



Tenant News

Newsletter of the Tenants' Advice Service, ACT

Winter/Spring 2007

HOUSING AFFORDABILITY GETS SOME NATIONAL ATTENTION

On 2 July the Federal Opposition Leader Kevin Rudd MP; Shadow Treasurer Wayne Swan MP and Shadow Housing Minister Tanya Plibersek MP released *New Directions for Affordable Housing*, a paper aimed at initiating a national debate to "address the decline in housing affordability for Australian families". Federal Labor also hosted a National Housing Affordability Summit in Canberra on 26 July to discuss initiatives canvassed in the paper.

The *New Directions* paper sets out some innovative strategies for tackling housing affordability at a national level. In working through the issues, the need to address rental housing in all of its various categories including public, private, social and emergency housing, is acknowledged.

It is clear however that the so-called Great Australian Dream of home ownership is the major inspiration behind the proposals. In a press release announcing the paper, the Opposition set out as a primary objective of the initiative to "help families reduce their mortgage burden and ... help Australians not in the property market to save for their first home". As a result, initiatives that do address rental housing as a long term or life option may have received less consideration.

Issues identified, and proposed schemes include:

- policies to assist first home buyers to save for and attain a foothold in the housing market;
- The need for housing policy coordination so that enough houses are built
- Reform of government planning frameworks to reduce costs;
- Strategies to reduce the cost of development and supply of housing;
- Strategies to increase the supply of affordable private rental properties
- Reform of the Commonwealth Rent Assistance Scheme; and
- Proposals to boost the supply of social, emergency and Indigenous housing.

NATO response

The National Association of Tenant Organisations (NATO) of which the TU ACT is a member, came together to form a response to the paper, particularly on those options relating specifically to rental housing. The following are some extracts

from NATO's written response (drafted on behalf of NATO by Chris Martin of the Tenants Union of NSW)

"The paper is an impressive statement of the scope and extent of the problem of unaffordable housing in Australia, including as it relates to renters. The paper also presents a credible set of options to address what is one of the nation's most serious and longstanding problems."

"NATO welcomes Labor's acknowledgement that both the private rental housing sector and the social housing sector have roles to play in creating more affordable housing, and that the Federal Government must direct these efforts through a variety of measures, including tax incentives, grants, and loans. NATO welcomes especially Labor's interest in increased funding for social housing, and its interest in the National Affordable Rental Incentive Scheme..."

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Many thanks to contributors: Sandra Alonso, Fay Rice and Kathy Ragless

The views of contributors to Tenant News are not necessarily those of the TAS or the Tenants' Union ACT and the service does not accept responsibility for the views and opinions expressed by contributors in this newsletter.

TU Email List

The TU now operates an e-mail list for people wishing to view our new publications—including Tenant News—in electronic format.

The list is also used to advise subscribers of important tenancy and housing issues and news.

If you would like to join the TU email list, please send a message to: tuact@bigpond.net.au

CONTRIBUTE!

We welcome and encourage all contributions, great and small, to **Tenant News**

This is a newsletter for tenancy issues, stories, thoughts, letters, cartoons...

If you are interested in contributing, call the office for details

02 6247 1026

Or post your contribution to:

PO Box 8, Civic Square ACT 2608.

Or email your contribution to:

TUACT@bigpond.net.au

Remember to include your contact details!

EDITORIAL

This edition of Tenant News highlights a range of perspectives on the central issue of housing for different groups within our community.

Homebase at Belconnen works with families at risk of losing their accommodation for any number of reasons including loss of employment or other major life events. Fay Rice's article (see page 8) highlights the complex and interrelated nature of the problems faced by low income families. It also illustrates how essential affordable housing is as a starting point to overcome other social problems, and the need for a strategic approach to address housing affordability from all levels of government as well as the community sector.

Another point of view is provided in Kathy Ragless' piece on the particular issues faced by refugees in the ACT (see page 10). Companion House assists people who have arrived in Australia having fled torture, persecution and war related trauma. Those who seek to build a new life in the ACT then find themselves in the difficult position of trying to find affordable housing in a scarce market, with the additional burden of discrimination from some accommodation providers, and an inability to plan ahead due to the circumstances of their arrival.

Although we needed no more evidence of the importance of housing as a fundamental element of a healthy, productive and inclusive society, here it is.

In light of this it is encouraging that housing affordability has finally been recognized as a matter of urgency on a national level. Whilst much is being said about interest rates for home owners and rising prices for home buyers, it seems to also be getting through that more needs to be done to assist renters as well. See pages 1 and 3 for some coverage of the ideas touted by both sides of Federal politics. We look forward with anticipation to seeing (some of) these ideas come to fruition over the long term.



