

AFFORDABLE HOUSING STRATEGY

Statement by Minister for Housing

HON COL HOLT (South West — Minister for Housing) [1.03 pm]: In December 2014, I had the privilege to join the Premier, Hon Colin Barnett, MLA, at the Department of Housing to acknowledge the department's win at the 2014 Premier's Award for Excellence in Public Sector Management and the Developing the Economy Award for the Department of Housing's shared equity expression of interest—EOI—program.

I would like to take full credit for the program; but at the time I had been in the job for only one week, so I probably will not.

Hon Simon O'Brien: Claim it.

Hon COL HOLT: Yes, I should claim it anyway.

The Premier described the award-winning program as genuinely innovative and congratulated the department on all that had been achieved through the program. The Premier also noted that homeownership helped build financial, social and community stability in Western Australia and that the program was a terrific example of partnerships between state government and industry. The program has tackled housing affordability by delivering high-quality homes to market at an average of \$200 000 below the Perth median house price, making home ownership more affordable for lower income households. The cheaper product has been coupled with Keystart's SharedStart equity loan, with the department owning up to 30 per cent of the property, which significantly reduces the cost for low-income households. Those households often include community and essential services workers who earn under \$70 000, who are disqualified from social housing and who do not earn enough to afford to buy a home in the current market. To date approximately 800 SharedStart loans have been secured, helping Western Australians into homeownership.

The program not only benefits prospective home owners, but also has resulted in significant economic benefits to government and the construction industry. It is estimated that the additional activity has attributed \$149 million to the construction industry in Western Australia, which has translated to an additional 1 491 jobs within construction and wider fields. In addition, the government has gained a substantial asset through its embedded equity in housing stock and has derived undetermined cost savings by diverting people from social housing into home ownership with the pride and responsibility to community that homeownership brings.

The creative solution for delivering the program was based on working counter-cyclically, partnering with the private sector and using market conditions to our advantage. The department also made use of other opportunities, such as its scale and buying power to leverage and exploit economies of scale, and Keystart.

The shared equity program is a wonderful example of an innovative solution under the Liberal–National government's affordable housing strategy that is helping to achieve its target of 20 000 affordable housing opportunities by 2020.