



For the Attention of :Albert Jacob MLA, C/O Principle Research Officer
 Community Development and Justice Standing Committee
 Parliament House
 Perth
 WA 6000

Date 19th October 2010

Dear Albert,

Thank you for your recent letter regarding an inquiry into the adequacy and future direction of social housing in Western Australia.

The role of the Country Housing Authority (CHA) is to facilitate provision of housing assistance for farming families and more effectively contribute to the development of country communities through coordinated and/or subsidised employer and employee housing finance.

The Authority's Mission statement is "To contribute to the social and economic development of rural and remote WA through the provision of flexible finance for housing where options are limited".

We recognise that rural development will occur when local communities and government work together to improve the well-being and living conditions of people living and working in rural and remote areas. Our vision for the future of rural and remote housing is:

- The improvement of living conditions for farmers and pastoralists through access to housing finance for new or improved dwellings and power supplies.
- Development of rural communities by provision of loans to house service providers, employers and employees to perform vital services to the town-site or region.
- Develop incentives to provide or improve housing where it is a barrier to economic, social or regional development

CHA enables people and businesses to remain in country areas by providing access to housing finance for farmers, retired farmers, pastoralists and rural employers to build or improve housing for themselves, their dependents or their employees. It encourages the development of country communities through the provision of affordable housing.

FOR METROPOLITAN LOANS

Phone: 1300 578 278
 Level 6, 218 St Georges Terrace, Perth WA
 PO Box 7668, Cloisters Square, Perth WA 6850
www.keystart.com.au
 Keystart Loans Limited
 ABN: 27 009 427 034

FOR COUNTRY LOANS

Phone: 1800 158 200
 Level 2, 28 Kings Park Road West Perth WA
 PO Box 1154 West Perth WA 6872
www.country.keystart.com.au
 Country Housing Authority
 ABN: 76 667 185 896



In March 2002, the CHA extended assistance to the installation of renewable energy systems to replace unreliable and high cost diesel generators. This initiative supports the Commonwealth and State Governments Renewable Remote Power Generation Programme. During 2009/10 6 RAPS applications were approved, with loans totaling \$2,040,013.00. This program was supported with Federal Government funding which has since been withdrawn. Clients can still apply for a renovation loan for a power upgrade to renewable energy however there is no longer a subsidy available.

Since 1 July 2003, CHA has provided the following loans:

Product	Number of Loans	Cost
Loans to Farmers	231	\$42,979,000
Loans to Shires	15	\$6,645,000
Loans to Rural Employers	196	\$50,501,000
Renewable Energy loans	30	\$9,381,000
Total:	472	\$109,506,000

In addition, CHA has administered 106 grants (valued at \$5,540,000) under a now discontinued (State funded) Housing Development Incentive Program.

If any further information is required please do not hesitate to contact myself on 0407 441 954.

Kind regards



Bob Mitchell
Country Housing Authority, Chairman



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.