

KEYSTART

**72. Ms C.M. ROWE to the Minister for Housing:**

I refer to the McGowan Labor government's commitment to drive the Western Australian economy and create local jobs through responsible and targeted housing stimulus measures.

- (1) Can the minister update the house on how this government's changes to Keystart is delivering encouraging signs for WA's local housing market and construction sector?
- (2) Can the minister advise the house whether he is aware of anyone who is opposed to those efforts to stimulate WA's housing sector and support local jobs?

**Mr P.C. TINLEY replied:**

- (1)–(2) I thank the member for the question. I know what great excitement she has in her own electorate around the arrival of the Metronet program and precincts that will give a significant uplift to some of the areas that will get the benefit of added investment in the housing sector, particularly around the Redcliffe station. We have known for some time—many members have talked about this—of the challenges in the housing construction industry and the headwinds they have been confronted with by the market downturn. The government has not been deaf to those concerns. We have been in close consultation with the industry, particularly the Housing Industry Association, the Master Builders Association and the Urban Development Institute of Australia, among others, and leaders in the industry sector that are very challenged by housing starts, and we have been working hard. One thing is for sure: when government is confronted with a problem, it must formulate a plan, and we have a plan. I am here to inform the house that that plan is working. I remind members that the government increased the income limits for qualification for a Keystart loan by \$15 000 for singles and \$20 000 for families. This was meant to end in December just gone. In consultation with cabinet we decided that that needed to go along a bit further. We have extended that approach to the middle of the year for this year. That is in addition to the Keystart borrowing—over \$470 million came from that same decision. That brings to a total of \$900 million of additional lending capacity to Keystart, which takes its loan book to \$5.3 billion worth of capability to deliver the sorts of outcomes for low to moderate income earners. Since 1989, over the past 30 years 107 000 Western Australian have benefited from a two per cent deposit entry into the housing market. We are very proud of the outcomes of that great Labor initiative all those years ago.

That comes on top of the \$200 million worth of industry support for the social and affordable housing program, which the Premier mentioned. That has delivered to the Western Australian economy the best support the Western Australia government can give it to support jobs and trades and keep the trades in the industry.

Annual Keystart applications rose by 14.5 per cent to January just gone. That is a significant reversal, given the decline it had seen in its books as the general lending sector had found. This shows that the changes to the Keystart lending criteria have worked. We look with great anticipation over the next few months to see that really accelerate as housing starts to come on. I also note that through the efforts of the Treasurer, about 75 per cent of those approved Keystart loans have been eligible for a first home owner grant. Consequently, FHOG applications were up 2.6 per cent in January and rose by 7.1 per cent in three-month year-end terms—the fastest growth since September 2017. These are tangible green shoots of recovery in the housing and construction industry. However, I warn members that this market, like any other market, is susceptible to the headwinds that we are confronted with by the coronavirus, or COVID-19 as it is named. A major household goods provider in this state has about four weeks' supply of many of its goods left. We talk about the export impact on our economy, but inbound trade supply is also impacted. Many of those goods come from China. The housing industry itself is looking hard at the issues of supply. The supply of materials that are integral to the construction of a house are also affected as China goes through its challenges; for example, hinges, door knobs and glass that are an essential part of housing construction. I have asked for a meeting with suppliers in those industries to ensure that we understand completely the sorts of things they are going through and to see what we can do to assist them to find alternative supplies et cetera.

One of the things I said is that we have a plan, and the plan is working. We are working hard through that process to make sure, first, that we are listening to industry, and second, that we are responding. Many on the other side just do not like what we want to do. They want to cancel the 75 per cent rebate. I would not be surprised if they want to privatise Keystart. They started with the securitisation of \$1.3 billion of the loan book, and they want to cut stamp duty relief. They have been in this place without shame, talking down the economy and talking about the backflips they will do. They will do nothing. They will say anything that will deliver them the sorts of things they think they will need to create the outcomes that

Western Australians deserve from a government. They are like the Goldilocks of politics. Whatever we serve up is either too hot or too cold; it is never just right.