

26 June 2020

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600

By email only: spla.reps@aph.gov.au

Dear Committee Secretary,

The Economic Justice Australia (EJA) Submission to the Inquiry into homelessness in Australia

1. EJA (formerly the National Social Security Rights Network) is the peak organisation for 15 community legal centres providing free legal advice and assistance to people experiencing issues relating to income support and family assistance payments, with members in all Australian states and territories.
2. EJA welcomes the opportunity to provide a submission to the Inquiry into homelessness in Australia. The factors contributing to homelessness are significant, complex and often intersectional; there is a pressing need for action to coordinate responses encompassing access to income support, housing, and health/mental health services.
3. This submission focuses on the ways in which social security policies and systemic barriers can cause homelessness and undermine the effectiveness of programs aiming to prevent homelessness among people in vulnerable populations; and considers the implications of the COVID-19 pandemic on housing insecurity given current social security frameworks.
4. EJA draws on its members' front-line experience to set priorities and inform policy development. This submission provides case studies¹ and is informed by a survey of member centres completed in March 2020, and the report of our 2019 *Homeward Bound* research project (the Homeward

¹ All names used in case studies are pseudonyms.

Report)². The Homeward Report examined the experiences of 567 clients who sought legal assistance from member centre Canberra Community Law (CCL) between 1 July 2018 and 31 June 2019. Although the report is ACT focussed, the findings have broader application to other Australian jurisdictions, particularly for people facing barriers in accessing or maintaining social security payments.

RECOMMENDATIONS

5. Social security policies and practices can substantially increase the risk of homelessness for vulnerable cohorts of people. EJA supports the calls by ACOSS and other national peaks for a major review and overhaul of social security eligibility, rates and mutual obligations for job seekers given the income support issues highlighted by COVID-19.
6. EJA urges the Committee to recommend that any review of Social Security legislation, policies and guidelines should identify systemic drivers of homelessness and develop appropriate reform measures.
7. While the social security system exists in its current form, we recommend the following:
 - A. The maximum basic rates of income support should be increased post-COVID in line with ACOSS's proposals;
 - B. Non-payment penalties should cease as they fuel homelessness, entrench poverty among vulnerable populations, and have no place in Australia's social security system. The mutual obligation framework needs urgent overhaul in the longer-term, with significant changes immediately to ensure that pre-COVID policies are not reinstated;
 - C. DSP qualification criteria and assessment processes should be reformed, including to identify and address systemic barriers that can prevent people with cognitive and/or psycho-social disabilities from accessing DSP or maintaining JobSeeker Payment eligibility;
 - D. The impact of the newly arrived residents waiting period on migrants' capacity to settle and find long-term work in Australia should be reviewed – particularly in the light of the recession associated with COVID-19. At the very least, the policy guidelines for determining claims for Special Benefit from migrants who are subject to the NARWP from September/October (when the NARWP suspension is to be lifted), need to be reformed to ensure that the payment can be more readily accessed – including to address the risk of homelessness;
 - E. Access to income support, at the very least to Special Benefit, should be expanded to include all New Zealanders and long-stay temporary visa holders;
 - F. The recommendations made in EJA's report, *How well does Australia's Social Security System support victims of family and domestic violence?*³, should be implemented in full;
 - G. A major review of debt recovery procedures should be conducted, to ensure that guidelines have appropriate regard to financial stressors and prioritise the need to maintain capacity to pay housing costs;

² *Homeward Bound – Social Security and Homelessness*. National Social Security Rights Network (EJA) and Canberra Community Law. December 2019. <https://ejaustralia.org.au/general/homelessness/>

³ *How well does Australia's Social Security System support victims of family and domestic violence?* National social Security Network. August 2015. <https://ejaustralia.org.au/general/how-well-does-australias-social-security-system-support-victims-of-family-and-domestic-violence/>

- H. A major review of policy guidelines for waiver of compensation preclusion periods should be conducted, to ensure that proper regard is had to the person's background and disability-related factors in considering expenditure of compensation monies on establishing housing security; and
- I. Substantial additional funding should be urgently allocated to enable Services Australia to employ additional Centrelink social workers, particularly given the COVID-19 crisis.

