

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 3

Topic: First Home Saver Accounts

Hansard Page: Written

Senator PAYNE asked:

1. What are the latest figures relating to the number of First Home Saver Accounts for the June quarter (30 June 2009)?
2. How many new accounts have been opened between the March and June quarters?
3. What is the total value of all the funds currently held in First Home Saver Accounts?
4. Is the Treasury aware of any complaints being received from the owners of First Home Saver Accounts expressing concern about being unable to withdraw funds from these accounts?
5. Has there been any further revision of the cost to revenue and administered expenses for the First Home Saver Accounts for 2009-10 Budget? Question BET 9 (part 4 indicated there was a change to the estimates).
6. Is it possible to confirm whether the Australian Tax Office has paid any contributions into individual accounts to date?
7. Is the Treasury responsible for preparing the Annual Report on the operation of the First Home Saver Account Act 2008 (Section 126)?
8. If so, please confirm that production of the report for 2009-10 has been commenced?
9. Is Treasury in a position to indicate the likely date this report will be delivered to the Treasurer for tabling in the Parliament?
10. Has the Treasury been requested to provide any advice to the Government relating to the cessation or winding up of the First Home Saver Account scheme?
11. Does the annual report into the First Home Saver Account Act 2008 contain any advice from Treasury that relates to the future of the First Home Saver Account scheme?

Answer:

1. As at 30 June 2009 there were 13,946 First Home Saver Accounts.
2. APRA advises that as at 31 March 2009 there were 10,800 First Home Saver Accounts with a total value of \$19,399,467. Therefore, 3,146 new accounts have been opened.

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3. As at 30 June the accounts had a total value of \$41,534,000.
4. Treasury is aware that some holders of First Home Saver Accounts have concerns with the four-year rule for accessing the funds in these accounts. This requirement is stated in the terms and conditions of the accounts.
5. There has been no revision the cost to revenue and administered expenses from those presented in the 2009-10 Budget.
6. The ATO has started to pay contributions.
7. Section 126 of the *First Home Saver Accounts Act 2008* requires the Commissioner of Taxation to prepare an annual report on the working of the Act (to the extent that it relates to his administration).

The Commissioner generally prepares a single annual report into the administration of all laws for which he has the general administration. The Commissioner's 2008-09 Annual Report includes information on first home saver accounts.

8. As above.
9. This report has been released by the ATO and can be found on the ATO website.
10. Treasury provides the Government with ongoing advice on matters for which it has portfolio responsibility.
11. The content of the Commissioner's Annual Report is a decision for the Commissioner.