(Continued from page 1)

Specific proposals concerning tenancy

NATO was, however, concerned about two specific ideas—proposing direct upfront payment of Commonwealth Rent Assistance (CRA) to landlords in return for ‘guarantees’ around the cost, security or length of tenancy; and long-term fixed term tenancy agreements under which tenants are obliged to pay for repairs—which, if taken up without caution, may actually have detrimental effects for tenants.

NATO’s response to these ideas were as follows:

“In relation to upfront payments of CRA to landlords, NATO seeks further information as to the nature of the ‘guarantees’ promised by landlords in return for the upfront payment. If the guarantee is a fixed term tenancy for the relevant period, it would represent little or no improvement on what landlords typically offer prospective tenants. We are concerned that large upfront payments and fixed terms restrict tenants from moving to alternative premises. The target group for this option—persons in receipt of Age Pension, Disability Support Pension or Carer Payment—is also the target group for social housing, and it would be unfortunate such a person declined an offer of social housing because they had just made a large up-front payment of rent and entered into a fixed term agreement with a private landlord. We are also concerned that large upfront payments may make it more difficult for tenants to budget and get into patterns of paying rent regularly.

In relation to long-term fixed term tenancies, NATO is concerned that the option has limited potential to make rental housing more secure and entails significant risks for tenants.”

Despite these reservations, NATO’s response as a whole was one of great encouragement. It has been clear for some time that a strategic national approach is what is required to tackle this complex issue, and it is hoped that this initiative by Labor may be the beginning of a solution.

National Housing Affordability Summit

Following its written submission, NATO was invited to attend the National Housing Affordability Summit on 26 July. Chris Martin from TU NSW attended on behalf of NATO. Chris reports back that the options from the paper about which NATO had specific concerns were not examined at the summit,

as discussions were largely couched in financial terms rather than about legislation (attendees being mostly representatives of the private-sector housing industry, for whom tenancy legislation appears to factor little in decisions).

Overall the mood of the summit was positive, and Labor’s interest in the issue was warmly welcomed. It appears that the private sector is interested in affordable housing, but on particular terms.

The summit explored a range of policy initiatives, arrived at five key principals to be embraced, and concluded with Labor offering the following commitments:

- A Minister for Housing (or possibly a Minister for Housing Affordability) in Cabinet
- A National Housing Supply Research Council
- A National Affordable Housing Agreement

What the Government had to say

In what was perhaps an attempt to upstage the Opposition on the day of its talkfest—the Federal Government chose 26 July to promise a shake-up of public housing in Australia, by pulling the funding that usually goes to the state and territory housing authorities, and putting it out to tender.

Minister for families, community services and Indigenous affairs, Mal Brough announced the measures, stating "Given the states and territories abysmal record in managing public and community housing, with housing stock actually falling over the past decade despite the Australian Government's massive funding to states and territories, we are now radically altering our approach to ensure a better deal for future generations in need of affordable housing.”

Not surprisingly, the announcement has received its fair share of criticism for playing politics with vulnerable Australians, and for simply getting it wrong in terms of diagnosing the problems in public housing, and finding a solution that will actually house more people (not to mention failing to mention the key problem: the massive decline in Federal funding for public housing since 1996). Sadly, shifting focus and blame to other governments, and pushing out poorly thought through measures in attempt to appear tough on the big issues (finally catching on to housing as an election issue), seems more appealing than coming up with meaningful solutions to the housing problem. And whilst the real results are yet to be seen, at least the Opposition is prepared to start talking about it.



PETS IN RENTAL PROPERTIES: AN RTT DECISION

Scorgie v Chew [2007] ACTRRTT 16 - **Part 1**

Can a Landlord Stop a Tenant from having a Pet?

There is nothing in a standard ACT Tenancy Agreement (which comprises 100 Standard Terms) that restricts a tenant’s ability to keep a pet. So a tenant having a pet is ordinarily not an issue. However, a landlord may seek to add an additional clause into a tenancy agreement that prevents a tenant from having a pet. It is important to note that any additional clause that is inconsistent with the Standard Terms is invalid unless it has been endorsed by the Residential Tenancies Tribunal (the Tribunal).

Until recently, the TU’s view was that a clause that prevents a tenant from keeping a pet was inconsistent with clause 52 of the Standard Terms which provides:

“A lessor shall not cause or permit any interference with the reasonable peace, comfort or privacy of the tenant in the use by the tenant of the premises.”

The TU’s reasoning was that having a pet is a normal, common part of using rented premises for residential purposes.

However, the TU has had to reconsider its view as a result of the recent decision of *Scorgie v Chew* which specifically considered the issue of whether a tenancy agreement can preclude pets from the premises.