BACKGROUND

Incidence of Homelessness

- 8. The 2016 Census estimated there were 116,000 people in Australia who were homeless, 20% of whom were Aboriginal or Torres Strait Islander⁴. That estimate included people sleeping in tents, sleeping in improvised dwellings, sleeping out, staying in supported accommodation, staying with other households, living in boarding houses or temporary lodging, and living in severely crowded dwellings.
- 9. The Homeward Report identified many instances of people sleeping rough, sleeping in cars, and sleeping on couches of friends or family, as well as people at imminent risk of homelessness because they were unable to pay their rent and had accrued rental arrears. Between 1 July 2018 and 31 June 2019, 567 people contacted Canberra Community Law's Social Security and Tenancy program asking for assistance, often on multiple occasions. Of those, 93 were homeless (not including those who had secured ongoing but temporary accommodation in refuges or crisis accommodation), 331 were living in public housing, and 62 were trying to get onto a public housing waiting list. Notably, Canberra Community Law has experienced an increase in calls relating to homelessness/housing instability since the COVID-19 pandemic began.

Populations vulnerable to homelessness

- 10. Demographic data recorded for the Homeward Report showed an over-representation of particular population groups within the ACT community seeking CCL assistance with issues relating to homelessness. This data suggests that being a member of a particular population group can increase vulnerability to homelessness. Clients frequently sought assistance after experiencing relationship breakdowns, family tensions or overcrowding, which made their living arrangements untenable. However, the most significant factor identified during the research was that the majority of people seeking support were reliant on, or seeking assistance to obtain/retain income support through Centrelink (394 of 567).

INCOME SUPPORT: ACCESS AND EQUITY ISSUES FUELLING HOMELESSNESS

⁴ Australian Institute of Health and Welfare, Homelessness and homelessness services, 18 December 2019 at www.aihw.gov.au/reports/australias-welfare/homelessness-and-homelessness-services

11. Access to safe and secure housing is a fundamental human right described in Article 25 of the *Universal Declaration of Human Rights*. Lack of access to safe housing can undermine other human rights set out in the Universal Declaration and numerous other international instruments to which Australia is a signatory. The right to social security and an adequate standard of living as set out in articles 9 and 11 of the International Covenant on Economic, Social and Cultural Rights is also closely related to the ability to access safe housing.
12. A number of systemic failings inherent to Australia's current social security system have the effect of increasing the incidence of homelessness, including rate inadequacy, penalties and mutual obligations, tightened eligibility for disability support pension, inadequate support for victims of domestic violence, exclusion of New Zealanders and temporary visa holders from income support, debt calculation and collection practices, compensation preclusion periods, and problems with the Centrelink interface. Each of these issues is addressed in the sections below.

Rate inadequacy

13. JobSeeker Payment (formerly Newstart Allowance) is currently paid to over 1.6 million people in Australia. During COVID-19 the Government's introduction of the temporary Coronavirus Supplement, a \$550 per fortnight supplementary payment, effectively doubles the ordinary rate payable.
14. The basic rate of Newstart Allowance/JobSeeker Payment rate has not materially increased since 1994 and, before the outbreak of COVID-19, households relying on social security payments were five times more likely to live in poverty than those with breadwinners earning a wage.⁵ EJA members have seen first-hand the impact of the low rate of payment on the lives of many people in our community. It is impossible to budget household expenses on the 'normal' rate of \$550 per fortnight. After housing costs, households whose main income was Newstart Allowance were \$124 a week below the poverty line.⁶
15. Over the last six years, there has been a 75% increase in the number of Newstart Allowance recipients seeking assistance from homelessness services nationally⁷.
16. Canberra Community Law clients surveyed for the Homeward Bound project⁸ consistently reported experiencing housing stress due to the low rate of Newstart Allowance payment. Newstart Allowance recipients were locked out of the private rental market and were extremely vulnerable to changes in personal circumstances, as they had no savings and no capacity for emergency expenditure. Those at risk of homelessness had limited housing options except crisis accommodation, informal living arrangements with family or friends, or securing a place in public or community housing.
17. A 2019 ACOSS survey found that people living on the pre-COVID Newstart Allowance rate faced serious hardship, with many showering just once a week to reduce bills and 90% regularly

⁵ https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf

⁶ <http://ejaustralia.org.au/wp/wp-content/uploads/2020/01/Newstart-Inquiry-Submission-NSSRN.pdf>

⁷ Council to Homeless Persons, 'Clear connection between homelessness and inadequate Newstart payments, says Homelessness Australia' (Media Release, 29 August 2019) (online) < <https://chp.org.au/media-releases/clear-connection-between-homelessness-and-inadequate-newstartpayments-says-homelessness-australia/>>

⁸ <https://ejaustralia.org.au/general/homelessness/>

skipping meals.⁹ These findings were reinforced by ACOSS's May 2020 survey of 955 people on JobSeeker Payment, Youth Allowance, Parenting Payment, and Austudy, with 65% of respondents saying that receiving the Coronavirus Supplement made it easier to pay rent or move to safer accommodation. This first real increase to allowances has had an extraordinary effect on people's lives, which cannot be overstated.

