Community Housing Council
of South Australia Inc.

10 November 2017

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Thank you for the opportunity to provide comment on the Social Services Legislation Amendment (Housing Affordability) Bill 2017.

The Community Housing Council of South Australia (CHCSA) is the industry peak body that represents community housing providers and other not-for-profit housing providers in South Australia.

Community housing in South Australia provides safe, secure and affordable housing for people on low to medium incomes. Without community housing, many of these people would be living in housing stress, which means they would be paying more than 30% of their income in rent and the basic necessities of life such as food, clothing, transport, medical care and education would simply become unaffordable.

As a member driven community organisation, the CHCSA's purpose is to support the further growth of a strong, vibrant and sustainable South Australian community housing industry.

This is the first opportunity that the community housing sector has had to comment on this Bill. Given this we are keen to be actively involved in future consultation and have the ability to be involved in the design of the system.

The primary purpose of the Automatic Rent Deduction Scheme (ARDS), as proposed in the Bill, is to provide better outcomes for both tenants and social housing providers through reducing rent arrears and evictions.

In South Australia, the majority of hearings before the South Australian Civil and Administrative Tribunal (SACAT) are disputes between tenants and community housing providers (CHPs) over rent arrears. Establishment of the ARDS will likely result in less SACAT hearings on rent arrears in the future; leading to reduced costs for CHPs, SACAT and overall better outcomes for both tenants and CHPs. It should be noted however, that while tenants of CHPs can be in rent arrears, there is not a high incidence overall of rent arrears for SA CHPs.

Our members have indicated their support in principle for the establishment of the ARDS, acknowledging the scheme's potential to reduce rent related tribunal matters and the associated time and costs.

There is concern regarding the IT requirements that will be required for CHPs to administer the scheme. CHPs need to be consulted in the early stages of scoping IT requirements and the necessary software and operating systems to support effective implementation of the scheme; to avoid any unnecessary additional costs and administrative burden.

The CHCSA recognises the voluntary nature of the ARDS in that social housing providers can request to participate in the scheme. Community housing providers should be able to choose whether or not to participate in the scheme.

Acknowledging that the ARDS provides for the automatic deduction of rent and other household utilities, it should be noted that landlords in South Australia are able to charge tenants for water supply and water usage. CHPs, as social housing providers and landlords, can charge tenants for these costs.

We also note that the scheme has provisions for the recovery of overpayments made to social housing providers but we are not providing feedback on this aspect.

The CHCSA has feedback and is seeking further clarification on the following specific sections of the Bill:

Subsection 124QC (1) - Social housing lessor

This subsection provides the definition of a social housing lessor, as a State or Territory authority that provides social housing, or a body that has been approved by a State or Territory to provide social housing. It also states that there must be an agreement in place between the body or authority and the Department of Human Services relating to the ability to participate in the ARDS.

Community housing providers in South Australia are registered and regulated under the National Regulatory System for Community Housing (NRSCH). As registered CHPs will providers be able to write directly to the Department of Human Services and request that they be included in the ARDS? Community housing providers, as social housing providers, should be further informed of what recognition is being made towards participation in the NRSCH as an ability to participate in the ARDS.

Section 124QD - Social housing tenant

This section provides the definition of a social housing tenant, in that adult occupants are liable for rent payment, whether or not they are named in an agreement. This definition allows for deductions to be sought from the welfare payments of any adult occupants in a tenancy. The CHCSA supports this measure.

Subsection 124QF (1) (b) (ii) - Social housing lessor may request deduction

This subsection relates to a tenant being required to pay for property damage in order to comply with an order of a court, or of a tribunal or other body that has the power to make orders. It refers to an appeal being made against the order – who is the appeal body in this instance? Is it the local jurisdiction body, in SA this is likely to be SACAT, or does the Administrative Appeals Tribunal (AAT) apply here?

Subsection 124QG (5) - Secretary may make deduction

This subsection relates to a tenant's welfare payment having been suspended. Following the resumption of payments, deductions can be made that would have otherwise been made during the suspension period. What specific welfare payments would apply in this instance?

Subsection 124QI (2) - Notifications by social housing lessors

This subsection relates to social housing providers providing notification when individuals with a rent deduction arrangement in place, cease to be their tenants. This aspect of the scheme could lead to a perverse incentive situation whereby individuals could choose to leave social housing and make themselves homeless, rather than face automatic payment deductions with their social housing provider.

Section 124QR - Fees

This section relates to the fees that may be charged by the Commonwealth to social housing providers for services associated with the ARDS. There is no information in the Bill about the scale of fees that would apply to CHPs; it would be helpful if an indication of the fees was provided. All costs passed onto CHPs will place further financial pressure upon them and limit their ability to support tenants.

In summary the CHCSA supports in principle the establishment of the ARDS, acknowledging the scheme's potential to reduce rent related tribunal matters and the associated time and costs. However, CHPs will need to be consulted in the early stages of scoping IT requirements, software and operating systems for the scheme to be implemented effectively and to avoid any unnecessary additional costs and administrative burden to CHPs. We await further clarification of the issues identified in the specified areas of the proposed legislation.

Thank you again for the opportunity to provide comment on the Social Services Legislation Amendment (Housing Affordability) Bill 2017.

Yours sincerely

Carmel Rosier

Executive Officer