

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 14 – 15 February 2007

**Question:** aet 99

**Topic:** Household Debt

**Hansard Page:** E41

**Senator SHERRY asked:**

At the same time as we had a significant increase in household debt, is it the case that household assets have increased faster than debt?

**Dr Kennedy**—I think the household asset-to-debt ratio has been broadly stable at around 16 per cent to seventeen per cent. They have increased broadly in line with each other.

**Senator Sherry**—What are the major areas of growth in household assets by sector?

**Dr Kennedy**-The major asset they hold is housing. The growth rates might be something that I need to take on notice.

**Answer:**

- According to the ABS, at market prices, dwelling wealth, equities and equity in superannuation funds have been the fastest growing asset classes over the past 10 years.
  - Dwelling wealth has grown by an annual average rate of 13.3 per cent over the past 10 years
    - : Over the past year dwelling wealth has grown by 13.3 per cent.
  - Over the past 10 years households' equity assets have grown by an annual average rate of 12.7 per cent.
    - : Over the past year households' equity assets have grown by 8.9 per cent.
  - Net equity in reserves of life insurance corporations and pension funds (largely comprised of superannuation funds) has grown by an annual average rate of 12.1 per cent over the past 10 years.
    - : Over the past year net equity in reserves of life insurance corporations and pension funds has grown by 14.9 per cent.