18. The Coronavirus Supplement is set to end in September/October 2020. Unless legislation is introduced to provide an ongoing substantial increase to the rate of JobSeeker Payment, the inadequacy of the rate payable to the growing number of unemployed people in Australia will continue to constitute a primary driver of homelessness.

Recommendation A: *The maximum basic rates of income support should be increased post-COVID in line with ACOSS's proposals.*

Penalties and Mutual Obligations

19. Centrelink's Targeted Compliance Framework imposes mutual obligation requirements and a demerit point system on JobSeeker Payment recipients. Mutual obligations have been temporarily relaxed as part of the COVID-19 measures, but it is otherwise a standard requirement that JobSeeker Payment and Youth Allowance (unemployed) recipients apply for a minimum of 20 jobs each fortnight and participate in training that is often inappropriate or irrelevant. The harshness and inflexibility of this framework is an ongoing source of frustration and distress for many unemployed people, particularly the long-term unemployed. Imposition of non-payment penalties leaves people without the means to pay for food and rent – entrenching poverty and directly placing people at risk of homelessness. In the Homeward Bound study¹⁰, almost 20% of people on Newstart Allowance who were seeking housing assistance reported struggling to comply with their mutual obligations, resulting in cancellation of Newstart Allowance.
20. Employment service providers are vested with significant decision-making power in enforcing mutual obligation requirements, with far-reaching and serious effects for JobSeeker Payment and Youth Allowance (unemployed) recipients. Employment service providers have the power to apply demerits to social security recipients, which can result in the reduction or cancellation of payments for weeks. Their decisions to issue job seekers with demerit points are not subject to review, cannot be appealed and are not subject to external oversight¹¹.
21. In the light of EJA members' experience, we propose that employment service providers are insufficiently regulated and monitored, and inappropriately empowered to decide that payments be suspended. Providers often employ poorly trained staff who are very junior, and do not communicate effectively with Centrelink. Most importantly, providers generally do not engage with people trying to explain the impact of housing and other issues on their capacity to comply with obligations – despite a requirement that providers take job seekers' circumstances

⁹ https://www.acoss.org.au/media_release/acoss-warns-against-the-governments-planned-cuts-to-income-support/

¹⁰ <http://ejaustralia.org.au/wp/wp-content/uploads/2019/12/19756-CCL-Homeward-Bound-Social-Security-and-Homelessness-low-res.pdf>

¹¹ Dr Simone Casey, National Social Security Rights Network, 'The Targeted Compliance Framework – Implications for Job Seekers' 25 July 2019 (online) < <http://www.nssrn.org.au/social-security-rights-review/the-targeted-compliance-framework-implications-for-job-seekers/>>

into account when considering application of demerit points or suspension. Providers also fail to provide appropriate support referrals to clients whose payments are suspended.

Tamara – Newstart cancellation leads to homelessness

Tamara has two children under 16. She suffers from anxiety and also post-traumatic stress disorder as the result of domestic violence. Her conditions have recently been exacerbated by the death of a close family member.

Tamara was on Newstart Allowance but was unable to keep up with appointments organised by her job service provider, who then decided that her Newstart Allowance be suspended. With no income, she fell behind in rent. Tamara provided a medical certificate seeking exemption from the activity test but Centrelink refused to accept it. As a result, her rent fell further behind and she was issued with an eviction notice.

While attending Court Tamara met a tenant advocate. She was referred to an EJA member who advocated on her behalf to either have her Newstart Allowance restored, or process an urgent fresh claim. After some time, Centrelink restored Tamara's Newstart Allowance but would not backdate her payment to cover the full missing period. Tamara managed to negotiate a repayment arrangement with Public Housing and is relieved that she has ongoing payment, preventing eviction for now. She has a Centrelink appeal in progress, seeking arrears of Newstart Allowance.

22. Keeping track of appointments, paperwork and time-sensitive obligations can be challenging for people who are homeless, if not impossible. The mutual obligations system is too rigid for social security recipients in vulnerable and volatile living situations, and does not provide flexibility for scheduling appointments. Many people in crisis do not have phones, phone credit, transport or money to pay for petrol or fares but demerits apply regardless.