In line with the TU’s view, the Tribunal recognised, that the argument in favour of the right to have pets proceeds from the general

right of a tenant to the exclusive right of possession of the premises pursuant to clause 53 and the right to quiet enjoyment of the premises pursuant to clause 52. However, the Tribunal went on to say that since clause 53 provides that a tenant shall have exclusive possession of the premises unless otherwise agreed in writing, there is no reason why the right of exclusive possession and use of the premises by a tenant could not be expressly qualified in a tenancy agreement to preclude pets.

the Tribunal “could not see why as a matter of law or public policy a landlord should not be able to impose a pet exclusion clause as a condition of accepting any particular tenant.”

The Tribunal went further and stated that damage caused by pets is a common cause of complaint in tenancy matters and where it becomes necessary to replace carpets, lawns and the like due to pet damage, the damage is likely to exceed any bond lodged by the tenant. And so, unfortunately for tenants, the Tribunal “could not see why as a matter of law or public policy a landlord should not be able to impose a pet exclusion clause as a condition of accepting any particular tenant.”

In *Scorgie v Chew*, the landlords claimed compensation for damage allegedly caused to the premises by the tenant’s two dogs and stated that the tenant had purchased the two dogs and kept them at the premises in contravention of the landlords’ wishes.

Early in the tenancy a dispute arose between the parties concerning the right of the tenant to have a dog on the premises. The tenancy agreement included a clause precluding pets. The tenant did not disclose that she had a dog. The matter initially came before a differently constituted Tribunal which deleted the pet exclusion clause and substituted a clause which



permitted the tenant to keep her existing dog at the premises. Part way through the tenancy the dog died and the tenant obtained two pups without the landlords' knowledge or consent.

The Tribunal (in the current matter) held that the tenant had breached the amended term of the lease because it did not permit anything more than the existing dog to remain at the premises.

However, on the up side for tenants, the Tribunal went on to say that the tenants breach of the pet clause did not automatically entitle the landlords to compensation from the tenant (other than possible nominal compensation) and the landlord would have to show that the dogs actually caused damaged to the premises as alleged. As the landlords were unable to do so, no compensation was awarded to them in respect of this part of their claim.

The case dealt with other important issues for tenants, one of them being the so called "duty to mitigate" on a party claiming compensation. However, that is a matter for the next issue of 'Tenant News.'

Sandra Alonso



TENANCY WEEK 2007

1-5 October

International
Tenants Day
1 October

Participate in our
launch or other
events

Promote events,
distribute our
information

For further info
contact the
TU :6247 1026,
tuact@bigpond.org.au



The Information Hub

The Information Hub is an easy and convenient place to access **advice, information and support** on services such as:

- Centrelink
- Health
- Legal
- Housing
- Neighbours
- Budgeting
- Relationships

When? 2nd Thursday of each month from **1pm to 3pm**

Make a note
in your diary!!

9 August
13 September 8 November
11 October 13 December

Where? Woden Community Service Community Room
26 Corinna St (opposite Phillip Health Centre)

Why? Opportunity to talk directly to representatives from Housing ACT, Legal Aid, Conflict Resolution Service and others - ask questions and receive support in making appointments and reporting issues, such as maintenance.

There will be access to the internet and phone

Want to know more? Call Jackie or Emma on **6282 2644**



Afternoon tea will be provided

No appointments necessary

All welcome

See you there



WCS receives funding through the Office of Children, Youth and Family Support and the ACT Government's Community Linkages Program



TU Update

TU Management Committee

President:	Shae McCrystal
Treasurer:	Anne Macduff
Secretary:	Genevieve Bolton
General members:	Viren Jackson Maribeth Cole Kathleen McCoy Southwest TAS (Jodie McVean / Alison Flint)

TU Staff

Deborah Phippen	Executive Officer
Sandra Alonso	Advice Worker
Izzy Hockley	Administrative Officer
Helen Sexton	Advice Worker/ Project Officer

Comings and Goings

The staff of the TU bid a fond farewell to our Administrative Officer Beth Policarpio in May. We thank Beth for her work and wish her all the very best. On a positive note, we have welcomed Sandra (Izzy) Hockley as our new Administrative Officer.

In July the TU committee welcomed Amy Kilpatrick as a new member.

Events

July marks the beginning of a new semester in the various higher education institutions in Canberra including ANU, UC and CIT. The TU were involved in the 'mini-O week' events, running tenancy information stalls at each venue.

Submissions and Policy Work

In July the TU—together with the other state and territory members of NATO (National Association of Tenant Organisations)—developed a written response to the Federal Opposition's discussion paper *New Directions for Affordable Housing*. See page one for more details. A NATO rep also participated in Labor's **National Housing Affordability Summit** on 26 July—organised as part of the consultation process following the release of the New Directions paper.

The TU, together with the Welfare Rights and Legal Centre, is currently working on a response to the recently released discussion paper for the **Residential Tenancies Tribunal review**.

Publications

The **Share House Guide** is finally complete! The booklet—entitled *Crowded House: A legal guide to share housing in the ACT* will be available in online format from our website very soon, and a printed version will follow in the coming months.

