



Tasmanian Association of Community Houses Inc

Response to the Select Committee on the Cost of Living 2012



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Introduction:

We thank the Select Committee for inviting a response from the Tasmanian Association of Community Houses (TACH) on behalf of our Member Neighbourhood Houses.

Who is TACH and what are Neighbourhood Houses?

The Tasmanian Association of Community Houses Inc (TACH) is the peak body for all 34 Community and Neighbourhood Houses/Centres (hereafter "Neighbourhood Houses") operating in Tasmania. Neighbourhood Houses are all separately incorporated community organisations governed by a volunteer local management committee. They are run by the community for the community. 33 receive some funding by the Department of Health and Human Services (DHHS). Our purpose is to engage in community development work in our disadvantaged or socially isolated communities.

Taken together, the Neighbourhood House network is the largest community development infrastructure in the state.

What Communities are Neighbourhood Houses located in?

North East Region	North Region	West Region	North West Region	South West Region	South East Region
Fingal Valley Dorset St Helens	Beaconsfield Deloraine George Town NSCC – Rocherlea NSCC – Mowbray Ravenswood Tresca	Rosebery Zeehan	Burnie Devonport Eastern Shore Ulverstone	Bucaan Derwent Valley Dowsing Point Geeveston Goodwood Karadi Maranoa Heights West Moonah West Winds	Bridgewater Clarendon Vale Dunalley Gagebrook Piltwater Risdon Vale Rokeby Okines Warrane / Morningside

As you can see above Neighbourhood Houses are targeted at Tasmania's lowest socio-economic and socially isolated communities.

Concerns around Cost of Living

While this committee does not need reminding from us that Cost of Living is greatly impacted on our communities, we thought it important to reiterate the importance of this issue.

Over the last two years the 34 Neighbourhood Houses and their volunteers have seen a rising tide of community need associated with cost of living.

Neighbourhood Houses have been using their core funds to try and provide emergency relief options to community members, and while good partnerships have been formed with local ER providers, and organisations like Second Bite, the need is unfortunately overwhelming all services.

We are also seeing a rising anger from community members about the rapidly increasing prices for electricity and water, from what are government businesses.

Recently a coordinator overheard their pensioner social group seriously discussing the consequences of them all going on a "water rates" strike.

All Neighbourhood Houses committees were asked to provide feedback, as part of their annual reports submitted in October 2011, on the 5 key social issues in their community, and ALL named issues to do with cost of living as one of the top 3 key issues facing their community whether it was Zeehan or Clarendon Vale.

TACH would like to offer the Select Committee the opportunity to utilise Neighbourhood Houses, as venues for the Select Committee to hold any hearings or consultations - this would enable the Select Committee to hear directly from local people, not just organisations like us, their ideas about possible changes that would benefit them.

Terms of Reference Response

TACH works closely with the Tasmanian Council of Social Service (TasCOSS), we are represented on their board and the Social Policy Council. As a small peak body we are grateful for the work TasCOSS have done in preparing their response to the Select Committee and strongly support their recommendations.

Our response is structured in reiterating the key recommendations of TASCOS under each of the five areas you are seeking input on, and our own observations about this.

a) Effectiveness of the current concession system and related services, including social tariffs

TACH notes:

We hear strongly and loudly daily, from NILS loans applicants, those seeking emergency relief or participants in community lunches that the current concessions are not sufficient.

We are very aware that much of the "disconnection" is under reported because of APAYG, that people are constantly going a few days without power at the end of the fortnight.

Our understanding is that those on New Start Allowance are not always entitled to State Government Concession and this is very problematic given the rate of New Start being much lower than pensions.

APAYG must be made a cheaper option than standard tariff/payment system. Aurora contends that the convenience is what people pay for, however we believe as this option is commonly accessed by the most disadvantaged this should be a cheaper option.

The other unseen impact of current concessions failures (and the charging regimes of corporations) is the utilisation of pay day lenders to meet bills. This leads to further cycles of debt from which many families do not recover.

Concessions must be targeted at those most in need.

Transport is a key area that is not often focussed on in cost of living discussions yet this was also one of the key issues raised by every community in the state in our recent survey. Transport concessions, and the role of government to provide an adequate transport system in our decentralised state must be addressed. Public transport in Tasmania, particularly in our

regional areas is not sufficient and this lack further isolates those who are most disadvantaged.

TACH supports TasCOSS recommendations that:

- The Tasmanian Government adopt a two-part concession structure in relation to the essential services of electricity and water.
- Aurora Energy ensure that APAYG provides a consistent advantage to its subscribers.
- The Tasmanian Government mandate the creation of, and provide adequate funding for, lifeline blocks for the essential services of electricity and water.
- The Tasmanian Government expand the eligibility or increase the rate of some existing concessions (water, transport) and investigate new schemes to assist Tasmanians facing hardship.
- Aurora Energy promote and expand payment plans and bill smoothing options for non-concession standard tariff customers.
- Aurora provide better protection from self-disconnection for APAYG customers.
- Aurora provide more extensive or clearer information for APAYG customers on tariff comparisons, energy use, and time slots.
- Aurora and the Tasmanian Government collect information on hardship-related self-disconnections to determine the extent to which these are currently under-reported.
- Aurora and the Tasmanian Government ensure that the cost of APAYG concessions be transparently and clearly reported in the Government's Budget Papers.
- The Tasmanian Economic Regulator 'declare' Aurora's APAYG services and regulate APAYG prices through regular price determinations.

b) Alternative models of planning and service delivery of concessions

TACH would note that, while not a concession, the payment of car registration is increasingly a request from families to NILS agencies (which many Neighbourhood Houses are). The state government have increased funding to NILS which has facilitated this.

