodge with ASIC a standard return (for unclaimed money meeting the 7 year period) and a supplementary return (for unclaimed money meeting the new 3 year period), or a combined return (including both the standard and supplementary return as one). As some institutions lodged combined returns and the details in the returns do not identify if they are under the 7 or 3 year rule, it is difficult to accurately separate unclaimed money arising under the 7 year period and that arising under the new 3 year period.

However, as a guide, generally money received between January and May 2013 was largely from standard returns (the previous 7 year period), while money received in June 2013 was from supplementary returns (the new 3 year period). The total year, the period to May 2013 and the June 2013 split up of unclaimed money received under the *Banking Act 1959* and the *Life Insurance Act 1995* is outlined below.

2012-13 Financial Year Bank & Life receipts

For 1 July 2012 to 30 June 2013 ASIC received \$520.4 million of unclaimed money under the *Banking Act 1959*.

For 1 July 2012 to 30 June 2013 ASIC received \$31 million of unclaimed money under the *Life Insurance Act 1995*.

1 January to 31 May 2013 Bank & Life receipts (also included in total year figures)

For 1 January 2013 to 31 May 2013 ASIC received \$117.6 million of unclaimed money under the *Banking Act 1959*.

For 1 January 2013 to 31 May 2013 ASIC received \$19.6 million of unclaimed money under the *Life Insurance Act 1995*.

June 2013 Bank & Life receipts (also included in total year figures)

For June 2013 ASIC received \$402.8 million of unclaimed money under the *Banking Act 1959*.

For June 2013 ASIC received \$11.4 million of unclaimed money under the *Life Insurance Act 1995*.