HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON FAMILY AND COMMUNITY AFFAIRS

Reference: Concession card availability and eligibility for concessions

SYDNEY

Friday, 22 November 1996

OFFICIAL HANSARD REPORT

CANBERRA

HOUSE OF REPRESENTATIVES STANDING COMMITTEE
ON FAMILY AND COMMUNITY AFFAIRS

Members:

Mr Slipper (Chairman)
Mr Quick (Deputy Chairman)

Mr Ross Cameron
Ms Ellis
Mrs Elson
Mr Forrest
Mrs Grace
Mrs De-Anne Kelly
Mr Kerr
Ms Macklin
Mr Allan Morris
Dr Nelson
Mrs Vale
Mrs West

Matters referred for inquiry into and report on:

The current array of concessions available to low income Australians, with specific reference to :

the adequacy and efficiency of administration of the current system with a number of concession cards issued by different agencies, including the use of concession cards to provide concessions by Commonwealth, State and Local Government agencies;

the adequacy and desirability of current means testing for eligibility for concessions; and

the desirability of greater consistency in the concessions available to concession card holders in different regions and suggestions on standard core concessions.

WITNESSES

BOLLEN, Dr Michael Dean, Secretary General, Royal Australian College of General Practitioners, 52 Parramatta Road, Forest Lodge, New South Wales 2037 175

COVELL, Ms Diana, Pensions Officer/Seniors Infoline Coordinator, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000 150

HUTTON, Mr Bruce, CPSA Committee Member, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000 150

JOHNSON, Ms Betty, Assistant Secretary, Australian Pensioners and Superannuants Federation, Suite 62, 8-24 Kippax Street, Surry Hills, New South Wales 2010 119

MACKENZIE, Ms Olwyn, State Secretary, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000 150

MEAKIN, Mr Terry, Vice President, Carers Action Taskforce, 11 Bromwich Place, Menai, New South Wales 2234 249

MULLINS, Ms Carla Louise, Policy Projects Coordinator, Welfare Rights Centre, 5B/414 Elizabeth Street, Surry Hills, New South Wales 2010 134

NELSON, Ms Rhonda, Policy Officer—Privacy Branch, Privacy Commissioner's Office, Human Rights and Equal Opportunity Commission, GPO Box 5218, Sydney, New South Wales 2001 187

RAPER, Mr Michael William, Deputy President, Australian Council of Social Service, 5B/414 Elizabeth Street, Surry Hills, New South Wales 2010 134

THOMAS, Mr Gerard, Policy Officer, Australian Pensioners and Superannuants Federation, Suite 62, 8-24 Kippax Street, Surry Hills, New South Wales 2010 119

WATERS, Mr Nigel, Head—Privacy Branch, Privacy Commissioner's Office, Human Rights and Equal Opportunity Commission, GPO Box 5218, Sydney, New South Wales 2001 187

WYATT, Mrs Patricia (Trish) Joyce, Secretary/Treasurer, Carers Action Taskforce, 11 Bromwich Place, Menai, New South Wales 2234 249

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Present

Mr Slipper (Chairman)

Ms Ellis	Mrs Vale
Dr Nelson	

The committee met at 11.00 a.m.

Mr Slipper took the chair.

CHAIRMAN—I am pleased to open this second day of public hearings on the inquiry by the committee into concession card availability and eligibility for concessions, as referred by the Minister for Social Security, Senator Jocelyn Newman, in June this year. The committee is looking at several matters including the range of concession cards currently available, the level of access to these concessions, the complexity of the administration of the current system both for recipients and for those delivering services, as well as how state and local governments are using the cards for the delivery of their own concession services.

This inquiry is being conducted against the background that the government has a commitment to reducing the administrative complexity of the current arrangements in order to improve and simplify the administrative process. The committee will address expressed concerns that some people may be using a concession card that they are no longer entitled to or which was not issued to them. The terms of reference for the inquiry also require the committee to examine the current means tests for concession eligibility and the degree of consistency applied in different regions of Australia.

To date, the committee has received a total of 42 submissions from a range of organisations and individuals with an interest in the inquiry. I would like to take this opportunity to thank all those who have made a contribution and whose cooperation has greatly assisted our efforts to come to grips with the complex issues being considered by this inquiry.

The committee, in commencing its round of public hearings in state capital cities, will take evidence from peak consumer organisations based in New South Wales, as well as the Privacy Commissioner. The hearing program will continue next year in other capital cities. This will enable consideration of issues raised by witnesses around Australia and to focus more specifically on gaps in evidence identified to date.

We have had to rejig the program slightly, but we hope that there will be adequate time for all groups. The first group appearing before us today is the Australian Pensioners and Superannuants Federation. Before we commence the questioning, however, I seek leave of the committee to authorise publication of submissions 38 to 40 inclusive in connection with the committee's inquiry. There being no objection, it is so ordered.

JOHNSON, Ms Betty, Assistant Secretary, Australian Pensioners and Superannuants Federation, Suite 62, 8-24 Kippax Street, Surry Hills, New South Wales 2010

THOMAS, Mr Gerard, Policy Officer, Australian Pensioners and Superannuants Federation, Suite 62, 8-24 Kippax Street, Surry Hills, New South Wales 2010

CHAIRMAN—Welcome. We have received your submission and it has been circulated to all members. Would you like, in about one minute, to outline a brief summary of the submission or highlight particular points about which you would like us to take notice.

Ms Johnson—I will make a brief comment and then hand it over to Gerard who is more recently familiar with the issues that are in our report. I would like to begin by saying how much we welcome this inquiry. Something that the Australian Pensioners and Superannuants Federation has been wanting to do for some time is to have a look at some aspects of this issue of concessions.

I would also like to say how terribly important the concessions are to older people, particularly low-income people on pensions or on small incomes. Our members tell us just how important the concessions, as they currently exist, are and they are very anxious that there should not be any dilution of the present concessions.

If I could sum up our report this would be the highlight of it. A lot of people do not know what they are entitled to and this in fact leads to a lot of confusion. There is a lot of confusion between the health card and Medicare, so that a lot of people on retirement believe that they need to divest themselves of assets to get this health card which will not do anything more than the Medicare card will do. Medicare is what gives people the concessions, not so much the health card except for issues such as pharmaceuticals, hearing aids for those who need it and perhaps for ambulances. The basic health comes from Medicare.

