

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 5

Topic: First Home Owners Grants Boost

Hansard Page: Written

Senator PAYNE asked:

1. The boost to the First Home Owners Grant has now been in operation for more than 12 months and was halved earlier this month. The Minister for Housing has regularly issued media statements with total numbers of grant applications provided since October 2008, yet despite several request, information regarding the split between the \$7,000 boost and the \$14,000 boost has not been forthcoming. What are the reasons for this information not being provided when requested?
2. The FHOG Boost payments to the States and Territories are located within Budget Paper 3 of the Commonwealth Budget – Australia's Federal Relations. Can you clarify for the Committee whether this figure is only for the boost or does it also include the payments made for the base grant payment as well?
3. The 2009-10 Budget Paper No 3 indicated that \$830.6 million was appropriated to the First Home Owners Boost. The Final Budget Outcome for 2008-09 that was recently published last month indicates a total expenditure of \$933.9 million. Is it possible to explain the reasons for this variation to the Committee? Unexpected demand?
4. The 2009-10 Budget anticipated payments of \$733.7 million to the States for the Boost. How much of that is likely to have already have been expended between 1 July and mid-October? Will full year expenditure be more or less than the \$733 million budgeted?
5. Does the Treasury collect statistical information on the First Home Owners Grant?
6. Does Treasury receive reports (monthly, quarterly or annual) from State and Territory Government Treasury Departments on the numbers of First Home Owner Grant that have been paid within each jurisdiction? If so, what have been the numbers of payments made in those reports for the period between 2000 and 2009?
7. Is Treasury aware of the number of grants that have been paid each month since the First Home Owners Grant scheme commenced in 2000? If so, how many grants have been paid for each month until October 2009?
8. Is Treasury aware of the proportional split between existing homes and newly constructed homes of all First Home Owner Grant payments that made in each month between 2000 and 2009? If so, what was the proportional split for each month of this time series?

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9. If Treasury cannot provide or release this information, what are the reasons for Treasury being unable to release this information?

Answer:

1. The breakdown between the take-up of First Home Owners Boost grants for established housing and for new homes is not publicly available. The decision to release this level of information is a matter for the Government.
2. The figures contained in Budget Paper 3 are for the First Home Owners Boost only.
3. The difference between the estimates for the First Home Owners Boost for the 2008-09 year contained in the 2009-10 Budget and the actual contained in the 2008-09 Final Budget Outcome reflects higher than expected take-up of the First Home Owners Boost.
4. Between 1 July 2009 and 9 November 2009, the Commonwealth has paid the States and Territories \$420.4 million for the First Home Owners Boost. The latest estimate for the full 2009-10 year expenditure of the First Home Owners Boost, as published in the 2009-10 Mid-Year Economic and Fiscal Outlook, is \$828.2 million.
5. Treasury receives monthly reports from the States and Territories on the number of First Home Owner Scheme applications.
6. Yes. As the First Home Owners Scheme is a State- and Territory-based scheme, publication of the number of recipients of the First Home Owners Scheme grant is a matter for the States and Territories.
7. See answer to question 6.
8. Yes. As the First Home Owners Scheme is a State- and Territory-based scheme, publication of the proportional split of the First Home Owners Scheme grants is a matter for the States and Territories.
9. See answer to question 8.