

If there is one single piece of advice all Keystart building societies agree on, it is the importance of contacting them early if you run into payment difficulties.



## Communication the Key

### Home Maintenance Good as Gold

Keeping the garden in order, fences repaired, the paintwork neat and tidy - sounds like hard work. But the next time you're out wielding a paintbrush or a hammer, think of it as money in the bank.

Believe it or not, you're making money while you work.

According to the Real Estate Institute of WA, keeping up to date with repairs and maintenance is a sound financial investment which will ultimately lift the value of your home.

REIWA President Neville Fox said money spent on improvements could actually increase the value of a home beyond the value of the money spent. If you do the work yourself, it's an even bigger bonus.

He said some people had turned this into a profitable investment strategy in its own right, buying run down properties and selling them after renovation.

But at the other extreme, Mr Fox warned that spending money on structural changes or major earthworks such as a swimming pool wasn't so clear cut.

"Households considering these expenditures should carefully consider their motives and future needs," he said.

"It is common to see a recently extended property up for sale, and often this is because the household realises the planned extension still did not fully satisfy their growing requirements."

Mr Fox said there was also no guarantee that the sale price of the extended home would fully cover the cost of the work.

"The earlier you come in, the more options we have," said Westland General Manager Michael Davis. "Some people are quite surprised at what we can do."

Westland has even been known to make cash payments where customers have had a particularly tough time. Like the woman who lost several hundred dollars in a nasty bag snatch incident.

"We credited the same amount to her mortgage for her," said Michael. "She was someone who had demonstrated a real commitment to her house and mortgage in the past, so we decided to help."

While handing out money isn't the norm, Michael said there had been some cases where it was felt this sort of help was appropriate.

But in the main, he said people could benefit substantially from options like consolidating their different loans to reduce pressure, or just getting help to prepare a new budget which took account of all their commitments.

Spokesmen for all four Keystart building societies agreed there were times when they couldn't help thinking how much more could have been done if a customer had come in earlier.

"The ostrich thing doesn't work," said Trades and Labor Council Building Society Manager Mike Bonney.

"The people that don't respond, don't answer letters, they invariably end up worse than they need to be," he said. "No communication is the worst thing you can do."

University Building Society's Arrears Collection Manager Basil Jansze agreed, saying a home loan was a big commitment.

"Some months are harder than others, but that's normal, we all go through it," he said. "The most important thing is to let us know if the problems look like continuing."

Basil spends much of his time sitting down with customers helping them draw up manageable budgets to overcome a range of different situations.

"Many people have never had to really budget before. It's not something you learn at school, and they often don't know where to start," he said.

"Drew Hodges, General Manager of Western Homebuyers Building Society, said communication was also important between family members.

"You have to budget together, and talk to each other before taking on any new commitments," he said.

"When you're a first home buyer, it's all very new, but we deal with these issues every day. Customers should take advantage of that knowledge and use us as a sounding board for advice," he said.

"People shouldn't think of us along the lines of a bank. We will try to help, and with Keystart, there may also be further assistance available through the Safety Net scheme."

According to Michael Davis, a common problem was people taking on new commitments directly after getting their home loan.

Mike Bonney agreed, saying even seemingly small extra commitments could mount up.

"The best advice is not to take on anything new till you've got used to your home loan, but at the very least, go through your budget very carefully to make sure you can afford it," he said.

"Even if it seems like a small amount to pay off something you want, when you get a few of these extra payments, they compound and can cause real pressure."

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# the keystarter

Unlock Your Future



## Skates Fly at Quinns Rocks



Hundreds of young people have benefited from Keystart's decision last year to help fund a skate park at Quinns Rocks.

The facility was built as a joint venture with the City of Wanneroo - and one year later, the place is jumping.

It has been so successful, the City of Wanneroo now runs regular skateboard, rollerblade and BMX competitions there, attracting an audience of up to 100 young people each time.

The fun begins at 5pm every second Saturday with a dazzling display of aerial tricks and manoeuvres from the young skaters and riders.

The Quinns Rocks Recreation Association puts on a free sausage sizzle for anyone who comes along, and at the end of the show, the entire crowd moves next door for a blue light disco and prize presentations.

City of Wanneroo Youth Development Officer Russell Trowbridge said the skate park was used constantly, with activities for both beginners and advanced skaters.

"There's always someone using it - anything from five to 50 kids, depending on what time it is," he said. "Monday is another popular night when the mobile youth service comes along with a stereo and kiosk, but the competitions are really big."

He said local businesses had got behind the project, donating a range of prizes for the competitions, while local community groups had also been inspired to expand their own horizons by holding skate competitions at community events to better cater for young people.

Examples include the Merriwa/Clarkson Local Drug Action Group, the Wanneroo Agricultural Society and Clarkson Community High School which had all held their own skate competitions and activities in recent months.

Anyone wanting to know more about the skate park and competition times and events can contact Russell on 9405 5619.

#### WHERE ARE WE?

If you need information or advice on your Keystart loan, your first point of call should be your Keystart retailer, unless your loan is directly managed by Keystart.

Trades and Labor Council of  
Western Australia Building Society  
79 Stirling St, Perth 6000  
9328 2322

University Building Society  
136 Stirling Highway,  
Nedlands 6009  
9389 0000

Western Homebuyers  
Building Society  
263 Adelaide Tce, Perth 6000  
9219 7444

Westland Building Society  
229 Stirling Highway,  
Claremont 6010  
9384 4888





**Adventure playgrounds, skateboarding facilities and school security lighting are just some of the projects sponsored by Keystart in the past 18 months as part of an ongoing program to enhance local community facilities.**



## Family Fun with Keystart



Simon O'Brien MLA and students of East Waikiki Primary at the opening of the adventure playground sponsored by Keystart

The smiles say it all as these children checked out their new adventure playground in Cooloongup earlier this year. The project was jointly funded by Keystart, the City of Rockingham and local community fundraising.

