

Other states line up for housing debt write-off

The two largest components of debt are Commonwealth-State Housing Agreement Loans, which account for about \$816 million of the total, and Loan Council Housing Nominations - a separate concessional loan scheme - that totals about \$976 million, budget figures show.

Over to you, Canberra: WA also wants a write-off of its historical housing debt, Treasurer Ben Wyatt says. AAP

Housing debt forgiveness is not unknown. Former Labor housing minister Mark Butler cut \$320 million from South Australia's housing debt in 2013. But on Monday, Mr Sukkar played down the likelihood of waiving the housing-related debts of other states following the deal it secured in agreement with independent Tasmanian senator Jacqui Lambie.

"The Tasmanian state government has jumped a high hurdle to secure this debt waiver," he said.

"In particular, the Tasmanian government demonstrated unique challenges relating to housing affordability. It committed to state-wide planning and zoning reform to support housing supply targets consistent with economic and population growth projections."

But in the wake of the announcement, NSW acting Treasurer Damien Tudehope said his state - the largest housing debtor, with an \$806 million tab according to federal figures - was also keen to discuss a deal.

"We are always open to negotiations with the federal government around funding for services, including social housing, to make sure NSW receives the resources it needs and we will continue to do that," Mr Tudehope told the *Financial Review*.

Industry Super Australia chief economist Stephen Anthony questioned whether Tasmania's need for relief was greater than other states.

NSW acting Treasurer Damien Tudehope says his state is open to talks about a possible deal. Peter Rae

"It would be interesting to understand the economic efficiency case for this particular action," Mr Anthony said.

"Is the financial situation in Tasmania justifiably worse in relation to affordable housing than other jurisdictions? I'm not sure that's in evidence. There is certainly a housing shortfall in Tasmania, no doubt about it. But so there is also in city and regional NSW and Victoria and across the country."

Victoria under former Liberal premier Jeff Kennett paid back its housing debt, but the debt has not disappeared. Victoria's department of housing and human services continues to repay that debt to the state's Treasury, hindering its ability to develop public housing, said Adrian Pisarski, the executive officer of housing advocacy group National Shelter.

Wendy Hayhurst, chief executive of the Community Housing Industry Association, said her group had never argued for debt write-offs.

"We're not against it, but it isn't really the answer to funding a long-term [housing] program," Ms Hayhurst said.

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