IF YOU WANT TO FIND OUT MORE ABOUT ANY OF THE ISSUES DISCUSSED

HERE,

PHONE: 6247 1026

or

E-mail us at: TUACT@bigpond.net.au

THE TENANTS' UNION
WELCOMES NEW MEMBERS.

IF YOU WOULD LIKE TO JOIN SEND IN THE MEMBERSHIP FORM FROM THE BACK OF THIS NEWSLETTER



TRYING TO SURVIVE IN THE PRIVATE RENTAL MARKET

Fay Rice

HomeBase, located at Belconnen Community Service, provides early assistance to families who are at risk of losing their accommodation. Sometimes families may fall into rent arrears because of loss of employment or insecure employment, health problems, changes in a family's structure, or simply not having sufficient income.

The *HomeBase* Team supports families to maintain their accommodation in public or private housing whether they are paying rent or a mortgage and works with families in flexible and creative ways.

Each year *HomeBase* provides a support service to 55 – 70 families and has a good track record of helping them maintain their tenancies. The 2006-2007 financial year, however, was challenging for the *HomeBase* Team and families, the majority of whom were living in private rental accommodation.

We believe this was due to a number of intersecting factors including –

The steep rise in the private rental market in the ACT during the 2007 March Quarter. The median rent for a 3 bedroom house reached \$342.50 per week (*REIA Market Facts 7 June 2007*). People in the ACT “are paying on average \$70 a week above the national rental costs” (*ABC News 27 June 2007*).

- Changes to the eligibility criteria for access to public housing in 2006. Many families on low incomes who once would have been eligible for public housing are now earning over Housing ACT's income barrier, yet they have insufficient income to pay hefty private rents.

- The levels of Commonwealth Rent Assistance have not kept pace with the rises in the private rental market.
- The overall rise in the daily cost of living.
- Families on low incomes not having spare money available to cover unforeseen circumstances such as sickness resulting in a temporary or longer term incapacity to work, insecure casual or contract work, job loss, and changes in household structures. Similarly, those who are totally dependant on Centrelink payments and who are in private rentals live in an ongoing state of financial stress.

“
 For many years political parties of all persuasions have reiterated the need to “strengthen families”. A safe and affordable home is the most basic starting point for this.
 ”

HomeBase families are paying between 45% and 75% of their limited incomes on rent. That leaves them with approximately \$250 to live on each week after rent is paid. Several have less than this and a few have a little more. Clearly it is difficult for parents to raise healthy thriving children on this amount of money. Mothers and fathers in these circumstances are living in a state of anxiety that sooner or later affects their own health.

HomeBase is aware of some parents eating less or going without food so that their children have enough to eat. Others cannot afford to buy their children necessary clothing, or heat their homes during winter, or ensure their children have equal learning and social opportunities at school.

These mothers and fathers, and in *HomeBase's* experience, they are mostly mothers, have to resort to asking for external help from community programs such as *HomeBase*. Many have indicated they feel ashamed at having to ask for help to pay the rent or to feed and clothe their



children.

For many years political parties of all persuasions have reiterated the need to “strengthen families”. A safe and affordable home is the most basic starting point for this. For this to occur there is a need for a more integrated approach for the development and implementation of government policy.

Of late, the issue of affordable housing has gained traction at both Territory and national levels and political parties are looking at a variety of options that, hopefully, will be useful to families on low incomes for whom buying a house will never be an option. The reality for the families that *HomeBase* sees and who are now ineligible for public housing is to rent in the private market.

The ACT’s thriving property market is reaping good financial returns for investors but it is leaving these families behind and forcing them to accumulate debt simply to survive. The strain on the family unit is enormous and relationships can become tenuous to the point sometimes where they break down entirely.

These families and people are our friends, neighbours and fellow citizens and they have a basic need for secure and affordable accommodation for their own welfare and for our society as a whole. It is an issue that lies not just with the individual families experiencing hardship. It is a societal issue.

“Poverty is not natural – it is manmade and it can be overcome and eradicated by the actions of human beings” (Nelson Mandela, *The Australian* 5/6.2.06)

*Fay Rice is Coordinator with HomeBase,
Belconnen Community Service*

Community Linkages Program

The Community Linkages Program works with public and community housing tenants in the ACT. Community Linkages is about finding ways to come together, get to know your neighbours and enjoy life within your community!!

Some of the many programs and activities that the Community Linkages Program have worked with tenants and other organisations over the past few months includes BBQs, social groups, play-groups, gardening projects and community workshops, such as *Speaking Up and Advocacy* and *CALM/Living – skills for dealing with conflict*.