Josie – delayed resolution compounds issues

Josie had her Newstart Allowance suspended because she was unable to comply with her mutual obligations; she missed an appointment because she was ill. She contacted the job agency when she realised her payment had been suspended, but the caseworker refused to accept her medical reason for non-attendance or to lift the suspension. Josie stated that she would be in the office the next day and abruptly hung up the phone.

As Josie had not received her payment, she had no money, no food and no credit on her transport card. To get to the Job Network Provider, she needed to catch public transport as she does not own a car. She caught the train with no credit on her transport card, was caught and fined more than \$400. She knew she had to secure payment or she would be unable to get home without risking another travel fine.

The Job Network Provider refused to see Josie due to her hanging up the phone in frustration the day before. She told Josie that she could return for an appointment the following day and asked her to leave the building. Josie had no food and knew she would be likely to get another \$400 fine on the way home and would risk a third \$400 fine if she had to catch a train to the appointment the following day. The Job Network Provider allowed her to re-enter the building some time later, and arranged for Josie to re-engage that afternoon. Her payment was reactivated; however, the money did not clear in time to add credit to her transport card and she received a further \$200 fine on the way home.

Josie has also been placed on the Work for the Dole scheme but was placed at an organisation with no close public transport so she will be required to walk up to 40 minutes to attend. She received an additional \$20 stipend for enrolment in the scheme which will not cover transport if she is unable to catch public transport.

Recommendation B: *Non-payment penalties should cease as they fuel homelessness, entrench poverty among vulnerable populations, and have no place in Australia's social security system. The mutual obligation framework needs urgent overhaul in the longer-term, with significant changes immediately to ensure that pre-COVID policies are not reinstated.*

Tightened eligibility for Disability Support Pension

23. The tightening of eligibility criteria for the Disability Support Pension (DSP) over recent years has led to an increase in people with disability relying on Newstart Allowance/JobSeeker Payment: a contributing factor to the 28% increase in people receiving Newstart over the six-year period preceding COVID-19.
24. The current system imposes fundamental systemic barriers to accessing DSP for particular cohorts of people with disability. As a result, many people in these cohorts who should ideally be on DSP instead live in poverty on Newstart/JobSeeker. For people living with disability, the low rate of payment can mean that disability-related additional costs cannot be met,¹² or compete with other basic living costs, such as housing.
25. Payment of Newstart Allowance/JobSeeker in lieu of DSP can mean that people with disability are forced to comply with unrealistic mutual obligation requirements, including demands to attend appointments, undertake training, apply for large numbers of jobs and accept job offers that are unsuitable. Ongoing requirements to negotiate mutual obligations with officers who may have no real understanding of the impact of particular impairments on work capacity creates considerable hardship, exacerbating mental health issues and causing some people with severe psychiatric conditions such as bipolar disorder or schizophrenia to disengage from maintaining income support. Short and long-term gaps in income support mean that people in this cohort are highly vulnerable to homelessness; they often have limited capacity to effectively engage with support services and in the absence of income support can be ineligible for housing assistance.

Michelle forced to sleep in car

Michelle is a survivor of long-term abuse and domestic violence by her ex-partner. She has chronic PTSD, and also suffers from long term spinal problems which affect her mobility.

Michelle was on Newstart Allowance for several years despite employment service providers being unable to find work for her due to her permanent impairments. She had ongoing difficulties meeting her mutual obligation requirements, resulting in her payment being suspended on numerous occasions. Michelle ended up homeless, living in an old car through a hot summer.

An employment services provider suggested that Michelle claim DSP, but her claim was rejected. Michelle contact an EJA member centre, which helped her appeal after seeking a comprehensive report from a specialist describing the functional impact of her disabilities. The appeal was successful. Michelle was granted DSP, allowing her to secure modest accommodation, without the ongoing anxiety that her payment could be cut off at any time if she were unable to look for work.

¹² Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019 at xiv

Although the outcome was successful Michelle remained frustrated that had Centrelink been more proactive in assessing her circumstances, she would have been spared the suffering of sleep having to sleep with a bad back in an old car during the hot summer.

