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**Shelter SA Submission to the Social Security Legislation Amendment (Public Housing Tenants’ Support) Bill 2013**

**Shelter SA**

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**Shelter SA Submission**

Shelter SA welcomes the opportunity to contribute to the Social Security Legislation Amendment (Public Housing Tenants’ Support) Bill. Shelter SA concludes that this Bill has been hastily constructed without adequate consultation, with the balance of power weighing heavily in favour of Government against vulnerable individuals and families. It is punitive and paternalistic in an environment where there are an inadequate number of financial counsellors to meet the demand for their services. The dollar value of the implementation of this Bill would be better placed in providing financial counsellors to all those who require them in a timely way. Shelter SA is opposed to any compulsory payments deducted from Centrelink benefits as they will further financially disadvantage people living on low incomes.

**Points about the Proposed Amendment:**

For the purpose of this submission a Centrelink payment includes Benefits and Pensions such as Disability Support Pension and Newstart Allowance, Family Assistance payments such as Family Tax Benefit A and B and ABSTUDY.

* The Commonwealth Government has moved, in recent years, to create a legislative environment that grants Government greater control over the financial affairs of individual income support recipients. This is evident in the *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Act 2010* that legislates Income Management (IM).
* *The Social Security Legislation Amendment (Public Housing Tenants’ Support) Bill 2013* is an amendment that contributes to the current legislative environment of increasing control over people who are often framed as the ‘undeserving poor’, or as incompetent children of the paternalistic State.
* The proposed *Housing Payment Deduction Scheme*, although it claims to have altruistic aim, is a punitive measure aimed at vulnerable people that has the potential to further disadvantage them financially.
* Shelter SA conducted a consumer consultation in 2011 with the support of Housing SA. Many of the participants in that consultation, living in public housing, were under financial strain and sacrificed nutritious food, health care, heating and cooling to meet their rent responsibilities. What other areas could further income cuts resulting from compulsory deductions impact on? What’s left?
* A further concern is that punitive measures, such as compulsory deductions from income support payments, do not build the capacities and capabilities of people to manage their own finances. Instead, these interventions reinforce State control over the lives of individuals.

**Points that limit this rule change:**

* Does not apply to people on income management.
* Deduction cannot exceed 35% of the basic payment so things like the pharmaceutical allowance, remote area allowance and the clean energy household assistance payments are exempt although rent assistance is assessable.
* Debt must be over $100 and be more than 4 weeks overdue before this rule can be used and the lessor must have made a reasonable attempt to recover the money unless the debt is over $400 then it only needs to be overdue.
* This rule cannot be used until the debt is outstanding.
* There must be a reasonable chance that the tenant will not be able to pay the debt before the relevant next Centrelink payment is made.
* It only applies while the person is a public housing tenant or the lessor continues to own/manage the property.
* Unless otherwise specified the arrangement ends after 12 months.

**The key problems:**

* It doesn’t appear that there needs to be a Centrepay or deduction agreement in place for this to be implemented.
* There is no mention on how a person can negotiate a lower repayment rate.
* It makes no allowances for how long a person has been a tenant, their long term rental history or anything else going on in their lives.
* This rule can be applied to any of the following people:
* People who have previously been evicted from a property;
* People who have abandoned a property;
* People who have paid their rent late or insufficiently 3 or more times in the previous 12 months;
* People who previously have had their lease terminated or cancelled; or
* People who have previously not had their lease renewed.
* This covers too many types of people, a very large percentage of people (particularly the point about not having a lease renewed) and does not consider their circumstances at the time or the fact that they may have had a very strong rental history prior to the previous 12 months.
* It does not matter if the person has dependent children or other people living in the house. If the lease is in their name they will most likely be liable.
* 35% of a payment is a lot to someone on Centrelink payments. As it doesn’t specify that the 35% is after rent and other essential deductions such as electricity we assume it is 35% plus other essential deductions.
* Debts over-recovered or recovered in error by the lessor become debts owed to the Commonwealth by the lessor and the Commonwealth reimburses the tenant the amount over-recovered or recovered in error. This appears fine but it could take months to be repaid.
* The Minister has the ability to determine that deductions must not be made from certain types of people but does not state who they are except people involved in income management.
* There is no mention of appeals although it is under the Social Security (Administration) Act and all Social Security decisions are appealable.
* Once a debt is determined the Commonwealth must pay the money to the lessor. What if the lessor is wrong or the tenant is appealing the decision? There is no mention of this.
* It seems that it only applies while a person is in receipt of a payable Centrelink payment so:
* Is there an equivalent rule under State legislation to garnish a person’s wage/compensation?
* Is there an equivalent rule under Federal legislation to do the same to a Veteran’s Affairs payment?
* If not, then surely by only applying it to Centrelink recipients it is discriminatory.

**Shelter SA Asks:**

1. The Government should be looking to increase capacity-building policies and structures that empower people to take control of their finances and their lives including access to financial counselling. Aboriginal people who require assistance should have access to financial counselling by Aboriginal people or those with specific cultural training.
2. Where it is unlikely that debts will be recovered during the person’s lifetime debts to be deemed non-recoverable via the recommendation of a financial counsellor.
3. That a person who is appealing the deduction either through the Social Security or the relevant Public Housing appeals processes be able to request that deductions be suspended while the appeal is underway.
4. Any deductions that are put in place be carefully decided on a case by case basis.