If you would like more information about existing programs or if you have any ideas about programs or activities you would like to see in your area, please give us a call on:

Belconnen/Gungahlin

Tricia at Belconnen Community Service on 6278 8100

Central Canberra

Emma at Northside Community Service on 6162 2901

Woden/Weston Creek

Emma at Woden Community Service on 6282 2644

Tuggeranong

Eve at the YWCA of Canberra on 6294 4633

The Community Linkages Program also works with people in public and community housing who are at *risk of eviction*. If you are in this situation and would like some assistance, please call:

Northside

Sustaining Tenancy Outreach Program
Anglicare Housing Program on 6230 1486

Southside

Sustaining Tenancy Program
Amy at Woden Community Service on 6282 2644

The Community Linkages Program is funded through the Department of Disability, Housing and Community Services



HOUSING AND REFUGEES IN THE ACT

Kathy Ragless

Companion House Assisting Survivors of Torture and Trauma

Introduction

About one hundred and fifty to two hundred new entrants under Australia's Humanitarian Program arrive in the ACT each year. Over the last three years the majority of new entrants have been from Sudan, Sierra Leone and Afghanistan. There have also been new arrivals from Iran, Iraq, Burma and variety of other countries. Most people in this group have sought safety in Australia from war, persecution and/or torture.

Companion House Assisting Survivors of Torture and Trauma is a non government organisation which works with people who have sought safety in Australia from torture, persecution and war related trauma. The agency is funded by both the Commonwealth and ACT Governments and provides a wide range of medical, counselling and community development services.

Companion House has engaged with policy makers in the Commonwealth and Territory Governments and relevant departmental staff about housing issues for newly arrived people over several years. However, we have not been able to secure an arrangement where both the Territory and Commonwealth adopt a joint position. The following sets out to summarize these housing issues and to identify strategies to address them.

Housing Issues and Refugees in the ACT

The issue of affordable housing is the greatest barrier to refugee settlement in the ACT. In many ways the ACT is a very suitable location for refugee settlement being a multicultural community with good services and peaceful environment. The ACT has probably the strongest refugee support groups in Australia and is, in general, a welcoming community.

Most refugees have spent many years without access to housing, living for many years in refugee camps. A high proportion have had their own homes destroyed as part of the process of war and persecution.

To rebuild their lives in Canberra people need a safe and affordable place to live. The importance of housing to refugees is well researched and documented in the clinical literature from both Australia and other resettlement countries.

In our consultations with a range of refugee communities over the last few years the issue of lack of affordable housing has been of highest priority to people. Again and again we hear stories about the strain the problems of housing places on newly arrived people, compromising people's recovery from torture and trauma and their ability to rebuild shattered lives.

Since 2003 the Department of Immigration and Multicultural Affairs substantially slowed the flow of mainstream refugee entrants to the ACT due to the problem of affordable housing. This has had a significant impact on the ACT. Unlike all other capital cities in Australia, we now do not have new and emerging communities from countries like the Congo and Liberia.

Contractors and volunteers responsible for finding housing for newly arrived refugees have found the task of finding private rental accommodation for new arrivals very difficult, particularly given that there is usually very short notice before advice that entrants are arriving. In the current market it takes some time to find appropriate housing in the private rental sector or to apply for ACT Housing, if appropriate.

In addition, there tends to be some discrimination from property owners in the private rental market about the situation of newly arrived people and their ability to be reliable tenants. This disadvantages newly arrived people even further in a very competitive rental market.

For new arrivals themselves, it usually takes from six months to a year for entrants before they have begun to build a new life, and settle into study or employment. Entrants often arrive after many years of experience of war and the insecurity and violence of refugee camps. For example, amongst current arrivals to the ACT, people from Sudan and Burma have usually spent more than a decade in refugee camps before arrival and are very focused on establishing a safe place to live.



On arrival housing with the option of staying a minimum of six months with the option of extension if necessary will give newly arrived people the opportunity to find their feet in their new community and start to build some financial independence.

Most refugees into the ACT since 2003 have arrived as proposer supported entrants under the Special Humanitarian Program (SHP). Most proposers are refugees themselves. They then propose relatives and loved ones from refugee camps or from situations where they are living unsafely in countries of first asylum.

The problems of affordable housing in the ACT have put considerable strain on proposer families. It is usually very hard to find affordable housing in the private rental market and families have remained in very crowded and difficult circumstances waiting to find suitable private accommodation or to access public housing.

To access public housing, people need a significant amount of support from volunteers and support agencies to navigate the housing system and then will often spend long periods on waiting lists. ACT Housing has often been responsive to the problems of newly arrived families and we recognise the commitment of many ACT Housing staff. Nonetheless, many people have been homeless or waiting in overcrowded distressing circumstances for significant periods.

In those newly arrived communities who have accessed the private market we have observed families experiencing severe financial hardship and issues of family fragmentation due to overcrowding, financial disputes and inappropriate housing.