CHAIRMAN—Thank you, Ms Johnson. My understanding is that the original card was introduced in the early 1950s—Medicare clearly was not around—and there were some health care benefits which are no longer relevant following the introduction of Medicare. We have an officer here from the Department of Social Security, unofficially, and no doubt he is listening very carefully to what we are saying. Why do you think there is such an appalling lack of information available to pensioners, superannuants and retired people?

Ms Johnson—People who are already on the pension do get information through the department's *Age Pension News*—except me, I do not get it for some unknown reason.

CHAIRMAN—Perhaps you could give your address to the officer and he might make sure that in future you do receive the material.

Ms Johnson—I have raised this at a meeting already this last week. There is a

problem about how to reach others and you might notice that often in the newspapers these days there are advertisements from financial information people inviting retirees to talk to them in order to find out how to get the pension even if you own a million dollars and I think that this is something that is a difficulty. I suspect maybe the newspapers, and particularly local newspapers, could let people know what the reality of the concessions available is.

CHAIRMAN—I think we might be able to ask the Department of Social Security when it appears before us before the end of our inquiry what the department is doing currently to notify people. I am personally not aware, and it surprises me, that you say that information is not available because my understanding is that the departments advertise benefits quite widely but that is a matter that we will take up with the department.

Ms Johnson—Do you ever see them in the paper?

CHAIRMAN—I probably skim over that kind of advertisement.

Ms Johnson—They are basically for people who would not be low income. Low-income people who expect to go on the pension in fact would ask for, or would go to see, one of the financial information officers from the department who are basically very good. It is other people we are concerned about. I would rather like Gerard to add some of the other things we have in our submission, because he is familiar with the more recent—

CHAIRMAN—All right. I want to keep it to about a minute and we have had much longer than that. You can have another minute.

Mr Thomas—Okay. One of the concerns we have had in recent years has been the reduction in value of a lot of the concessions, particularly those that a lot of pensioners with no other income rely upon. Since the separate means test was removed in 1993 on the then pensioner health benefits card, we have seen that where some state or local governments used to provide additional concessions to full-rate pensioners, on their electricity bills and things like that, they have been reduced. So there has been a lot of concern amongst full-rate pensioners and people with not much income apart from the pension about a devaluing of the benefits available with the card as they have been stretched further and further.

This is not simply related to concessions provided by state governments. We have also received reports in our office of doctors saying that, now that anyone who gets the pension gets the concession card, it is difficult to tell who are the wealthy pensioners and who are the poorer pensioners. I think there are some value judgments there in that if people are wearing nice clothes they assume they are wealthy retirees. Nevertheless—

CHAIRMAN—Given low interest rates, I suspect that there would be very few retired people, regardless of whether they are on the pension, who anyone reasonably could consider to be wealthy.

Mr Thomas—That is certainly the case. I think you need to also recognise that there is the pension itself, which I think is $173, but you can have an income of up to $400 per week and still receive that card. So some of the concession providers, and certainly some councils, say to us that some of their workers resent giving the council rate concessions to pensioners who may be people with a small pension when many of their employees who may be paying off mortgages are in more difficult financial circumstances. We recognise those tensions within the system and we have made recommendations in our submission on possible extensions of concession cards, indicating that we certainly do see dangers if concession cards are extended to retirees on higher incomes. We have seen that there are some groups in the community—say, older women on the widow's allowance—who do not receive the full range of concessions that aged pensioners do and we would see that those people are in similar need.

The other issue that we have raised goes to the question of uniformity of concessions. Many pensioners tell us that what they want is similar concessions across the country and they want them to be uniform. We have some sympathy with that view. We recognise that our primary concern is in safeguarding what concessions are there. In some areas, such as transport, we do believe there is a possibility that they could make those uniform. I think the Department of Social Security has also indicated in their submission that they think state governments could come to some agreement on those issues. Of course, there are obviously—

CHAIRMAN—I understand some of the state governments are actually starting to talk about that. It is on the agenda. It has not yet been satisfactorily resolved. I have a couple of form questions and then a couple of other questions, then I will invite Dr Nelson and Mrs Vaile to ask questions. Could you outline the section of the retired community which is represented by the Australian Pensioners and Superannuants Federation? Obviously, most of your members would be pensioners. There would be some on superannuation. Do you have any independent retirees? And how do you work with, say, the Association of Independent Retirees—do you cooperate or do they do their thing and you do yours?

Ms Johnson—We are on many committees with them, we talk with them and exchange information and ideas. It is not really possible to know whether any of our members are independent retirees or not. It depends on who belongs to the organisations who are our affiliates. The one I know best of all is the Older Women's Network because I am on the executive as an affiliate of the Older Women's Network. I know that some of our members are independent retirees. Recently, we have done some work on retirement incomes and older women. This is documented in there.

Dr NELSON—So, it is not possible then, Ms Johnson, for you to say what proportion of your membership are pensioners and what proportion are self-funded superannuants?

Ms Johnson—No. We do not ask that question really.

Mr Thomas—We have a range of older people on different incomes in our

organisation. Some like to indicate to us that they are receiving no pension; others indicate that they are on full or part pension. We certainly do not discriminate against one group or another. I know that some retiree groups only let certain classes of retirees into the organisation. We let anyone join our organisation, and we do not discriminate on the basis of where their income comes from. We certainly have worked, and continue to work, in a range of forums with other organisations, including the Association of Independent Retirees.

For many people who do not receive a pension—particularly those who are just close to the pension cut-off points but who are receiving income from superannuation and cannot reduce that income—I suppose we have a lot of sympathy for their concerns about not having access to the pensioner concession card. We certainly see that those people can be disadvantaged by the workings of the current system. But, I suppose, if we keep on moving the goalposts, we see a diminishing pot of concessions for pensioners who have nothing but the pension.

Certainly in the last year we have been alarmed by figures from the Department of Social Security which have indicated that there has been an increase of 82,000 age pensioners who have nothing but the pension. We certainly expect that those sorts of figures would be changing, given the increasing availability of superannuation. So, we certainly do face those tensions within our own organisation between people who have the pension and not much else and those with extra resources.