Recommendation C: *DSP qualification criteria and assessment processes should be reformed, including to identify and address systemic barriers that can prevent people with cognitive and/or psycho-social disabilities from accessing DSP or maintaining JobSeeker Payment eligibility.*

Residential waiting periods

26. The Newly Arrived Residents Waiting Period (NARWP) requires most recently arrived residents to serve a waiting period before they are eligible to receive Centrelink payments or concession cards. There are some exemptions, including for refugees.
27. On 1 January 2019, the NARWP was extended from 2 years to 4 years for numerous working age payments and concession cards. New residential waiting periods were also introduced for a range of other payments. These waiting periods increase housing insecurity and contribute to homelessness.
28. Special Benefit is a discretionary benefit that may be payable to a person who: is not eligible for any other payment; is in severe financial hardship for reasons beyond their control; is unable to earn enough to support themselves or their family; is unable to get another income support payment; and 'has suffered a substantial change in circumstances beyond his or her control'. Unfortunately, many people who are subject to a NARWP do not know that Special Benefit may be payable, including people who have only recently lost employment, people escaping domestic violence – and people facing or experiencing homelessness.
29. It is notable that the Government has waived the NARWP until September/October 2020 to deal with employment loss among newly arrived residents as a result of Covid-19; however, once the NARWP is reinstated, people who have had the benefit of the waiver will have their payment cancelled and be required to serve the remainder of the waiting period. These people will be vulnerable to homelessness. For those in this situation the only social security income support payment that may be available will be Special Benefit, and it will potentially be difficult to establish eligibility due to the need to establish 'a substantial change in circumstances beyond his or her control'.
30. Just as the Government's decision to provide the Coronavirus Supplement to income support recipients has exposed the fact that the ordinary basic rate of Newstart/JobSeeker is grossly inadequate, the waiver of the NARWP until September/October points to the hardship that can be endured by new migrants without work who are denied income support until they face destitution. The impact of the NARWP on newly arrived residents' capacity to settle and find long-term work in Australia needs to be reviewed – particularly in the light of the recession associated with COVID-19. At the very least, the policy guidelines for determining claims for Special Benefit from migrants who are subject to the NARWP from September/October need to be reformed, to ensure that the payment can be more readily accessed – including to address the risk of homelessness.

Recommendation D: *The impact of the newly arrived residents waiting period on migrants' capacity to settle and find long-term work in Australia should be reviewed – particularly in the light of the recession associated with COVID-19. At the very least, the policy guidelines for determining claims for Special Benefit from migrants who are subject to the NARWP from September/October (when the NARWP suspension is to be lifted), need to be reformed to ensure that the payment can be more readily accessed – including to address the risk of homelessness.*

Exclusion of New Zealanders and temporary visa holders from income support

31. There are key vulnerable groups of people who have been excluded from the support provided by the adjustments to the social safety net under the COVID-19 measures. This cohort includes long-stay temporary visa holders, asylum seekers on certain categories of Bridging Visa, New Zealanders on Special Category Visas, and students who have lost income due to COVID-19.¹³ These people may have been living in Australia for rolling periods of three to five years (or in the case of New Zealand citizens, for many years) and have worked, paid taxes and effectively settled here. Many people in these groups have lost employment or cannot work due to the COVID-19 public health restrictions and are facing severe financial hardship and the prospect of homelessness and extreme poverty. They are not covered by the social security measures introduced as part of the Omnibus Act and are not able to access any other social security payments, including the payment of last resort, 'Special Benefit'.
32. New Zealanders' eligibility for Social Security income support, including JobSeeker Payment and Special Benefit, depends on the date from which a person commenced residing in Australia. New Zealanders living in Australia who arrived after 26 February 2001 may qualify for JobSeeker Payment, time-limited to six months, but they do not qualify for Special Benefit. This means that there are New Zealanders who have lived in Australia for up to 19 years, working and many raising families, who have lost work and are in severe hardship without access to income support.
33. People living in Australia on skilled or seasonal employment visas have been living in Australia because they were encouraged to do so, applying for long-stay temporary visas that are intended to address labour shortages. Most people in this cohort have necessarily been self-supporting until losing work or access to work due to COVID-19. They have contributed to the economy and Australia's tax system, some over many years. People on these visas who cannot access sufficient work due to COVID-19 are in extreme hardship, and unable to return to their home country for financial and practical reasons, including COVID-19 travel restrictions and closing of borders.
34. Whilst some Australian state and territory governments have announced economic relief packages with measures specifically aimed at supporting vulnerable groups such as asylum seekers, equal access to Commonwealth social security payments is still needed to ensure the basic needs and human rights of these groups are met. Relief provided by the states and territories is welcome, as is support provided by the Red Cross and some universities, but these measures constitute ad hoc charitable relief rather than income support entitlements adequate for meeting the cost of housing, food and utilities etc. until resumption of work is possible.