In addition to on arrival housing, Companion House recommends that SHP entrants have access to mid term on arrival housing where it is assessed by the relevant body that families need assistance with housing.

Temporary visa holders who have arrived in the last few years have by and large escaped some of these issues due to support from ACT Government. The last large group of temporary visa holders were people who came from Nauru who were granted a special housing program by ACT Government.

The situation of refugees and housing in the ACT

needs solid policy formulation and commitment from ACT government, the Commonwealth and the non government sector. Over the past three years we have tried to talk to policy makers in the ACT and Commonwealth. All too familiar has been the response from the Territory Government that refugee housing is actually a Commonwealth issue and response from the Commonwealth that refugee housing is a Territory Government issue. **A commitment to negotiation and discussion will be essential for the formulation of policy and planning about refugee housing in the future.**

Conclusion

The lack of affordable housing and on arrival housing options in the ACT means that the ACT is no longer receiving entrants from the mainstream refugee program. Whilst other capital cities in Australia are building up new populations from countries like Liberia and the Congo, Canberra is not, affecting the profile and demography of the city for years to come. In fact, in the mid term, this could result in a significant slowing of refugee arrivals into the ACT as applications from existing proposer communities slow down and eventually cease.

For those entrants who arrive under other streams of Australia's Humanitarian program their settlement in the ACT is hindered by the lack of affordable housing options and their struggle in the private rental market. For those that do access public housing they need to wait long periods for allocation and usually need long term advocacy support from volunteers and support agencies to gain access to waiting lists. Special measures for housing temporary visa holders have been very helpful in maximising this group's opportunity to settle and thrive in the Canberra community.

The ACT has been declared a "refugee friendly" city by the ACT Government. If Government and non Government agencies are to ensure the successful settlement of refugees in the ACT community in the years to come, we need to consider on arrival housing options and longer term strategies to ensure new arrivals have access to affordable housing and that refugees can continue to settle in the ACT.

If the ACT does not find solutions to this issue, our "refugee friendly" city runs the risk of being a city that refugees cannot afford to seek refuge in.



HANGIN' ON THE LINE



The Tenants' Advice Service (TAS) offers free advice to all ACT tenants (public, private, community and others).

You can access the TAS line by calling 6247 2011 from 9:30am to 1pm Monday to Friday

On the TAS line we tend to hear lots of bad news, as tenants generally only come to us when things have gone horribly wrong. This means we now approach most issues with a degree of 'healthy scepticism' (some might say 'unbalanced pessimism' – but this is a matter of interpretation). After seeing the fallout from particular situations time and again, we sometimes feel compelled to warn tenants, so they can take preventive action to avoid unnecessary angst.

And such a time has come. Today's cautionary tale is about **direct debit** – a method some Real Estate Agents like tenants to use to pay rent. Here are some reasons why NOT to use direct debit to pay your rent.

What is a direct debit?

A direct debit is when you allow the merchant, in this case the Real Estate Agent (REA), to debit (take money from) your bank account on a regular basis to pay for goods or services, such as rent.

How does a direct debit work?

1. You agree to pay rent by direct debit.
2. You sign an agreement called a Direct Debit Request (DDR). This form tells your bank to deduct money from your account to pay the REA for the rent. The REA cannot deduct money from your account without a signed DDR.
3. Money will be taken from your account until you cancel the Direct Debit.

Should I use direct debit?

This will depend on your situation.

The advantages are:

You don't have to worry about paying rent by the due date. With a direct debit the REA and bank organise the deduction of the amount due for you.

The disadvantages are:

- You have to watch the balance of your account to make sure there is enough money to cover the amount being deducted. If you have trouble doing this then you should consider other payment options.
- It can be very costly for you if you don't have

enough money in your account to cover a direct debit. You may be charged a dishonour fee by the bank. The bank may also choose to process the direct debit anyway and overdraw your account. Then the bank may charge you a fee for overdrawing your account and interest.

- It is more difficult to dispute a payment after the payment has already been taken from your account by direct debit.
- It can be difficult to stop direct debit payments. Although see below on how to stop direct debit payments quickly and effectively.

Particular disadvantages of paying *rent* by direct debit.

- As the DDR originally signed by the tenant does not specify the amount to be deducted, *the tenant's consent is not needed to vary the amount*. This means that where there is a disagreement about the amount of rent owed (e.g.: if the tenant is disputing a proposed rent increase), the REA could go ahead and deduct their preferred amount. In this way, signing the DDR is a bit like signing a blank cheque. Similarly, if there is a dispute about when the tenancy terminated, and therefore when the last rental payment is due or how much is owed, the REA will have the upper hand in deducting what they believe is due.

TAS has encountered the following specific problems with direct debits through REAs:

- REA inadvertently debiting an incorrect amount or taking a double payment—not only



putting the tenant in financial difficulty, but also leading to potential overdraw and/or dishonour fees.