CHAIRMAN—That brings me to what I was just going to ask. It seems to me that superannuants might well have more in common with independent retirees than with pensioners. If you do not know the profile of your membership, how are you able to achieve a situation where the submissions that your organisation puts forwards actually represent the interests of the majority of your members? Do you just assume that you are essentially a pensioners group and operate on that basis?

Ms Johnson—As a federation, we listen to what our member organisations say to us. We seek their information and advice. Most of them are just pensioner organisations. So, we do tend to get that sort of information. But, of course, most people who retire now from the paid work force do have some superannuation. So, superannuation issues are becoming more and more to the fore in terms of our membership. We have got a membership that basically deals with grassroots people. They have got their own organisations. They inform us. We seek information from them and we get it, either from individuals or from the smaller organisations.

CHAIRMAN—I just want to come back to something you said before. You mentioned that pensioners need concessions.

Ms Johnson—Yes.

CHAIRMAN—What you are really saying is that it is not possible for pensioners to live on the pension without the additional benefits received from concessions.

Ms Johnson—That is absolutely true.

CHAIRMAN—Supposing the government were to calculate what the average cost of concessions would be, then double it, and then add that figure on to the pension, so that the average person would be compensated, not once, for the scrapping of concessions, but perhaps twice over. Do you think that, if that were to happen, the opposition to cashing out that you have expressed might be watered down somewhat? If you compensated and then perhaps double-compensated someone, would that meet your concerns? From the government's point of view—I do not know whether it is politically acceptable—and from the point of view of a sensible administration, it would be easier if we did not have this multiplicity of cards and we could say to people, 'Take this extra money and then you could be treated as members of the general community.' How do you feel about that?

Ms Johnson—I think that people have given the value to having the concessions that go beyond a fixed monetary statement in their minds.

CHAIRMAN—Perhaps they overvalue the cards.

Ms Johnson—I think that is absolutely true. But I do not know how to change that in our generation, and I think it would be very unpopular.

CHAIRMAN—As I said, it might be good policy but it may be bad politics.

Ms Johnson—It might be good policy, yes. One of the other things that you can do once you have the card is to hopefully bargain with some other groups to allow that concession to be recognised so that there is always that element to it. I was even able to use mine in New York.

CHAIRMAN—Congratulations! Originally, of course, the card was simply to give access to the Pharmaceutical Benefits Scheme and to certain health benefits prior to Medicare. There are a multiplicity of cards out there at the moment. From the Commonwealth's perspective, the core benefits, with respect to the cards, give concessional access to the Pharmaceutical Benefits Scheme and then different other benefits hang off the different other cards. How would you feel if the Commonwealth decided to scrap all of the cards that we now have and replaced all of them with one card? It would be up to the states and territories to decide what concessions they would then offer.

Mr Thomas—One of the things you would find then, which would exacerbate some of the problems that pensioners face now under their own state systems, is that if you live on one side of a certain border glasses are free, and they can be replaced if they are broken or lost within two years, and on another side of that border, if you break your glasses, you cannot get them within that two-year period. Some states have a means test and others provide free glasses. I think there is certainly a desire for greater consistency in some of those areas. I think we would probably see less consistency. In some areas of the country, pensioners on low incomes would not have access to what we would see as basic health treatment that is available now under those concessions.

CHAIRMAN—I suppose the federal system has its positives and negatives.

Ms Johnson—It certainly does.

Mr Thomas—That is right. It reduces the need for the state governments to introduce their own administration but I think certainly the states are worried about any change to the eligibility for Commonwealth concessions because that rebounds on them. State governments also use the concession cards to try and promote what they are doing for their own citizens in their own states, so a lot of these issues are up to state governments to look at policies.

Dr NELSON—Am I right in saying that the federation would be opposed to all retired people getting access to a concession card?

Mr Thomas—If the concession card was the pensioner concession card as we know it, without changing it, yes we would be. We have indicated in our submission that we support the extension of the Commonwealth senior's health card to all retirees. We obviously have to take a balancing act between the needs of different groups of retirees and that is the compromise which the organisation has come to. I think you will find that many other retiree groups also support the extension of the health card to a range of people. I suppose it is one way of reducing this endless search of retirees and how to reduce their incomes to get this card which is probably not a great deal of value anyway. But, nevertheless, it is an ingrained belief and it is something that has to be dealt with.

Dr NELSON—My next question is related in a sense but it was not contained in your submission. Does the federation have a view about a universal pension?

Mr Thomas—Yes, we do. We could send to members of the committee something of our views on that issue. While traditionally we have always felt that we wanted a universal pension years ago, we would consider that the superannuation and the retirement income system have gone too far for us to revert to such a system. In the ideal world, we would support that as much easier to understand. The impact of the means test would certainly be reduced so that it would be a more easily understood system, and consumers would like that. I suppose, in the real world, we see that it is a bit more difficult than that.

Ms Johnson—Our concern is that it would impact badly on the really low income people.

Dr NELSON—In what way?

Ms Johnson—There are all sorts of actuarial information and advice which say that in the long run the government and others would win by this on the basis of being able to claw back money through taxation. I think the experience that most people have is that the more money you have then the more opportunities and knowledge you usually have in order to change your taxation rates. That would not give the benefits back to the government that they would anticipate. In the process of changing the present pension availability, it could impact badly on us.

Mr Thomas—We did a lot of work into the universal pension proposals for a system in Australia and we found that they talked about things like changing the indexation rates for pensioners and putting up the retirement age yet again so that they were going to accelerate the pension increase age for women from a 20-year period to a 10-year period. There were other changes to the parameters of measuring the pension and, certainly, we felt that they were quite dangerous for pensioners just on the base rate of the pension. We were not satisfied that those problems could have been solved.

Ms Johnson—My statement telescoped all of our concerns and I will send you the papers.

Dr NELSON—In its submission to us, the Royal Australian College of General Practitioners expressed some concern at the number of concession cards already out there and it has a view of making the health card available to all retirees. Do you have any comments on that? Knowing a little bit about the health area and the attitudes of the doctors, there is a concern with the effective freezing of Medicare benefits now for three years and, given the number of concession card holders, there is a concern that something has to give. Would you like to comment on that?

