

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

ANSWERS TO SUPPLEMENTARY INFORMATION

Date of Hearing: Monday, 18 October 2021

Department of Communities

Supplementary Information No. B1

Hon Wilson Tucker MLC asked:

Further to a previous parliamentary question which identified 31 vacant GROH properties in Kalgoorlie, please to which government agency each of those properties is allocated.

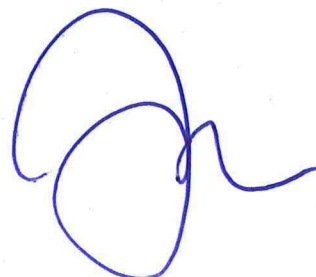
Answer:

As advised by the Hon Sue Ellery MLC in response to Question without Notice 615, as at 30 August 2021, a total of 32 GROH properties in Kalgoorlie and Boulder were vacant.

Of the 32 GROH properties referenced in Question without Notice 615, 24 are currently allocated to client agencies:

| | |
|--|----|
| Department of Justice | 10 |
| Department of Education | 9 |
| Western Australian Police Force | 3 |
| Department of Mines, Industry Regulation and Safety | 1 |
| Pathwest | 1 |

The remaining eight GROH properties are currently under assessment and where the properties are deemed to no longer meet the requirements and demands of client agencies, they are being considered to be made available for clients on the public housing waiting list.



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Supplementary Information No. B2

Hon Dr Brad Pettitt MLC asked:

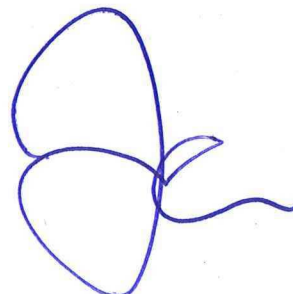
Please provide a definition of 'affordable housing'.

Answer:

Affordable housing is housing that households on low to moderate incomes can afford to access while meeting other essential living costs.

Affordable housing differs across a range of housing options and tenures, it is not limited to social housing.

Affordability is dependent on a range of factors, such as design, location and demand, however generally, households should spend no more than 30 per cent of income on housing.

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Supplementary Information No. B3

Hon Steve Martin MLC asked:

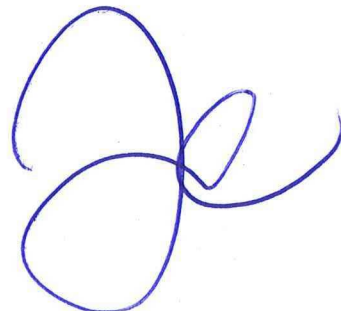
In relation to the 'Explanation of Significant Movements' for Service 8 – Home Loans on page 528 of Budget Paper No 2, Volume 2, which states that lower financing costs have lowered Keystart's costs of borrowings, have these lower costs been passed on to Keystart's home loan clients?

Answer:

Keystart is a transitional lender that has comparatively lower entry costs to enable more people to get into home ownership rather than offering the lowest interest rate on the market.

Keystart's interest rate setting policy is to adopt the average of the standard variable interest rate of the four major banks, that is Australia and New Zealand Banking Group (ANZ), National Australia Bank (NAB), Westpac Banking Corporation (Westpac) and Commonwealth Bank of Australia (CBA).

As a result, Keystart does not adjust the lending interest rate when funding costs change, this applies to both increases and decreases in funding costs.

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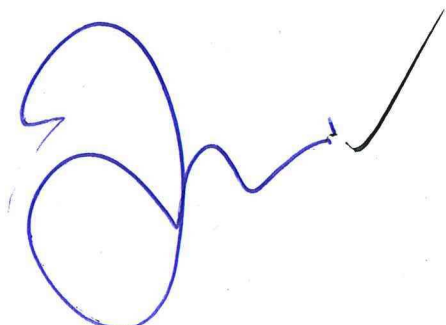
Supplementary Information No. B4

Hon Steve Martin MLC asked:

Noting that the Federal Government has been considering Australian Prudential Regulation Authority (APRA) stress tests on the private loan market for housing, is something similar done with Keystart applicants?

Answer:

Yes. APRA recently increased the interest rate buffer that it requires Authorised Deposit-Taking Institution (ADI) to use when assessing loan applications from 2.5% to 3%, applicable to assessments made after the end of October 2021. Although it is not an ADI, Keystart has increased its interest rate buffer to 3% in line with APRA's decision.

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