

Dr Anne Aly MP
Member for Cowan
PO Box 219
Kingsway WA 6065

19 November 2019

Dear Dr Aly,

Retiring the WA Housing Debt owed to the Commonwealth

I write to urge you to support the WA Government's request to the Federal Treasurer to waive Western Australia's housing debt to the Commonwealth, on the condition that the WA Government invests any savings from the forgiven debt towards addressing homelessness and housing affordability issues in Western Australia.

As of 30 June 2018, Western Australia had a total housing related debt of around \$323.6M, the second-largest jurisdictional housing debt to the Commonwealth. The WA Treasurer has stated this debt cost the State \$18.2 million in interest and \$17 million in principal repayments for this year alone.

You may not be aware that the annual debt paid by the WA Government is more than twice the annual funding Western Australia receives under the National Housing and Homelessness Agreement (around \$15M) for homelessness services.

In Western Australia over 14,000 people are on the wait list for social housing. The average wait time is 2.5 years. Over 9,000 people experience homelessness every night. There are limited private rentals that are affordable for people who receive income support, meaning many people on low incomes must make a choice between paying their rent or paying for other necessities such as food. There is an urgent need for new investment in social and affordable housing to meet Western Australia's needs.

\$323.6 million would make a significant difference in the lives of people who require social housing or experience homelessness. These funds could support a suite of tailored initiatives in metropolitan and regional WA. These include:

- Assisting over 27,000 people to access private rentals through a rental assisted pathway program;
- Building over 1,000 new social housing dwellings across Western Australia; and / or
- Funding specific initiatives to end homelessness including:
 - Building Common Ground facilities providing permanent homes for people with supported housing needs;

- Establishing Youth Foyers in regional Western Australia enabling young people who are homeless or at risk of homelessness to access a home, education and training support; and/or
- Establishing new short stay accommodation to enable people who travel to regional centres from their communities to have a safe place to stay whilst they are in town.

There is significant strain on the local housing industry, with construction at its lowest point since 2001. The cancelled debt, if reinvested into social housing and homelessness services, would create economic growth and new jobs in the building and construction industry. This will be of enormous benefit to all Western Australians.

There is a precedence for the waiving of housing debt. In 2013 the Commonwealth cancelled South Australia's housing debt and this year that of Tasmania. Further information on State debts produced by the Commonwealth Parliamentary Library can be found [here](#).

We hope that you are able to support this initiative which will have a significant impact on people on low incomes who are in housing stress and will support the building and construction industry to create jobs.

We look forward to your support of this issue. If you require further information, please contact me at Shelter WA on 0419 931 819 or ceo@shelterwa.org.au

Yours sincerely,



Michelle Mackenzie
Chief Executive Officer



Sandra Brewer
WA Executive Director
Property Council of Australia





Tania Steinbeck
Chief Executive Officer
Urban Development Institute of Australia (WA)



Neville Pozzi
Chief Executive Officer
REIWA



John Gelavis
Executive Director
Master Builders Western Australia



cc.

The Hon Ben Wyatt MLA, Treasurer

The Hon Lisa Harvey MLA, Leader of the Opposition