Mr Thomas—We would be alarmed if there were going to be a position in the coming period when the medical practitioners were going to start reducing access for pensioners to bulk bill and to use that card. We can understand the concerns they may have, but we would certainly be worried if that led to reduced access to health care for older people.

Dr NELSON—The submission from the general practitioners would suggest that that may be an outcome, so I presume that you would be speaking to them about that. The other question I would like to ask you which relates to that, is that there are some people in the medical profession who have suggested that Medicare benefits for card holders should be higher than they are for non-card holders. There are those outside the government who would recognise the finite nature of the Medicare benefit pull and would prefer to see the benefits skewed much more toward people like yourselves. In fact, I think that in 1991 Brian Howe's co-payment policy was consistent with that. Do you have a view of that sort of arrangement?

Mr Thomas—Anything, I suppose, which we see would provide additional benefits for those pensioners with the least retirement incomes, we would welcome. However, as we caution in our submission, further targeting of the concession card and the various benefits which make up the range of concessions available to pensioners, which therefore are not available to non-pensioner retirees, certainly goes to undermine the current retirement incomes system that we have.

It is interesting that you asked the question about the universal pension. Many people think that we should throw out the current system that we have. We have warned that any further targeting will mean that people who miss out on the pension and the concession card, even if they do exaggerate the benefits, will see that as a bitter pill, and that will ultimately rebound in less support for the current retirement incomes system. So,

we do have some reservations about those changes.

We certainly see that many people who do not get a pension are facing a difficult time. The downside of not getting a pension is that you are often spending all your time having to worry about how to manage your finances and those sorts of things. We are certainly not trying to say that it is easy for those people who do not receive any pension. Often it is a lot more difficult for those people, in that their sense of insecurity is often heightened because they do not have the Safety Net that the cards provide. We have certainly tried, in representing both pensioner and non-pensioner retirees, to straddle both those difficult issues.

CHAIRMAN—One foot on each side of a barbed wire fence.

Dr NELSON—I come back to the submission from the Royal Australian College of General Practitioners. If you were to find that general practitioners had reached the point of saturation—and I would suggest to you that some of them have—how would you suggest to the government that we resolve this situation where there are too many card holders wanting access to bulk-billing, with a bulk-billing payment at a level which doctors consider to be non-viable? What solution would you propose to that?

Mr Thomas—Health in that area is not actually my area. It might be something that we could get back to the committee on.

Dr NELSON—Yes.

CHAIRMAN—You could let us have a paper. If you give it to the secretary, he can circulate it to all the members.

Ms Johnson—It is a bit of a difficult one to answer. The access to health through the Medicare card is just so important for older people. I might say that one of the things that is of great worry is the problem of being able to access dental care. The changes that are now being introduced are causing a lot of problems.

CHAIRMAN—What changes are they?

Ms Johnson—The changes to the dental system announced in the last budget.

CHAIRMAN—My understanding is that, when that system was set up by the former government, it had a sunset period.

Ms Johnson—I think we were hoping that, by applying a bit of pressure, we could change that.

CHAIRMAN—I gather that it was always intended just to reduce waiting lists, and that that program had, in fact, achieved its end, and that was why the change was made.

Ms Johnson—That is the story, but it is not the information we get from our members.

Mrs VALE—I was listening to what you said about the dependency on having the concession card itself. There have been some submissions to this inquiry that have referred to the inability of some card holders to receive the full benefit of their concession cards because they do not have access to a particular service or because they live in remote areas. It has been proposed to the committee that cashing out of concession cards in payment to the pensioner and abolishing the concession cards might be more equitable, as the cashing out would cover the range of concessions. Do you have any thoughts on this? Could we have your view on the cashing out of concession cards?

Ms Johnson—I thought we did discuss that a moment ago.

Mrs VALE—Did we get into that?

Mr Thomas—This is something that we have grappled with as well, the concessions issue. It is clear that some people get very little benefit from the card, and they are the very group who would benefit immensely from being able to cash out. If you do not have a car, if you do not own your own home, if you rent privately, if you are less mobile, you probably get very little benefit from that card. So they would benefit from being cashed out. It is a matter of the averages and how that would work out with the bulk of the population, but certainly some people—people in rural areas in particular, as we pointed in our submission—get very little benefit. What is the point of having transport concessions when there are no trains or no buses?

We certainly recognise those concerns and many people in country areas write to our organisation complaining about both Commonwealth concession cards and also seniors cards, that they are really of no value to those people whatsoever. It is a similar situation for residents of nursing homes. We think that they too would get very little value from the card.

CHAIRMAN—How would you suggest the groups you have just mentioned should be benefited? What should we recommend to help those people?

Mr Thomas—I suppose there may be a need to look at whether the system could be designed so you would allow limited cashing out to people who wanted to use that option. If the government could fix a figure—say it is $1,000—and if you wanted to opt into that system, you could use that and spend that concession on whatever you wanted to use it on. But as a general principle I think there are some concerns that the monetary value would not make up for the range of concessions. I think the monetary value does not make up for the pension and knowing that if they need an ambulance they will get that. They may never even use it but I think it is the security of knowing that it is there. That is what pensioners tell us, anyway—

Mrs VALE—It is the Safety Net perception, isn't it?

Ms Johnson—Exactly.

Mr Thomas—That they will value the card. And they will often go to extraordinary lengths to keep it, which is detrimental to their financial situation. Nevertheless, that is their perception and we have to go along with that.

Mrs VALE—I have another question. The Pharmacy Guild of Australia has proposed the establishment of an on-line, interactive electronic system that will link pharmacies with the Health Insurance Commission database. This will enable pharmacists to verify card holders' eligibility for concessional pharmaceuticals. Do you have any views on such a proposal?

