

HOUSING — KEYSTART

Statement

HON CHARLES SMITH (East Metropolitan) [9.46 pm]: I thought it was about time that I attacked the government's grossly irresponsible Keystart housing property stimulus package. I think this must be the third or maybe the fourth attempt by the government at spruiking the property market. As usual, it seems to be quite a slow learner. Some months ago, the Premier said, "Now is the best time to buy property", but the market continued to plummet. A few weeks later it rolled out the Minister for Housing, who said, "Now is the best time to buy property", but the market continued to plummet. I understand that a new plan to spruik the market will come out maybe tomorrow.

I note that yesterday or the day before, the Real Estate Institute of Western Australia demanded additional first home buyer subsidies to lift Perth's property market, including reintroducing the \$7 000 first home owner grant for established properties and increasing the stamp duty exemption threshold for first home buyers. I also note that the government has launched a TV advertising blitz to encourage low-deposit first home buyers to enter the market, so this was in *The West Australian* —

In July, the Government announced it was temporarily boosting income limits for potential Keystart customers, resulting in an additional 305 applications for home loans from previously ineligible applicants.

Yesterday, Perth MLA Jim Carey —

The PRESIDENT: Member, I think that you might find that the member for Perth is John Carey, not Jim Carey.

Hon CHARLES SMITH: Sorry, Madam President. I will continue —

Yesterday, Perth MLA John Carey unveiled a new advertising push ... for the government-backed lender, which provides finance to qualifying homebuyers with deposits as low as 2 per cent.

...

"We are launching a major new campaign to get the message out to West Australians —

This is where it gets good —

that it has never been a better time to enter the housing market," Mr Carey said —

Jokingly —

He denied it was irresponsible to be encouraging first home buyers into a falling market.

The McGowan government has promoted its loosening of Keystart income eligibility criteria as a stimulus measure because many clients elect to build their own homes, therefore providing a boost to the construction sector. This scheme is obviously not about improving affordability; rather, it represents a blatant housing stimulus package. Assuming that a large share of Keystart loans are indeed used for new builds, this could actually make the housing oversupply even worse, as despite falling heavily, the rate of dwelling construction in Western Australia is still running well ahead of population growth. This would surely be self-defeating. In fact, the oversupply is so bad that before the last federal election, the Real Estate Institute of Western Australia called for an increase in the number of migrants to help fill the empty homes, as apparently population growth supports the property market, employment and the economy. This is what Damian Collins, the president of REIWA, had to say. He called on —

... all political parties contesting the federal election to commit to putting Perth back on the Regional Migration Scheme ... to attract —

Wait for it —

skilled workers and fill the current oversupply of housing.

There is nothing like kicking the proverbial housing affordability can down the road for another government to deal with! The government is making a big mistake with this scheme, going into bat for the property developers and the big Australian property spruikers, rather than working Australians who still cannot afford to buy a house. What about wages growth, rising youth unemployment, falling living standards and university corruption? These are the issues the government should be dealing with, not propping up corporate interests.