

Clarke, Pamela

From: Daphne Smith [daphnes@iprimus.com.au]
Sent: 20 October 2010 10:26
To: Gordon, Brian
Subject: Social Housing Submission
Attachments: SHARED EQUITY housing.doc

Dear Dr Gordon

Please find attached my submission on the benefits of Shared Equity Housing Schemes in providing security of tenure for low income people in Western Australia. I worked for many years in the Women's Refuge area and have seen the real benefits to our society when people who are among the most disadvantaged in our society have secure and affordable housing.

I look forward to shared equity housing being considered a real alternative.

Thank You

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SHARED EQUITY/PUBLIC HOUSING

I would like to propose that with the high cost of all forms of housing across Australia that Shared Equity Schemes are the way to go. We have previously had the situation in Western Australia where there was a Shared Equity Scheme known as First Start with a 40% govt and 60% 'buyer' split, which was to all intents and purposes largely unavailable to low income people. It was necessary for an applicant to be on an income of at least \$45,000 per annum to be eligible. This therefore excludes the vast majority of low-income people at which it could be aimed. Those people who are on \$45,000 plus per annum are more likely to be able to afford the rent that landlords are now charging and/or be able to get into homeownership without the help of share equity schemes. Low-income people are still missing out and many are at risk of becoming homeless as rents rise dramatically. A few years ago it was possible for people to participate in Shared Equity loans even though the only income they had was from Centrelink. (This information was from a member of the Keystart program).

My proposal is that a large number of Shared Equity Schemes be introduced all across Australia, using Federal and State monies and including country areas and including Indigenous people and that low incomes especially be taken into account even though they are low. This could be achieved by shifting the equity from the homebuyer to the State/Federal Govt body until the low-income people can afford to purchase a home. For example, the splits could be 50-50, 40-60, 30-70, 20-80 and even 10-90 depending on how low people's incomes are.

I believe that this is an extremely cost effective way in which to:

- lower housing waiting lists,
- reduce the cost of providing public rental housing
- give people responsibility and a sense of pride in homeownership and
- give them security of tenure all at the same time.

People could also be given the opportunity to have financial counselling on how to manage their homeownership and how to maintain their home. This is highly beneficial for the whole of society instead of the current system of providing a grossly inadequate amount of public housing, in which the taxpayer has to pay for the whole cost of purchasing and/or building the houses and maintaining them and we know that some public housing can cost a lot to maintain.

I recommend the benefits to you of this Shared Equity System that provides enough equity for even low-income people to become part homeowners and provide stability for themselves and their families. Homeownership is not a luxury in a civil society - it is a necessity. Homeownership has been shown to make a significant contribution to the stability of Australian society.