

KEYSTART — INTEREST RATE POLICY

Statement by Minister for Housing

MR J.N. CAREY (Perth — Minister for Housing) [1.14 pm]: I am pleased to inform the house of the significant changes to Keystart's interest rate policy that will provide a boost to thousands of home owners in Western Australia. Since its establishment in 1989, Keystart has helped over 120 000 Western Australians achieve their dream of home ownership. From significant planning reforms to 100 per cent stamp duty concessions and changes to Keystart loans, we are working tirelessly to support our community and boost housing supply.

I today can announce that effective from 1 July 2023, Keystart will align its interest rates with the official cash rate plus 350 basis points, resulting in a reduction of Keystart's variable interest rates from 8.51 per cent to 7.6 per cent. This change will have a significant positive impact on households. For example, the advice from Keystart is that a household with a 30-year mortgage of \$400 000 will save approximately \$3 048 annually. These savings will provide much-needed relief to Western Australian families. Keystart plays a crucial role in enabling more Western Australians to enter the housing market by offering flexible options and deposits as low as two per cent without the need for lender's mortgage insurance. This unique approach can potentially save home owners tens of thousands of dollars.

The new interest rate policy follows an extensive review and has been carefully designed to serve the interests of Keystart customers while responsibly managing the risk associated with low-deposit home loans. As housing minister, I respect the challenges posed by the current housing market. Our government is committed to taking every possible measure to address these challenges and increase the affordability and supply of housing throughout Western Australia. These changes to Keystart's interest rate policy will further assist more Western Australians in realising their goals of affordable home ownership.

The Cook government is deeply cognisant of the current housing market across the country and its impacts on many Western Australians. The COVID-19 pandemic and subsequent heated construction market have radically reshaped housing markets across the country. As a government, we care, and we take seriously the need to provide housing for the most vulnerable members of our community. This reform is another example of our commitment to use every lever we can to boost housing options in Western Australia.