



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 1) 2009-2010

Consideration in Detail

SPEECH

Wednesday, 17 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker Robert, Stuart, MP	Question No.

Mr ROBERT (Fadden) (11.10 am)—On 1 October 2008 the Minister for Housing joined with the Treasurer to literally shout from the rooftops that the First Home Owner Grant scheme was up and running. Let me remind the government minister of what the Treasurer said last October:

... it's great to see these First Home Saver accounts will provide real help to hundreds of thousands of young Australians trying to buy their first home.

But just how many, Minister? This is what the Treasurer and the Minister for Housing made clear would occur and would be reflected in the budget allocations. They said \$6.5 billion would be held in these accounts after four years. They said that the take-up would grow over time, with around 730,000 accounts being opened in four years time. Then they reflected this in their budget allocations to support the operation of these accounts. Some of us thought these were fairly ambitious outcomes. But the Treasurer and the Minister for Housing insisted—insisted—this would be the take-up: 730,000 accounts holding \$6.5 million in four years, notwithstanding you had to be 18 years old or above and parents could not actually open an account for their young children to prepare for their future.

As my colleague the shadow minister for housing has shown, to achieve this Treasury estimated 220,000 accounts would be opened in the first budget year after the scheme began last October. As well, last year's budget papers show that 13 per cent of their copayments for the scheme would be spent in the first year, indicating the total value of these accounts would reach \$821 million by 30 June this year—a couple of weeks away. So how are we travelling?

After considerable pressure during Senate estimates in February, we actually got an answer to this question lodged a day or two before further estimates hearings this month. This, Minister, is how we have progressed over the first six months of the four years. The goal for the number of accounts opened was 730,000; the number opened, 10,800. The goal for the value of deposits over four years was \$6.5 billion; the value of deposits, \$19.4 million. So let us get some perspective on this, Minister. The take-up of accounts that has been achieved in the last six months the government thought would be achieved in a fortnight. The government thought that the savings in accounts achieved in the last six months would be achieved in only one week. Minister, that is an underperformance of 93 per cent for the total number of accounts opened. An underperformance of 93 per cent! If we look at the amount of money deposited, it is an underperformance of 96 per cent. Grossly incompetent in any language you may care to share.

I ask the minister: are you prepared to concede that the first home saver accounts are not quite meeting the set targets? They are not quite there, are they, Minister? Would you concede that this is a complete dog of a scheme, riding a lemon—or in the words of the Prime Minister, 'fair suck of the sauce bottle', Minister. This thing is a complete horse's backside.

Let us be generous to this government: if the take-up rate were to double to 10 per cent of their original estimates, the government would still have \$702 million left. I ask the minister: what is going to happen to these funds? What will happen to the \$700 million if the rate doubles? If it does not, it is over a billion. Why has she not identified the underspend this financial year? Why has she squandered the chance to redirect these savings to other areas of need? Will the minister now concede that nasty actions such as the cruel cuts to the Medicare safety net could have been avoided if only she had actually stood up, fessed up and said: 'You know what? We are 93 and 96 per cent underperforming. This thing is a complete dog.' Why is the government silent on such a massive departure from its projections? If a scheme like this is chronically underperforming, why not say so and identify the savings?

Again I ask the minister: why haven't the savings been used? They could have got rid of the \$456 million cut to the Medicare safety net and cuts to procedures like IVF, cataracts and obstetrics. Why did you fail to offer up these savings as part of the budget consideration? Why did you ignore that these savings were piling up towards a \$58 billion budget deficit on the backs of current and future generations?