Mr Thomas—I understand that the issue of smart card technology to look at the use of pharmaceuticals was discussed by the Australian Pharmaceutical Advisory Committee over the last year and certainly I think consumer organisations raised a number of concerns with that committee about who gets access to the information. The pharmacist would have access to the information but the consumer probably would not. Who else may have access to that information? So there were some privacy concerns about the issue of that technology. Certainly there are some positive benefits of that sort of a system: it could perhaps reduce the adverse drug reactions amongst a lot of people, it would find out who are the people who are doctor shopping and those sorts of things and probably keep better track of the use of medications. But I think that consumers would have some privacy concerns about the use of that card. Probably people would think that it is a precursor to the full cashing out of concessions and say, 'Well, eventually we will all have to use this card.' On a basis that people could opt into the system it may be useful but then again there is a huge set-up cost for that system.

CHAIRMAN—Exactly. If you had smart cards, everyone would have to be in.

Mr Thomas—We were just wondering whether the benefits would outweigh that cost in a sense. There may be some health benefits but there are some other down sides to that system as well. Certainly it is something we would be interested in discussing.

CHAIRMAN—If I might just interrupt there: you mentioned that you would have some privacy concerns about a smart card. We have got the Privacy Commissioner coming in to see us shortly. Do you have any questions you would like us to ask him about smart cards?

Mr Thomas—No. We would probably just like to listen to their answer to your questions. People would be worried whether a third party could get access to that information and who else would have access to the information as well. I think that would be their major concern.

CHAIRMAN—So you would not have any objection to smart cards, provided privacy concerns could be addressed?

Mr Thomas—There is also the use of the cards. It is something where we would

just caution that there would need to be a very gradual introduction. While many older people are not techno-phobic and take to technology if they are shown appropriately, it would take a lot of getting used to. So I think those issues would need to be seriously looked at. Maybe the New South Wales people who are speaking later can talk about any difficulties there have been with the use of those sorts of cards for the railways, et cetera. There may be some possibilities but I think that the privacy issues would need to be looked at first.

Ms Johnson—I think everybody is concerned about their privacy and who holds information about them, but I think older people are particularly sensitive and concerned. It could result in a lot of difficulties in terms of who would hold information about you and what possible use could be made of it. They would be very suspicious about it, I would say. It would need to be handled very carefully and we would need to know exactly what was happening to the information and for what purpose it would be used.

Ms ELLIS—My apologies, I have been flying around interminably.

Ms Johnson—Yes, we anticipated that that what was happening.

CHAIRMAN—Happily, not terminally.

Ms ELLIS—No, interminably. I hope what I am asking has not already been covered, and I apologise if it has. Your submission states that the extension of eligibility for the then Pensioner Health Benefit Card in 1993 has led to a decrease in the value of state government concessions in some states. Could you expand a bit on that for us, please?

Mr Thomas—In New South Wales, there was a range of councils—at least 20 that I am aware of—that used to provide extra concessions on council rates for people on just the pension. Most of them no longer provide that concession. In Tasmania, there has been a three or four per cent reduction in the value of the electricity rebate as a result of the extension of that card.

Ms ELLIS—You could include territories as well as states, by the way, seeing that I am from the ACT.

Mr Thomas—Yes. It is certainly something which many pensioners complain about but, while we are talking about the need for much better information about who uses the different concessions, APSF also believes that there is a need for much better information about what is happening with the value of those concessions. We know that state governments are stretched and under pressure to extend those concessions to further groups. Our concern is that those people who have got the least incomes are suffering as a result of some of those cutbacks.

Ms ELLIS—Your answer to that leads me to a further question, if you do not mind, in relation to cashing out. I have my own views of this as well, but your answer to that has led me to this quite definitely. If there were consideration given to cashing out or

the offer of an option this or an option that, or whatever, what is your view on how we could possibly keep tabs on the value of the cashing out over a period of time into the future, given that there would be, I would suggest, an erosion to some degree over time? Also, how seriously do you think that aspect of the cashing-out question should become part of the equation when we consider it?

Mr Thomas—This issue of cashing out has not received a lot of discussion amongst older people so it is something which we will need to discuss further. When this issue was first discussed in the Canberra inquiry—it was raised by the Department of Social Security—we had some calls from some individuals who had read about it in the Canberra papers and were quite alarmed about this possibility. The sorts of things they say to us are, 'We have difficulty just trying to manage. When we get our quarterly telephone allowance, for example, from DSS, we have keep that in the back and quarantine that. Imagine if they gave us all this money and we spent it all at once on a bill.'

That is a serious problem for people who are managing on very tight budgets. Whatever your income, if you are managing on a fixed, tied income, it is a real problem. Those problems would certainly arise. And what happens if someone has spent all their concessions and they need some hospital care or they need a hearing aid or something like that? Where will they get that from? So we see that some problems would arise.

Mrs VALE—It is the uncertainty aspect of it all, isn't it?

Mr Thomas—That is right. I really do not think that there would be much support. Certainly, we believe that there is a lot of inequality in the system and things that need fixing up but whether cashing out is the answer, I do not know.

Ms Johnson—I think that I have heard of some such thing happening in the UK. I think what happened there—and it may have been to do with rent, in particular, there—is a perception that the pension has gone up. It then becomes equated with the cash, which is what it is and, as a consequence, the price of services goes up.

Ms ELLIS—That is what I was getting at in my question, in fact.

Ms Johnson—I think that that is something that is of real concern. I also thought that I would use the opportunity to say something that has been rankling with me and many others since the income and assets review. There is a perception with a lot of people, and a lot of retired people who are not on the pension, or not on a full pension that, in fact, those of us who are, cannot possibly be. We have either got a whole lot of assets that we have whittled away in order to get the pension, or we are just straight lying, that you cannot live on $170 a week. I will admit that it is very hard. But having the concessions is this kind of Safety Net feeling. You have got something that helps you live on that $170 a week because it is evidence as well that this is—

Ms ELLIS—I agree with what Mr Thomas said and what you have said, as well. There is always need for review and for improvement. Would it be fair to say that with the concession the way it is currently available that some people do not get the full benefit

from it, but that the security is there and, regardless of how high your need becomes, it will be met under that process. Whereas, in a replacement process there could be the concern that, if my need becomes high, will I be able to reach that required payment, or service of that need? Would that be a fair way of describing the Safety Net value?

Ms Johnson—Yes.

