KEYSTART — LOANS

624.   Hon STEVE MARTIN to the minister representing the Minister for Housing:

I refer to the Keystart loans program.

(1)   What was the total number of Keystart loans at —

    (a)   30 June 2020;

    (b)   30 June 2021;

    (c)   30 June 2022; and

    (d)   30 April 2023?

(2)   What was the combined value of Keystart loans at each of the dates (a)–(d)?

(3)   What percentage of total Keystart loans were 30 or more days in arrears for each of the dates (a)–(d)?

(4)   What percentage of total Keystart loans were 90 or more days in arrears for each of the dates (a)–(d)?

Hon JACKIE JARVIS replied:

I thank the member for some notice of the question. The following response has been provided by the Minister for Housing.

Keystart has supported more than 120 000 Western Australians achieve their home ownership goals since it was established in 1989. All lenders in the market are currently experiencing an increase in arrears following an unprecedented 12 interest rate rises over the past year. As a transitional lender, Keystart exists to enable more Western Australians to get into the housing market and provides options to flexibly transition out of Keystart or make other arrangements. Some 12 000 customers have successfully transitioned to a commercial lender in the last two years, demonstrating the success of the Keystart transitional model. Keystart advises that this means that presenting arrears on a year-on-year basis as a percentage does not accurately reflect that the denominator, or loan portfolio, moves in line with the market. Additionally, mortgagee in possession rates are currently at near historical lows.

The detailed answer to questions (1)–(4) are in tabular form and I seek leave to have the response incorporated into *Hansard*.

[Leave granted for the following material to be incorporated.]

(1)–(2)   Keystart has a dedicated team of specialists working with customers who are experiencing financial difficulty on a one-to-one basis. There are many options available to assist customers to get back on track including financial education, free counselling through Relationships Australia, and financial coaching in partnership with Anglicare and the Financial Wellbeing Collective.

June 30, 2020	There were 16,795 loans in this period to a total value of $4.93b
June 30 2021	There were 18,290 loans in this period to a total value of $5.24b.
June 30 2022:	There were 15,993 loans in this period to a total value of $4.02b.
April 30 2023:	There were 12,092 loans in this period to a total value of $2.92b

(3)   Keystart advises that presenting arrears on a year-on-year basis as a percentage does not accurately reflect that the denominator (loan portfolio) moves in line with the market. Total numbers have been provided as they give the most accurate indication of trends.

The significant decline in arrears between 30 days and 90 days is reflective of the successful support and management processes in place to support mortgagees.

June 30, 2020	216 loans were 30 days or more in arrears.
June 30, 2021	515 loans were 30 days or more in arrears.
June 30, 2022	392 loans were 30 days or more in arrears.
April 30, 2023	892 loans were 30 days or more in arrears.

(4)   Keystart advises that presenting arrears on a year-on-year basis as a percentage does not accurately reflect that the denominator (loan portfolio) moves in line with the market. Total numbers have been provided as they give the most accurate indication of trends.

The significant decline in arrears between 30 days and 90 days is reflective of the successful support and management processes in place to support mortgagees.

June 30, 2020	112 loans were 90 days or more in arrears.
June 30, 2021	217 loans were 90 days or more in arrears.
June 30, 2022	193 of loans were 90 days or more in arrears.
April 30, 2023	499 loans were 90 days or more in arrears.