Families and individuals are using NILS (an NGO) to pay their rego over time through the Centrepay option that NILS provides. This is a great option, but they are coming to NILS because DIER do not allow Centrepay as a legitimate way to pay your registration over time. We urge the State Government to make a Centrepay option (or similar format) available directly through Service Tasmania.

TACH supports the TasCOSS recommendation that:

The Tasmanian Government investigate options for delivery of concessions that give concession holders greater flexibility and choice in accessing entitlements but that also ensure that individuals retain the ability to access the total basket of concessions with no reduction in, or forcible reallocation of, existing concessions.

c) Impact of legislation such as the Monetary Penalties Enforcement Act 2005

TACH notes:

Neighbourhood Houses have noted that the pursuit of debts via this Act has decreased the opportunities for people to negotiate their debts with the provider. This may not be a result of a specific Act, but it is certainly a result of the changing approach of organisations such as Aurora. It seems that debts are more likely to be passed to collectors much more quickly. As one coordinator noted - "Aurora are much harsher than they used to be"

We need much better systems to allow the gradual payment of fines and debts, including better use of Centrepay and other options.

TACH also supports the TasCOSS recommendation that the Department of Justice:

- *Reinstate, expand and publicise non-monetary ways of paying off fines.*
- *Investigate the introduction of day fines.*
- *Increase the use of specialist and problem-solving courts.*
- *Expand and publicise fine smoothing options, with the goal of making payments less onerous and programs easier for people experiencing low literacy, low self-confidence, social isolation, or embarrassment to access.*
- *Review the data on non-paying offenders to determine the characteristics of those involved in order to be able to develop a more strategic plan of action for prevention as well as the needs of those currently failing to repay.*
- *Develop age-, disability- and gender-friendly enforcement policies and practices, as recommended by COTA and others, which recognise the special circumstances and needs of diverse groups of Tasmanians.*
- *Review the relevance/proportionality of all monetary penalties, as suggested by The Salvation Army.*
- *That the Tasmanian Government develop and promote best practice guidelines for government agencies responding to and managing debt over-commitment on the part of low income earners and other people with special needs.*

d) Impact of taxation policies on cost of living

TACH supports the TasCOSS recommends that:

- *The Tasmanian Government ensure that all state taxes are means-tested in order to ensure that they are progressive, that any new or re-designed State taxes are subject to a comprehensive assessment of their likely social impact before they are introduced, and that flat, universal special-purpose levies or charges are avoided where possible.*
- *That the Tasmanian Government institute progressive stamp duties for residential housing transfers.*

e) Likely impacts of increased contestability policies on reducing cost of living pressures

TACH does not support the introduction of full competition into the Tasmanian electricity market unless it can definitely be proven that this will be of overall benefit to consumers and the community. The issues discussed above regarding debt collection would be even more chaotic under a multiple provider system. The evidence that this is worthwhile needs to be demonstrated, as you can't unscramble the egg once competition is allowed.

Additional recommendations

Licence requirements: Ten Neighbourhood Houses across the State are involved in mentor driving programs. This is because many disadvantaged families do not have a car or the means to provide 100 hours of driving experience for their child. This legislation is having a cost of living impact on families and our organisations. We believe this measure, while populist, has not increased safety and has in fact increased the number of unlicensed drivers on our road. We strongly urge the Select Committee to consider this in its deliberations.

TACH also supports TasCOSS additional recommendations that the Tasmanian Government address whole-of-government and capacity-building issues by:

- ❖ *Implementing a bill smoothing or progressive payment policy across State Departments to allow Tasmanians to better cope with large bills and fees such as land tax and motor vehicle registration.*
- ❖ *Funding and implementing programs to increase energy efficiency in residences of low income earners, including non-concession holders.*
- ❖ *Supporting measures to increase food security such as group buying programs, social cooperatives and community gardens.*
- ❖ *Developing peer support and volunteer networks to promote and broker access to emergency assistance funds, financial literacy and micro-finance, energy efficiency programs, community networks and complaints mechanisms and redress.*
- ❖ *Retaining the public housing system as a core government service, with additional funding to allow the system to operate sustainably and increase the supply of houses.*
- ❖ *Creating an Essential Services Commission embedded in legislation to review planned price increases and provide oversight on price movements, potential price shocks and cumulative risk.*
- ❖ *Engaging in active consultation with low-income and disadvantaged Tasmanians, and the community service organisations that serve them, to ensure that planning and implementation of measures designed to alleviate the cost of living will meet the needs and desires of those in greatest need.*
- ❖ *Encouraging all corporatized essential services to conduct consultation programs with low income earners with a view to developing appropriate products and services to suit their needs, along the model of the Vulnerable Customers Stakeholder Group established by Aurora to advise on issues facing disadvantaged Tasmanians and to open dialogue on these issues.*

CONCLUSION

We thank the Select Committee for the opportunity and apologise for the rushed nature of this submission.

We hope that given the chance, we may be offered the opportunity to address the Select Committee and bring a select number of community representatives from Neighbourhood Houses across Tasmania for you to hear from.

Additionally I would reiterate our earlier offer for the Select Committee of the opportunity to utilise Neighbourhood Houses, as venues for the Select Committee to hold any hearings or consultations - this would enable the Select Committee to hear directly from local people, not just organisations like us, their ideas about possible changes that would benefit them.