

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 49

Topic: Percentage of Depositors Covered by the Deposit Guarantee

Hansard Page: E25

Senator XENOPHON asked:

Senator XENOPHON —You may provide an answer now or take these questions on notice. The opposition leader talked about a \$100,000 guarantee. That was the figure that was floated around. What percentage of depositors would that have covered? For instance, there is now a discussion about there being an insurance premium on a million dollars. Can I get some figures as to not only the number of depositors that would be covered by those various figures but also the amount of deposits that would be covered by such a guarantee—the distinction between the two?

Dr Henry —We will have to take those questions on notice.

Senator XENOPHON —Sure.

Answer:

It is estimated that the \$1 million fee-free threshold covers 99.5 per cent of deposit accounts in full and around 75 per cent of deposits by value. This means that around 0.5 per cent of deposit accounts are larger than \$1 million and that those large accounts hold around 25 per cent of the total value of deposits.

It is estimated that a \$100,000 threshold would cover around 97 per cent of deposit accounts in full and around 60 per cent of deposits by value.