CHAIRMAN—I might proffer a proper response to Ms Ellis's question: if there were cashing out then, clearly, there would have to be at least a CPI variation to maintain the value of the cashing out, otherwise it could be—

Ms ELLIS—Also, there needs to be a monitoring of the cost of services. As Ms Johnson said, it is not assumed that because we have got this money, people can charge in an open ended fashion. I was just going to ask one more very quick one in relation to smart cards. Whilst I do not have a phobia about technology, I have a 78-year-old mum who completely and absolutely refuses to go anywhere near a teller machine, and EFTPOS is a foreign language. My concern is that if we do go down the smart card road, for those that it suits it is terrific, but I believe we very strongly have to protect those who cannot handle it. There are not only pensioners who are aged, there are pensioners with a disability of some kind, as well.

Ms Johnson—Yes, that is right.

Ms ELLIS—Can you expand on your views on that particular aspect of smart card technology?

Ms Johnson—I agree entirely. That has been an experience. I think the banks have just become aware that this is so, that there is a huge number of people—particularly in our generation—who will not access technology. They want people. They are used to talking to people. Once you have retired, you have also got more time to talk to people.

Ms ELLIS—It is a social thing, is it not?

Ms Johnson—You need that kind of feedback in a bank or anywhere of being able to talk to somebody. Personally, because I am so busy in older people's organisations, I like being able to pay bills by telephone—I think it is wonderful. But when I say that to other people, they look at me as if I have got it all wrong. One of the things that some of us have found in discussions recently is that although some people will come around to using an ATM to get money out—and I am one of them—they will not put money down that shute to disappear when they do not know where it is going. There are all sorts of things that impact on you.

Ms ELLIS—These are all valid things in a social and human fashion that we have to deal with when we consider these sorts of things. It does not rule them out.

Ms Johnson—Yes. Whether the next generation is going to be any different, I do not know.

Dr NELSON—All I can say is, following on from the Premiers Conference and the debacle over sales tax, can you imagine the Commonwealth cashing out card benefits for discounts and attractions that are offered by state governments in the private sector?

Ms Johnson—It could also put some people in a tax bracket which they are not in at the moment. I go around saying, 'I wish I paid tax' to those people who complain about it, but I might suddenly be in that spot.

CHAIRMAN—Does the federation have any views about the complexity of the current system of concession cards and the level of coordination in administering the system?

Ms Johnson—Yes, we have. I will let Gerard say it.

Mr Thomas—There are some sensible proposals in the Department of Social Security submission to amalgamate some of the cards. It is confusing for people—not for people who do not receive a pension—but there is an array of other cards for people who are on short-term unemployment benefits or Sickness Allowance. It just makes sense to reduce some of that complexity.

CHAIRMAN—Do you have any concluding comments?

Ms Johnson—No.

CHAIRMAN—Thank you very much for appearing before the committee this morning. You are welcome to listen to the rest of the proceedings.

Ms Johnson—Thank you for the opportunity, it is much appreciated.

[11.48 a.m.]

MULLINS, Ms Carla Louise, Policy Projects Coordinator, Welfare Rights Centre, 5B/414 Elizabeth Street, Surry Hills, New South Wales 2010

RAPER, Mr Michael William, Deputy President, Australian Council of Social Service, 5B/414 Elizabeth Street, Surry Hills, New South Wales 2010

CHAIRMAN—I welcome the representatives of the Australian Council of Social Service and the Welfare Rights Centre. Do you have anything to say about the capacity in which you appear?

Mr Raper—Whilst I am Director of the Welfare Rights Centre, I appear in the capacity of Deputy President of the Australian Council of Social Service.

CHAIRMAN—As well as on behalf of the Welfare Rights Centre?

Mr Raper—No. My colleague is representing the Welfare Rights Centre.

CHAIRMAN—Could one of you give us a minute of summing up the submissions and perhaps outline any particular points you would like us to consider this morning?

Mr Raper—Yes. We do appreciate the opportunity to be here and to address what is obviously a very important issue not just, as I am sure you appreciate, for retired people and older people, but also for low income people. In fact, it is that particular perspective that we wish to bring to these deliberations.

The concern of ACOSS extends to all low income and disadvantaged people in Australia. It is that perspective and it is one of the key things that underpins the ACOSS submission and, indeed, the Welfare Rights Centre one for that matter. I therefore draw to your attention and add one or two things to the submission, because you have the submission and I will not go into drawing out the details of that. Perhaps they might come out in questioning, should you desire.

We need to appreciate that unemployed people constitute the greatest percentage of people in poverty in Australia and that the unemployment rate is $13 a week less than the pension rate. It is $160 a week on Jobsearch or Newstart, as it now is, versus $173 on pension. Unemployed people have usually less resources as well because they are unemployed often earlier in their working lives and have not had a chance to build up resources, as evidenced by the rates of house ownership.

CHAIRMAN—But they do have some prospects of getting a job, which retired people do not.

Mr Raper—Certainly, but at the time that they are unemployed and at the time that they have to meet the electricity bill or the rates. Some of them do own houses and do not get the concessions. Please do not get this wrong: I am not suggesting that aged

people, retirees and pensioners in particular, benefit unduly from concessions—not by any means. There is definitely scope and argument for an increase and improvement in the levels of support that are provided through concessions. Let us get that in context. We are simply arguing, as one of the key points of our submission, that the need goes well beyond; and the issue that we want to raise is the issue of equity and, indeed, horizontal equity. People in the same position with the same need do not get the same support. It reflects the past, and it reflects the history and origins of the concessions system, whereby it was considered that pensions were for the long term and that benefits were for the short term—indeed, four weeks is the average. As you are aware, the average time on unemployment benefits was 92 weeks, at the time our submission was written.

CHAIRMAN—Which is a major social and economic problem.

Mr Raper—Indeed. We simply wish to raise that as one of the key points. The second point is that we may be able to add some brief information to the Department of Social Security submission, which I would like to be able to comment on. Perhaps later there may be some questions and we can comment on some very good points in the DSS submission, and that might help in elaborating on some of our views. The submission referred to a study that is being conducted by ACOSS and that we were not at liberty to publicise at the time we put our submission together.

CHAIRMAN—But the department was?

