



An inquiry is underway into Homes Tasmania which began operation in 2020 to provide improved delivery of social and affordable homes.

Low-income earners 'excluded' from assistance

Matt Maloney

THERE is a blanket exclusion of Tasmanians on a disability support payment from accessing a government program to allow them to buy homes with a 2 per cent deposit, independent MLC Meg Webb says.

But Homes Tasmania has clarified that a decision not to have people on these income levels access the MyHome scheme is essentially a decision for the government's partner Bank of Us, in accordance with responsible lending obligations under the Australian Prudential Regulation Authority.

A Legislative Council inquiry into the operations of Homes Tasmania resumed on Friday with Housing Minister Felix Ellis and Homes Tasmania representatives questioned

over the MyHome scheme, its eligibility criteria and interest rates.

The scheme enables an eligible person to purchase a property with a 2 per cent deposit under a shared equity arrangement with Homes Tasmania.

To be eligible, a single person would need to earn below \$116,934 a year and a couple below \$134,475 a year.

More than 1000 Tasmanians have entered the program since it started two years ago.

Loans have been repaid on a monthly, fortnightly or weekly basis.

Ms Webb said it had been brought to her attention that a person on a disability pension with a \$30,000 deposit would be excluded from the scheme due to their income level.

"We've actually entered into a situation where we're excluding people from this scheme - even if they apparently are in a position to be able to meet the requirements of it," she said.

Homes Tasmania community infrastructure director Richard Gilmour said he would characterise the scheme as excluding those on a disability support payment.

"People who are on the pension - the disability support pension, in this case - are typically not deemed to be appropriate for securing a mortgage finance arrangement," he said.

"And that's decision of the bank, consistent with industry practice."

Bank of Us offers customers on a MyHome scheme a variable rate of 6.86 per cent, which Ms Webb said

was the highest out of all the states that used a shared equity scheme with commercial lenders, excluding Western Australia and South Australia which used government lenders.

Mr Ellis said the interest rate for the WA scheme was 7.85 per cent and the SA scheme had an interest rate of 8.64 per cent.

Victoria's scheme offers a 6.19 per cent interest rate.

Ms Webb said schemes that used government lenders were not comparable to those that used commercial lenders.

She said shared equity schemes were an excellent way to help people into the housing market.

"I just want to be understanding why we'd be offering something that was less than the best deal we could to people who we

know are a more vulnerable cohort," Ms Webb said.

Mr Ellis said there were significant support services offered to MyHome participants that were not offered to other bank lenders.

"Additional support is really important so that we make sure that there is not additional risk in this space, and that people aren't taking on loans that they can't repay." There have been more than 670 applications from state and territory governments, community housing providers and developers for a share of funding from the \$10 billion Housing Australia Future Fund.

The applications amount to the building of 50,000 new homes. Ms Morgan-Thomas said Homes Tasmania would know this month whether its application had been successful.