Keystart spokesman Gerry Costigan said Keystart also helped build an adventure playground at Waikiki, where many Keystart families live.

In total, more than 1400 Keystart borrowers live in the Rockingham, Cooloongup, Waikiki and Warnbro area.

"Many of these families have young children, and the adventure playgrounds have become a wonderful addition to the community," Mr Costigan said.

Another successful project is the popular skateboard facility at Gumblossom Park, Quinns Rock, which provides hours of fun for young people in the area.

In Clarkson, Keystart helped provide security lights to reduce vandalism at the local primary school, and it has also part-sponsored business skills programs run by Young Achievement Australia in a number of schools.

### NEED AN INTERPRETER?



If you need an interpreter to assist you with information on Keystart loans, we would be happy to arrange a telephone interpreter at no cost to you. Just call the Telephone Interpreter Service on 131450. Tell them you are a Keystart customer and have them call Keystart.

## Safety Net Saves Homes

In the past two years, Keystart's "Safety Net" scheme has helped around 250 families negotiate their way through serious financial problems.

The Safety Net was established to help borrowers whose income is reduced due to hardship such as unemployment, a relationship breakdown, illness or accident or death in the family.

Keystart spokesman Gerry Costigan said that in many cases, people needed only short term assistance to get back on their feet.

"In those cases, it may be possible to approve a reduction in their repayments for a specific time," he said.

"In other cases, for example, with an extended illness, people might need Safety Net assistance for a longer time.

"In the most serious cases, the Ministry of Housing has at times been able to buy shared equity in the property. This allows the borrower to reduce the size of their loan and their repayments. The property is then owned jointly by the householder and the Ministry."

Mr Costigan said people accessing the Safety Net scheme had to have a genuine need which is backed up with income and expenditure statements and careful assessment. A financial councillor or your building society can provide more information. Requests for Safety Net assistance are made through your building society.

## MANAGING YOUR MONEY

Believe it or not - some things in life are free!

A community-based financial counsellor is one example.

There are dozens of community-based financial counsellors located all over the state whose sole job is to help steer people through a vast array of financial problems.

"Nine times out of 10, people have a very genuine reason why they're in trouble," said Diane Stephenson, a community-based financial counsellor working with the City of Wanneroo helping people in the northern suburbs.

"It could be job redundancy, a relationship breakdown, illness or ongoing medical problems. They end up financially over-committed, even though they weren't when they originally took the debt on.

"My job is to give them options, and I can also act as an advocate to negotiate for them."

Diane said many people worried about contacting their financier and telling them they were having financial problems.

"In fact, there may be a number of options available and we can often work something out with the people who are owed money," she said. "It's not always possible, and in the end you have to be practical, but there is quite a lot you can do."

Olga Cooper, another community-based counsellor working with Anglicare in the southern suburbs, said an important part of her job was ensuring people were aware of their rights.

"People often don't know their rights as borrowers of credit - but everyone has rights. The Credit Code, for example, allows you to seek a variation in your loan in cases of hardship, such as illness or unemployment. This could mean postponing or reducing payments or even extending the period of the loan," she said.

"Every client is an individual and they all have different kinds of debt, but after sitting down with them to assess their

finances, I can explain both their options and their rights.

While many people visiting a financial counsellor wait till they are in crisis, Olga said she would be just as happy to see people come in before problems occur so they can avoid trouble later on.

"What you find is that people get excited when they buy a home, and if the landscaping isn't done or they want new carpets, they'll often put all their 'surplus' money into doing these things," she said.

"The problem is that while you may have your mortgage covered, the money you think is surplus may not be. What happens if the head gasket goes on the car, or you get a \$500 council rates bill and a \$500 water rates bill the same month?

"If you don't have money put aside, you end up having to 'rob Peter to pay Paul', and then the bills that you had budgeted for can't be paid."

According to Olga, borrowing \$1,000 on a credit card to cover emergencies and paying it off at the minimum monthly payment could take more than five years to clear.

She said people also needed to be careful with the 'buy now, pay in 12 months' deals.

"If they don't put money aside on a regular basis to cover the debt, at the end of the 12 months they have a contract, often with a high interest rate, and no way to pay," she said.

"If we can sit down and work these things out from day one, prepare a budget that takes everything into account, it can help to avoid problems later on."

Community-based financial counsellors are not linked with money-lenders. Most are located with welfare or community service providers and are supported by Government funding. There are 52 services operating throughout the state from Esperance to Kununurra.

To find out where your nearest service is, call the Financial Counselling Resource Centre on 9221 9411.

## \$ New Loans Worth \$579 Million

Almost 6000 new Keystart loans were approved in the 12 months to June 30.

The total value of the loans was \$579 million, which is around \$80 million more than the previous year when just over 5000 loans were approved.

More than half of the new customers, 3830 families, used their Keystart loan to purchase an established home and 2149 chose to construct a new home.

Keystart loans continue to be available to first homebuyers from as little as two per cent or \$2,000 deposit, making the home ownership dream possible for thousands more Western Australians. Other loans are available at five per cent deposit.

Keystart is the most successful government-backed home ownership scheme in Australia, assisting more than 30,000 Western Australians to obtain home loan finance since its inception in 1989.

The loans are administered by four building societies, acting as agents for Keystart. These include: Trades and Labor Council of Western Australia Building Society, University Building Society, Western Homebuyers Building Society and Westland Building Society.