Mr Raper—We are undertaking the study on behalf of the government department; hence, we had provided the information but we were not at liberty to publish it ourselves at the time. We are now at liberty so to do, and therefore I would like to elaborate and just give you a few extra figures from the emergency relief study that ACOSS is conducting for the Department of Health and Family Services. Some of the points are mentioned very briefly in the DSS submission.

Emergency relief is basically cash hand-outs, food vouchers and the like—from charities and community agencies throughout Australia—to people who are mostly on social security but who cannot manage in any particular fortnight. The study takes a 10-day period in March of this year and examines who got financial relief, why they needed it, and what their financial position was at the time.

It is worth noting in that context that the single largest group of recipients was, of course, sole parent pensioners—a fact which reflects the inadequacy of the sole parent pension and, indeed, the enormous additional costs in being a sole parent. I think the government recognises that. The second largest group were those on Jobsearch allowance, at 20 per cent, and those on Newstart allowance, at 14 per cent. So 34 per cent of all people getting emergency financial relief were people on Jobsearch or Newstart allowances: that is, unemployed people. That is a very substantial proportion of people who need to get financial assistance to supplement their allowance.

A second point is that the majority of emergency relief applicants lived in private rental accommodation—50 per cent, basically. When compared with the population

figures, people who rented from the government were, at 27 per cent, dramatically overrepresented amongst emergency relief applicants, as well. So it is renters of either public or private housing who require assistance.

Approximately half of all recipients reported receiving benefits for more than three years. That goes to one of the other points that the Department of Social Security raised in its submission: whether there might be some consideration of a two-tier system which brings greater concessional benefits the longer that one is on social security—a suggestion which has some merit.

Finally, food, accommodation, electricity, and transport and petrol costs were the four most nominated problems which led applicants to seek emergency financial relief. It is those 'lumpy' payments quite often that people need additional support for. It is when the electricity bill comes, or it is when they have to register the car. It is those sorts of lumpy things that people need the concessions for, and it goes to the question of cashing out: which, you would clearly note from our submission, we do not support. We endorse all the arguments put by yourselves and put by the APSF before us in that regard. We can elaborate on some of the reasons. There are some additional reasons why we think that cashing out is not desirable but is bad policy.

CHAIRMAN—I have just a couple of questions before I invite other members to question you as well. You have outlined what ACOSS does. How do you tailor the activities of the Welfare Rights Centre with the activities of ACOSS?

Ms Mullins—The Welfare Rights Centre is a direct service provider and represents any person who has a problem with social security. That means we represent people who are on allowances or pensions or are receiving Family Payments. Our job is to understand the system and to give people advice on how to deal with the system.

CHAIRMAN—How are you funded?

Ms Mullins—We receive funding through all sorts of odds and sods.

CHAIRMAN—Mainly voluntary funding?

Ms Mullins—We have lots of voluntary funding. We have received money through the Commonwealth departments.

CHAIRMAN—How much money would you get from the Commonwealth? What proportion of the costs of running the Welfare Rights Centre would that be? You can consult.

Mr Raper—Yes. As we did not anticipate this question, I can supply that information on the substance of the submission, and Carla will deal with that from the welfare rights perspective. The reason is, of course, that ACOSS is a national peak and welfare rights is a service provider, and they are quite different organisations and quite distinct. So, we are trying to symbolise that distinction here. But, in terms of welfare

rights funding, we get money from Commonwealth legal aid, state legal aid and the New South Wales Department of Community Services. We raise about 20 per cent of our funds directly through our own income generation projects. About 30 per cent of the funding, therefore, comes from the Commonwealth.

CHAIRMAN—Thirty per cent from the Commonwealth, and what percentage from state legal aid?

Mr Raper—About another 20 per cent, and 30 per cent is money from the state Department of Community Services.

CHAIRMAN—You would be aware that concession cards were originally introduced in the 1950s and designed to give access to the Pharmaceutical Benefits Scheme, and then concessions have been added on or hang off those cards. What role do you see for concessions?

Mr Raper—Our positions are similar.

Ms Mullins—We see concessions as having two primary roles. The first is not income security. It is not an income payment. The first role is that it helps people acquire goods and services that they would have difficulty acquiring without the assistance of the card. The second role is to ensure that people do access necessary goods and services. That is important as well when we are talking about cashing out. When we take that definition of the role, we, of course, face the problem of what are necessities, what are goods and services that are so essential, that low income people need assistance in acquiring. We do not simply restrict ourselves to the definition of goods and services as in housing and basic needs. We are not machines that can live on basic goods and services. There is also an element of quality of life that has to be incorporated into that.

CHAIRMAN—With respect to the multiplicity of cards available, you are well aware that various departments issue various cards. It has also been suggested to us that the number of cards could be cut quite dramatically. What do you feel about this proposal? How would such a reduction in the number of cards affect the complexity of administering concession cards? Are there aspects of the current administration of concession cards which warrant action? In answering that question, you might also include the views of your two organisations on smart cards.

Mr Raper—We certainly support the proposed reduction from four to three. Whether that goes further, to one, depends on a number of other factors, I suppose, and how they would be used. There is an obvious simplification element to it that, on the face of it, you would tend to support. But it then depends on who is going to get the card. Our point, which I stressed earlier, is that we believe that the concessions need to be provided to people on similar levels of low income. We would certainly not support extension further to pensioners, and certainly not to non-means-tested pensioners, unless and until the benefits were also provided to low income, unemployed people, for instance, or by definition low income. So the question really is then: if you are going to have one card, what is the purpose? Are there going to be some core concessions?

CHAIRMAN—The Commonwealth purpose is obviously access to the Pharmaceutical Benefits Scheme, and then there are some other Commonwealth peripheral benefits. But the states and territories provide extra concessions.

Mr Raper—If it was one card that was then to provide the concessions to all low income people, to all people on social security, and the same range of concessions—if that was the purpose for doing it—then obviously that has considerable merit. That would have to be financed. We would not be interested in seeing those concessions reduced to bring it down to a lowest common denominator in order for the concessions to be extended to unemployed people, obviously. The issue is that it is accepted at the moment that low income pensioners have certain needs and they have needs for concessions to supplement their current low incomes.