¹³https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/March/New_coronavirus_supplement

Recommendation E: *Access to income support, at the very least to Special Benefit, should be expanded to include all New Zealanders and long-stay temporary visa holders.*

Inadequate support for victims of domestic violence

35. In 2018, EJA undertook research considering the intersection of social security and domestic violence in 93 case files of Welfare Rights Centre (NSW)¹⁴. The study found that the two issues overlapped at many points, but the notable finding was their intersection with a third issue - homelessness.
36. While it is widely recognised that domestic violence often disrupts housing security¹⁵ and that domestic violence is the leading cause of homelessness for women in Australia¹⁶, researchers did not expect to find that almost 60% of clients who had recently experienced domestic violence were either homeless or at risk of homelessness. Similarly, single mothers surviving on a single Centrelink income after domestic violence and relationship breakdown were a group that persistently presented to CCL for advice about housing security.
37. EJA was pleased to see some of the recommendations contained in this report were quickly implemented by the Department of Social Services; however, key recommendations remain unimplemented.

Recommendation F: *The recommendations made in EJA's report, 'How well does Australia's Social Security System support victims of family and domestic violence?', should be implemented in full.*

Negative impact of accrual and repayment of Centrelink debts

38. The Homeward Bound study found that a high proportion of Canberra Community Law clients who were homeless or at risk of homelessness also had debts (sometimes multiple debts) raised against them by Centrelink, causing high levels of anxiety and placing them under considerable financial pressure as they juggled debt repayments on top of other living expenses. Often, the debts had arisen due to issues arising from clients' inability to navigate Centrelink's systems, or Centrelink errors. Clients had difficulty balancing debt repayments on top of regular living expenses, changes to personal circumstances and insecure housing arrangements. Some were able to negotiate lower repayment rates but clients experiencing homelessness frequently reported difficulties maintaining lower debt repayment arrangements which currently require re-negotiation with Centrelink every three months. Often, clients would be challenged on their spending, and respondents reported feeling like

¹⁴ *How well does Australia's Social Security System support victims of family and domestic violence?* National social Security Network. August 2015. <https://ejaustralia.org.au/general/how-well-does-australias-social-security-system-support-victims-of-family-and-domestic-violence/>

¹⁵ Australian Institute of Health and Welfare, *Domestic & family violence & homelessness 2011–12 to 2013–14* (3 February 2016), www.aihw.gov.au/reports/domestic-violence/domestic-family-violence-homelessness-2011-12-to-2013-14/contents/the-intersection-of-domestic-violence-and-homelessness.

¹⁶ Tanya Corrie, 'A wider lens: Domestic violence, homelessness and financial security' (2013) 26(2) *Parity* 21-23. <http://www.uws.edu.au/_data/assets/pdf_file/0011/69590/Microsoft_Word_-_Finalreport.pdf>.

they were being accused of over-spending when they were barely meeting the cost of essentials.

Pauline – Centrelink fails to respond to homelessness risk

Pauline who has two adolescents in her care, experienced long-term domestic violence and abuse culminating in her ex-partner assaulting her and holding her hostage. He was prosecuted and jailed for a year but when he was released, he told her he wanted to reconcile. He then sold all their joint assets and cleared all bank accounts, leaving Pauline with debts of more than \$60,000 and no tax returns submitted for many years. Centrelink raised several Family Tax Benefit debts, including debts based solely on non-lodgment of information.

The loss off Family Tax Benefit and garnishing of \$6700 to repay Centrelink left Pauline in severe financial hardship. She fell behind in her rent and was issued a “Notice of Termination for Non-Payment of Rent.” Her private landlord began harassing her almost daily, demanding rent and intimidating her in front of her neighbours. She had no choice but to obtain a Restraining Order against him. The stress exacerbated her past trauma caused by violence and abuse, and she is now facing a host of other issues undermining her wellbeing and that of her children.

Pauline has asked Centrelink to consider releasing some of the garnished funds to allow her to pay rental arrears and find secure accommodation, but Centrelink has refused.

Jessica – homelessness averted by garnishee reversal

Jessica is a victim of domestic violence who is trying to resolve issues regarding care of her three children through the Family Court. She has been living temporarily with a friend who has limited house space. The dispute with her ex-partner has taken a toll on her health, with the welfare of her children also impacted by their increasing financial hardship.

