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Financial Counselling Service
& the Consumer Law Centre
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Financial Counselling Service

19 April 2012

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COMMITTEE OFFICE

Mr. Trevor Rowe
Secretary
Standing Committee on Health, Community and Social Services
ACT Legislative Assembly
GPO Box 1020 CANBERRA ACT 2600

By email: trevor.rowe@parliament.gov.au

Dear Mr. Rowe

Thank you for your letter in relation to the inquiry into social housing and for providing us with a copy of the ACT Government's supplementary submission. As you note, the Minister for Community Services, Ms. Joy Burch has questioned the evidence given by a range of services, including Care Financial Counselling Service. Despite this the comments in the ACT Government's supplementary submission highlight general agreement with Care's submission on a range of issues.

We were therefore very disappointed by the suggestions made about Care and other community organisations and more generally by the tone of the covering lettering signed by Minister Burch. In particular the comment that:

"These extrapolations are then used to justify the arguments of these organisations for additional public housing resources"

Care in its submission did not and would not request additional public housing resources either for use by our own service or by Housing ACT. Care provides submissions on issues of relevance to its client group to highlight concerns raised by the clients who access the service and to provide input into broader policy discussions.

In relation to the ACT Government's submission, we provide the following specific responses:

Energy efficiency of Housing ACT properties

Care is aware of and supports the work that Housing ACT is undertaking to improve the energy efficiency of their properties. The program has a 10 year time frame commencing from 2007-08. This does not change the fact that tenants whose properties are not due for upgrade until 2012 and beyond, are currently experiencing utility stress as a result of inefficient appliances.

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We are similarly aware of programs in the community such as Outreach and regularly refer clients to this program. We have recently been informed that the program has reached capacity. Some of the community partners are not currently taking referrals and there is a waiting list for energy audits. We strongly support the Outreach Program and hope that the ACT Government will ensure its ongoing viability.

Delays in outcomes following request to have damage/maintenance items withdrawn

The Minister's response states:

"All requests for a review of debts owing by tenants, particularly for tenant responsible maintenance are reviewed by Housing. For example, if tenants provide a police report about a break in, the damages arising as a result are removed from the tenant's account."

Whilst this may be the case Care remains concerned about the lengthy delays that clients of our service have experienced, with this review process.

Whilst providing evidence at the Hearing, Care mentioned two specific cases as examples of unacceptable delays. In the first case, Care wrote to Housing requesting a withdrawal of items and included police job numbers and a statutory declaration. This was submitted in November 2010 and there is still no outcome. Care has lodged a formal complaint. The other matter was submitted mid-2011 and a complaint regarding this matter has been made. Approximately four years ago Care provided a written request to have a charge removed from a client's sundry account. One year later the charge still appeared on the statement. The letter was on the client's file but it hadn't been actioned. It took another year before the charge was removed. This matter was reported because we are concerned that our client's attempts to have these matters reviewed are not being actioned.

Care provided only a small number of case studies to highlight this issue. We have, however had concerns for a number of years about the delays for some tenants in receiving an outcome in relation to a review of their maintenance or other sundry debt.

Communication with Housing Managers

Care raised the issue that tenants at times have difficulty in making contact with their Housing Manager. This can be particularly problematic when there are time limits on responding to formal communications such as a Notice to Remedy. The Minister's response was:

"Housing managers manage a portfolio of between 250-300 properties and are required to be in the field undertaking Client Service visits"

This highlights exactly the issue Care was seeking to address. In Care's experience, difficulties in making contact with a housing Manager have in particular circumstances led to a worsening of a tenant's circumstances. Our intention in raising the issue was to bring it to the attention of the committee with a view to alternative communication channels being considered.

Minimum arrears amount

The following statement was made in the ACT Government's submission

"Housing ACT works flexibly with clients to ensure that they can afford the debt repayment reschedule negotiated between Housing ACT and the client, with the emphasis being not only on repaying the amount owing, but ensuring that the client is not put into further financial stress by the arrangement".

"Whilst the policy provides that the minimum amount payable per week for repaying rental arrears and other debts owing to Housing ACT is $15, it is common practice for Housing ACT to accept a lesser amount, such as $10 per week, where there is hardship".

Care's comments in its submission were based on recent client experience. Whilst we recognise that there are many tenants who do not seek the assistance of a financial counsellor, the Housing Financial Counselling Service has been operating for the past fifteen years managing over 100 housing specific case files each year. Based on this work, Care has observed no recent cases where it's recommendations to reduce the minimum arrears amount have been accepted in full. When a Financial Counsellor requests a reduced amount, they provide a detailed submission demonstrating the hardship and the likely duration. It is difficult to accept the response that Housing takes affordability and ongoing financial stress into account and that it is "common practice for Housing ACT to accept a lesser amount, such as $10 per week, where there is hardship". Another explanation is that Housing does not accept Care's submission as evidence, and if this is the case we would like an opportunity to discuss this further.

Several years ago some successful outcomes were negotiated, and clients were genuinely assisted by the reduced arrears amount. Recently there have been no similar cases. In fact Housing ACT has been rejecting the recommendations, despite supporting evidence. The assessment process is time consuming, and if Housing accepted the clients offer directly, their arrears would start to reduce earlier.

Care also notes that two clients this year wanted to reduce their rent arrears repayment to $20fn but were put off by the process (detailed financial assessment, discussion of other relevant issues). These clients had complex issues and were experiencing financial hardship. The intrusive nature of the current process is a barrier for people who want to pay their rent arrears, but at a more affordable rate. The current system does not appear flexible.

In conclusion, we do not believe that Care's submission contained "factual errors" or that Care "misrepresented Housing ACT" as has been suggested in the Minister's letter. Such comments call into question the professionalism and integrity of Care Financial Counselling Service. For nearly thirty years, Care has provided services for low to moderate income earners who often represent some of the most vulnerable consumers in the ACT. We take pride in providing services of a very high quality that are designed to meet the needs of and improve the financial circumstances of individual clients. We would be very happy to meet with the appropriate representatives from ACT Government to discuss any aspect of Care's submission.

Yours Sincerely

Carmel Franklin

Director

Leasa Mayes

Housing Financial Counsellor