

DEPARTMENT OF HOUSING — KEYSTART

252. MR N.W. MORTON to the Minister for Housing:

Can the Minister for Housing update the house on the impact that last year's changes to Keystart's lending criteria has had on the ability of low to moderate income Western Australians to purchase their own home?

Mr W.R. MARMION replied:

The member, I know, is a strong supporter of the state government's affordable housing strategy to deliver 20 000 additional new homes for low to moderate income earners in Western Australia. A key part of this strategy is to increase opportunities for affordable home ownership, and Keystart loans form part of our strategy in providing a low-cost entry home loan for eligible borrowers who may not qualify for bank loans through normal banks. Why not? Because they may not have a big enough deposit; they may not have a savings history; they may not be able to afford mortgage insurance; or they may not be able to afford the application fees. The Keystart loan strategy has been a very successful program since its inception in 1989. It has actually helped 50 000 WA householders achieve homeownership. However, in order for Keystart to provide more loans and increase the reach of this highly successful program, in September last year the government increased the income caps for eligibility. The income cap for a single person in the metropolitan area is now \$90 000; for couples, \$110 000; and for families, \$130 000. In the regions, the income cap for singles is now \$110 000; and for couples and families, \$130 000. Furthermore, recognising the particular circumstances in both the Kimberley and Pilbara regions, the single income cap in those areas is now \$120 000; and for families and couples, \$150 000. We have also increased the property price cap. In the metropolitan area, the cap is \$450 000; in the regions, \$500 000; and, again recognising the special circumstances in the Kimberley and Pilbara regions, the cap is \$700 000 in the Kimberley and \$850 000 in the Pilbara.

What has been the outcome of these changes? I am pleased to report to the house that these changes had an immediate impact. To make a comparison with the 12-month period prior to September 2012, there were 1 550 applications in that time; since September 2012 we have already received 3 609, which is more than double the number of applications in less than 12 months. In respect of approvals, which is the outcome we are trying to achieve, prior to September 2012 in the metropolitan area there were 611 approvals; since that time, we have already had 1 657 approvals in the metropolitan area. In the regions—which will be of interest to many members—before September 2012 we had 181 approvals; since then, we have had 489 approvals.

The changes the government has made to the caps in the Keystart program have created real results and are helping the government with its strategy to deliver 20 000 additional affordable houses to low and moderate income earners in Western Australia. Another important thing to emphasise is that —

The SPEAKER: Member for West Swan, are you finished?

Mr W.R. MARMION: One of the important issues here is the transition of people out of social housing and into their own homes. By transitioning people through Keystart loans from social housing to their own homes we are lowering the waiting lists and delivering on our commitment to improve the housing situation.