Jessica incurred a Family Tax Benefit overpayment and Centrelink garnished \$2500 from Jessica’s tax refund. She had been relying on that money to secure accommodation.

Jessica was advised to appeal the debt, asking that the debt be waived in full or that the garnished amount be refunded to allow her to secure stable accommodation. Advocacy from an EJA member to progress her appeal resulted in the matter being seeing as priority, with the Assessor releasing the garnished amount. Jessica was very happy as she was able to secure stable housing for herself and her children. The process took almost three months.

Recommendation G: *A major review of debt recovery procedures should be conducted, to ensure that guidelines have appropriate regard to financial stressors and prioritise the need to maintain capacity to pay housing costs.*

Compensation Preclusion Periods

39. If a person receives compensation for economic loss due to injury, they are generally precluded from receiving social security payments for a period, with large settlements precluding payment for several years. The Social Security Act allows for a preclusion period to be reduced in special circumstances but people need to know this option is available and appealing is complex, generally requiring submission of extensive evidence and often requiring appeals to the Administrative Appeals Tribunal.

40. Clients seeking assistance from EJA member services who are subject to a Compensation Preclusion Period but have expended the compensation monies, have often chosen to buy a modest home property, repay mortgage arrears and/ or repay all or part of their mortgage to ensure they can retain their home. People in this situation have generally been advised by Centrelink that they are expected to realise their assets, including their home property, and live off the proceeds. There is usually no consideration given to whether the decision to expend on ensuring housing security may have been reasonable given the person's personal circumstances – especially for people with significant injury-related physical and/or cognitive impairments.

Samantha

Samantha is an Aboriginal woman who experienced abuse as a child and was removed from her home. She had children at a young age.

Samantha suffered a workplace injury that was severely exacerbated through medical negligence. Her spinal injuries meant that she had no feeling from the waist down, was on a catheter, was unable to work and struggled to walk. Samantha was in an abusive relationship when she reached a compensation settlement which precluded her from Centrelink payment from 2017 to 2023.

When Samantha contacted Welfare Rights Centre in early 2019, she had no money remaining. One third of her compensation payment had been stolen by relatives and lost to gambling, and a significant portion had been stolen by her partner. When Samantha discovered the theft, she purchased a house to safeguard most of the remaining money.

Samantha was precluded from Centrelink income support due to the compensation preclusion period, and she was unable to access food parcels and other support from charitable organisations as most require evidence of the recipient being on a Centrelink payment. Her daughter was unable to receive a carer payment to support her caring for her Samantha, due to Samantha's receipt of the compensation payment. Samantha was behind in her council rates, her kitchen had been destroyed by her abusive partner, and the electrics in her house had been declared unsafe. She was unable to live in the house and had moved in with her abusive and mentally unwell mother.

Samantha was unwilling to appeal the compensation preclusion period as she would have to ask relatives for support and to provide evidence of her abusive childhood. Although she had managed to find charitable assistance to make her house liveable and moved back in, she was facing the prospect of having to sell her house and live off the proceeds, move to a remote property away from her traditional land and her community, and move in with abusive relatives or potentially become homeless to survive until her preclusion period ended.

Recommendation H: *A major review of policy guidelines for waiver of compensation preclusion periods should be conducted, to ensure that proper regard is had to the person's background and disability-related factors in considering expenditure of compensation monies on establishing housing security.*

Problems with the Centrelink Interface

41. Many clients who are homeless or at risk of homelessness are unable to navigate the social security system, especially clients with psycho-social disabilities. Difficulties can be compounded by cultural differences, including for Aboriginal and Torres Strait Islander people.