- REA's bank charging a fee for a failed payment (e.g. where the tenant's account had insufficient funds at the time of the attempted deduction), which the REA seeks to recover from the tenant.
- REA delaying or refusing to reimburse the tenant for an overpayment; instead counting it towards future rent payments.
- REA failing to debit the account at all, leading the tenant into rent arrears through no fault of their own.
- Direct debit transaction going through after the tenancy has terminated.

Most of these problems may be caused by administrative error or simple misunderstanding; however they can lead to serious consequences for the tenant, and can be difficult to 'undo'.

How to cancel a direct debit

Step 1: Write a letter to your bank/financial institution saying that you are cancelling the direct debit. Address the letter to the branch where you opened your account. Keep a copy of the letter as evidence that you cancelled the direct debit, and make sure it is signed and dated.

Step 2: Write a letter to the REA stating that you have cancelled the direct debit. Keep a copy of the letter, and make sure it is signed and dated.

(Both steps 1 and 2 should be done at the same time)

Step 3: Ring the financial institution to check that the direct debit has been cancelled a few days after you send the letter.

Some tenants have been led to believe (whether by the bank or the REA) that the tenant cannot cancel the direct debit with the bank, as only the REA can cancel it. This is not true. At the end of the tenancy you can cancel the direct debit as outlined above (make sure rent is paid up to the termination date).

However if you wish to change the way you pay your rent during the tenancy – and direct debit is the established and agreed method – you will need the consent of the Real Estate Agent first. Method of rent payment is a term of the contract, and you alone have no authority to alter terms of the contract.

Consider other payment options

Given the number of potential problems, it is generally best to avoid paying rent by direct debit if there are other suitable options available. The following are just some alternatives:

Automatic

The advantage of paying rent by direct debit (i.e.: not needing to worry about paying rent by the due date because the amount owed is deducted for you automatically) could equally be achieved by setting up a periodic payment directly with your bank or credit union.

PERIODIC PAYMENT

A periodic payment allows a regular payment to be made automatically from your bank account to the REA's account on or before the due date, and is perfect for rent payments as the

amount does not fluctuate (unless there is a rent increase, but this can only happen once per year).

Signing the direct debit request is a bit like signing a blank cheque

The crucial difference between this and a direct debit is that you are not putting control over the payment into the hands of the REA. Like direct debit, you need to make sure that you have the available funds to make each payment. But it is much easier for you to cancel or vary when you need to, and you are not reliant on the REA, or vulnerable to administrative errors that may be made.

You can enquire with your bank about setting up a periodic payment. Be sure to check if there are any set up costs or transaction fees before going ahead. You will also need to be provided with the REA's bank details to make the payment into. Be aware though that if your rent increases, you will need to vary the periodic payment amount.

Manual

One disadvantage of manual payments is that you have to remember to make the payment every time rent is due, but the benefit is that you are in control and know exactly what is going on. This is particularly helpful if your income is likely to fluctuate.

BPAY

This is another option of electronic payment, but payments are made by you manually. BPAY payments

(Continued on page 14)



Direct Debit *(Continued from page 13)*

can be made over the telephone or internet. To set up BPAY you will need to contact your bank and get a password (and set up internet banking, if necessary). You will also need to get a biller code and a rental account number from your REA.

Make sure you keep track of payments by recording the date and reference number. A calendar is a good place to record these payments. It may take a couple of days to register a BPAY payment, so make sure you leave enough time for the payment to go in by the due date.

DIRECT MANUAL PAYMENTS (IN PERSON)

This method is good if you work or live near your REA's office and are happy to go in to pay rent each time it is due. Direct payments may be made by cash

or cheque – however some REA offices do not like to accept cash payments. If you are paying cash, make absolutely sure the person who takes your money enters the payment on your rental ledger, and issues you with a receipt before you leave. There will be no other way for you to prove the payment was made in the event of an error or dispute.

PAYING AT A BANK

Some REAs provide tenants with a bank deposit book for the tenant to make payments into the REA's account at the bank. Once again this is a good option if the appropriate bank is handy to where you live or work, and you don't mind waiting in a queue.

General Direct Debit information sourced from the fact sheet – "Banking: Pitfalls with Direct Debits for Cheque/Savings Accounts" produced by the Consumer Credit Legal Centre, NSW.

Hepatitis C Support Group

Do you, or a family member have hep C?

This disease attracts a lot of stigma and so many people suffer the burden alone. But it doesn't have to be that way.

The ACT Hepatitis C Council runs a monthly support group for people affected by hep c. It's a friendly, supportive and mixed bunch of people from all walks of life, who don't judge. Sometimes we have expert speakers on treatment, nutrition and staying healthy.