42. In EJA members' experience, people who are homeless or vulnerable to homelessness frequently do not know why their claim for a payment has been delayed or cancelled. Complex information detailing a person's obligations is communicated in fine print on the back of letters - a poor way to communicate obligations when failure to comply can result in payments being suspended or cancelled. People who are in crisis often misplace decision letters - or do not have a stable address from which to collect correspondence. Centrelink may have provided the information verbally but this is often not readily understood or retained by people in crisis, and clients facing or experiencing homelessness generally struggle to explain to EJA members why they are not receiving a Centrelink payment.
43. Self-service and online mechanisms can be an insurmountable barrier for people who lack literacy and/or computer literacy and/or access to computers. Many of our members' clients are unable to use MyGov competently, including uploading required documents, or do not recognise that Centrelink has correspondence waiting for them in the system. Clients cannot access older correspondence from Centrelink as it disappears from MyGov and clients are not able to keep a record of Centrelink correspondence separately to other MyGov correspondence.
44. Centrelink has specialist staff to assist homeless people; however, specialist staff are thinly spread across regions and are not always available. In EJA members' experience, many people in crisis struggle access a social worker, and there are often no social workers available when clients in acute crisis attend Centrelink for assistance. A phone appointment may be made for the client for a later date, which may not be appropriate because the person is in crisis and in immediate need of face-to-face assistance. When clients do see Centrelink social workers, there is often only a single conversation with the client and no follow up, which is of little assistance. Our members observe that they now often are currently providing ongoing referrals and follow-up support to many clients - work that social Centrelink social workers are better qualified and more appropriately placed to do.
45. Junior Centrelink staff can also bear the brunt of unavailability of social workers. Counter staff generally lack the skills and knowledge to deal with clients with housing issues and vulnerabilities associated with homelessness - such as loss of documents. In our members' experience, some frontline staff can be discourteous and abrasive in dealing with homeless clients, possibly as a result of lack of training and/or burnout.
46. Many Centrelink frontline staff are unable to de-escalate or make decisions before situations reach a point where clients become agitated, and staff feel threatened - at times resulting in a client being banned from attending the office. Staff generally do not routinely make necessary referrals, such as fairly straightforward referrals to food kitchens/agencies providing food vouchers, let alone complex referrals for housing assistance and support. Frontline staff should not be expected to provide social work services.
47. Face to face advice is not always accurate and contact in Centrelink offices is not recorded so there is no evidence of conversations, including what the person was told to do. Clients often report that different Centrelink staff have provided inconsistent and conflicting information and advice.

48. Some clients have reported visiting Centrelink to speak to staff in person only to be told they must ring a number instead but can't get through. Others have been unable to wait indefinitely on the phone to Centrelink because they do not have enough credit and/or battery life on their mobile phone. Notably, Centrelink staff will generally act in an efficient and sympathetic manner if a third party, such as an EJA member, alerts them to the issues at hand, suggesting the critical role that advocate and support services play.

John - inadequate communication with homeless client

John experienced a workplace injury in 2009, which severely damaged his spine. He was unable to continue in his trade as a boilermaker, struggled to walk long distances and was in constant pain. John received a compensation payout in early 2018 and used this payout to set up a business in his rented home working on cars. John was precluded from receiving a Centrelink payment for more than 3 years until May 2021.

Four months after John received his compensation payment his house burnt down destroying all his possessions including the tools, car and other items purchased with the compensation money to start his business. John was on parole at the time of the fire. Due to the fire, he was unable to house his dogs and needed to place them in boarding kennels. He was arrested and incarcerated for 4 months for not living at his registered address.

John called an EJA member in mid-2019 from the side of a road outside the country town near where he'd been staying. He had no compensation money left, no petrol, was sleeping in his car and had been rejected for a Centrelink payment three times in the previous 12 months. Due to his injuries, he was unable to walk to the closest service to attend a soup kitchen or to ask for a petrol voucher. No service would travel to his location to help him.

John had a financial service assisting him with his Centrelink issue, liaising with Centrelink and helping him to gather evidence. John needed to prove that there were special circumstances surrounding his inability to support himself on his compensation payment until the end of the preclusion period. The majority of the evidence he could have used was burnt in the house fire and he was unable to afford new copies.

While assisting John, the EJA member discovered that evidence previously provided to Centrelink had not been passed through to the team looking at his appeal. Although he regularly visited his local Centrelink office, they had not told him that further evidence was required. The Centrelink team looking at his appeal was waiting for him to contact them if he had any questions about evidence.

John had been ignoring or was unable to answer the calls from the Centrelink social worker. After intervention by the EJA member, John was told that the internal review process was not able to continue even though his financial counsellor had been liaising with Centrelink as he had exhausted his internal review options. He was also told that he would need to lodge a fourth application and lodge an appeal to the Administrative Appeals Tribunal.

The EJA member was unable to assist John to get food or petrol to get him through the weekend and lost contact with him soon after. When attending the country town for outreach a number of months later, they were told by support services that John had moved on and they believed he had moved to a country centre a few hundred kilometres north. It is not known whether he has been able to access Centrelink payments.

Recommendation I: *Substantial additional funding should be urgently allocated to enable Services Australia to employ additional Centrelink social workers, particularly given the COVID-19 crisis.*

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