The support group is held on the first Wednesday of each month. Check our website (under Support Groups section) for venue and further details: www.acthepc.org/

But if you prefer one to one support we can provide that too via our Peer Support Worker and our Treatment Support Counsellor.

If hep c has dragged your life and your life force downwards, then help kick-start it again with support from the

ACT Hepatitis C Council.

Phone 6257 2911



SOBERING STATS

The following figures are from *Market Facts*, the quarterly residential property report from the Real Estate Institute of Australia. Data relates to the March 2007 quarter.

The National Picture

Average rents rose in all cities for both categories of dwelling: 3 bedroom house and 2 bedroom other dwellings this quarter (with the exception of Perth where rents remained unchanged for other dwellings).

The increases in rent correlates with a quarterly decrease in the vacancy rate in all but 3 cities (Brisbane, Adelaide and Hobart). This is also in line with steady and consistent rent increases across the country over the year to March 2007, reflecting once again the much-publicised nationwide housing affordability crisis.

City	3 b/r house	2 b/r unit
Canberra	342.50	325
Sydney	280	320
Melbourne	250	260
Brisbane	280	280
Adelaide	250	200
Perth	280	250
Hobart	270	210
Darwin	340	280

Median Weekly Rents, March 2007

The Canberra Story

Canberra has overtaken Sydney for median rents for 2 bedroom other dwellings—making Canberra the most expensive location in this category. Canberra has also maintained the ‘lead’ for rent prices in the 3 bedroom house category. So once again Canberra is overall the most expensive city in Australia to rent.

Canberra has seen a quarterly drop in the vacancy rate to 1.3% - well below the industry ideal of 3%. However this is a fairly predictable trend during March, a notoriously tight quarter for the Canberra rental market. One reason for the trend is that this time of year brings an influx of commencing students and new employees in the expanding public sector.

City	Vacancy rate	Quarterly change
Canberra	1.3	-0.3
Sydney	1.4	-0.1
Melbourne	1.2	-0.5
Brisbane	1.7	0.2
Adelaide	0.9	0.4
Perth	0.8	-0.2
Hobart	2.3	0.0
Darwin	1.2	-3.6

National Vacancy Rates, March 2007

3br Houses	Median \$ per week	Change over quarter %	Change over year %	2br Flats/ Units	Median \$ per week	Change over quarter %	Change over year %
Inner South	330	0.0	4.8	Inner South	272.50	0.9	9.0
West and North	340	7.9	13.3	West and North	290	7.4	9.4
Outer South	330	3.1	10.0	Outer South	275	0.9	5.8

Canberra Rents, March Quarter 2007

The Tenants' Union ACT

The Tenants' Union is a group of tenants, both public and private, who have come together to promote the rights and interests of tenants in the ACT.

The Tenants' Union provides a voice for tenants at all levels of decision-making.

The Tenants' Union provides information, advice, advocacy and education through the Tenants' Advice Service.

Join the Tenants' Union and have a say on issues that affect your housing and your home.

Name: _____

Ph: _____

Address: _____

Date: _____

Type of tenancy (circle): *private, public, community, student housing, occupant, share housing, not a tenant*

NB: Only tenants can be full members

Annual subscription (GST incl):

\$11- Waged

\$2.20 - Unwaged,

\$11 - Share house (no. of tenants:___)

\$55 - Organisation

ABN 99 664 903 582

TAX INVOICE

Make cheques payable to the Tenants' Union ACT Inc. Please forward your subscription and this application form to:

Tenants' Union ACT,
PO Box 8,
Civic Square, ACT 2608

JOIN NOW & STRENGTHEN THE UNION'S VOICE ON HOUSING ISSUES

The Tenants' Advice Service (TAS)

TAS is a free service for all ACT tenants. It is managed by the Tenants' Union ACT and funded by the interest earned from bonds lodged with the Office of Rental Bonds.

What we offer:

- Tenancy **advice** and **information** through our advice line (6247 2011, Mon - Fri, 9:30am - 1pm)
- **Workshops** and **presentations** on tenancy issues, rights and responsibilities. Free of charge to community groups and organisations, school groups etc. Targeted to tenants, people who will become tenants or those who work with tenants
- Leaflets and other **printed information** on common tenancy problems/issues
- Tenancy **website:**
www.tenantsact.org.au
- Articles for newsletters tenancy information stalls and displays

For further information call

6247 1026

Tenancy Tips Leaflets:

- Access and Privacy
- Bond
- Defending an Eviction
- Ending a Tenancy & Breaking a Lease
- Eviction in the ACT
- Evidence Checklist for the RTT
- Making a Complaint about a Real Estate Agent
- Rent Arrears
- Rent Increases and Reductions
- Rent Increases: Formula & Figures
- Repairs
- Sale of Premises
- Tenancy Databases
- Tenancy in the ACT: a General Guide