As you would appreciate, Australia has a residual system of social security. It is 25 per cent only of average weekly earnings. It is set very low. It is not an insurance-based system. But it has some strengths in all of that, that we are able to target, and it goes on indefinitely. I am not raising those issues now. But, because of that, we have got people on social security living on very low levels. The concessions, therefore, are very essential to be able to assist them not only to afford—as Carla has mentioned—to make certain payments, but also to utilise the things that those concessions are designed to achieve; that is, to utilise health services and not to have it in the form of cash and pay the rent instead because that is also a bill that they need to pay that week.

So, we would certainly support the extension of concessions, but to all low income people. All people on social security have the same needs but are currently not having those needs met through access to concessions.

Ms Mullins—I would like to add something to that. First of all, there is a problem with the administration of some Health Care Cards. That is in the case of Austudy recipients. At the moment, they do not receive a Health Care Card automatically. They actually have to go and apply for it separately, as opposed to all other social security recipients. This results in an uncertainty about the uptake of that card. It does mean that Austudy recipients, who are on even lower payments than social security recipients, could miss out on the limited concessions available to Health Care Card holders. That is something that has to be looked at, and can be looked at, in conjunction with the current reforms to youth payments when they are undertaken by the Department of Social Security.

CHAIRMAN—You are saying that the reason they miss out is that they do not apply.

Ms Mullins—They do not apply, and sometimes they do not apply because they do not understand that they had to apply. Lack of awareness of their rights is an issue. The second issue that I wanted to cover was the importance of health. The Australian living standards study conducted in 1995 found that families on government pensions and benefits reported significantly poorer health than all other income groups, even when those on sickness and disability support were excluded from this group. Other families on

government benefits still tended to report poorer health than some other income groups. It would be concerning that any reforms in the concessions would discourage those people with poorer health from accessing health services. I just wanted to make that point.

CHAIRMAN—There is Medicare that is available to everyone.

Ms Mullins—Medicare, yes, but as you mentioned, it is also about accessing pharmaceutical benefit schemes. Also, the state departments offer probably about four types of concessions: property, mobility, health and miscellaneous. The health concessions are probably some of the most important concessions: things such as the spectacles scheme offered through the New South Wales Department of Community Services; some of the dental health schemes. Those are all important issues of accessing health and it would be quite sad if people were missing out on those.

Ms ELLIS—I will ask this of Mr Raper but I would welcome comments from both of you. I think you may have touched on this to some degree. In your own submission you have identified anomalies and inequities in the current concession card system whereby people on low incomes who are in similar circumstances to pensioners do not receive the range of concessions available to pension card holders. I think you have already referred to this in passing in relation to particularly the unemployed group. Is there any further comment you want to put specifically to this question at this stage?

Mr Raper—No, I think I have actually mentioned it two or three times.

Ms ELLIS—Yes, I think you have.

Mr Raper—I do not need to comment further on that.

Ms ELLIS—Do you want to add anything to it at all, Ms Mullins?

Ms Mullins—Part of those anomalies are part of the actual anomalies within the Social Security Act itself.

Ms ELLIS—Right. The other thing we also touched on when you did your introduction was the comment you heard in the previous submission relating to cashing out. Do you want to elaborate any further at this point on that subject? I would like you to if you want to.

Mr Raper—Yes, I think so. We have mentioned that concessions have two purposes: to assist with affordability, and to ensure that people do access the services that are there when they are needed. If you cashed it out, it would seem that you could quite possibly defeat the second of those two purposes. I do not need to elaborate there. I think we have already mentioned that.

Secondly, concessions, it seems to us, are there to meet particular needs. You have an income support system which is meant to meet people's direct income support needs, on to which you add a system of payments which meets the direct costs of raising a child

or direct costs of child care et cetera, but they are separate purposes. Concessions are in addition and separate to that fundamental underlying income support to assist people to meet particular needs. It seems to us that it is better policy for that to be done in the way of a concession when and if the need arises and not to cash it out and spread it, I think inevitably, far more thinly across a much wider group of people who may or may not need many of those things from time to time and that is a concern. It is better targeted and more appropriate. I embrace of course all of the arguments by APSF about the security blanket and the need to have that there for when you do need the ambulance which can be very expensive.

There are also issues I think in relation to disincentives. The Department of Social Security submission raises issues about disincentives, which we support, and the tighter targeting or means testing can reimpose work force disincentives and we would obviously oppose that. We support the freeing up of the means testing to date so that you remove those disincentives for people to return to work or to take work opportunities if they are on Disability Support Pension. I think an issue that you may have to consider is that if you cashed out the concessions, you would again reintroduce an number of those work force disincentives by having a bigger income support system but no continuation of those concessions once a person returned to work or was considering whether or not they would return to work.

A fourth issue is the benchmark issue and we raised this in our submission. We would obviously be concerned if the concessions were cashed out and somehow then became considered as part of your social security payment, and the benchmarks went to 27 or 28 per cent. That then might cause some erosion in the future, because of a commitment to a 25 per cent, with an attitude of, 'Oh, we don't need to do anything.' Clearly, in a tight fiscal environment that could occur, and it is likely to, we fear.

The fifth issue is replacement rates. If you cashed out and increased social security payments I think you would have to consider issues of what are called replacement rates. If social security rates get higher or closer to the lower end of market incomes you have problems about disincentives with replacement rates. That is, social security rates become much closer to the lower end of the market. I know that some of you may not accept some views that ACOSS has expressed in relation to the Workplace Relations Act and the likelihood that the—

CHAIRMAN—I suspect you are right.

Mr Raper—Well, only in this sense: most people concede that, although one of the consequences of increased flexibility that are supposed to flow from the industrial relations reforms is that wages can go up, they can also go down. Flexibility is both ways, and at the lower end of the scale—

CHAIRMAN—There is a Safety Net there, though.

Mr Raper—Yes, the awards, but awards are supposed to cover only a few things and be very, very low, and over time I think they will, in fact, remain.

CHAIRMAN—But there are minimum conditions.

Mr Raper—I simply raise the concern that the question of replacement rates is valid now; it could be even more significant in view of one of the predicted outcomes of the industrial relations reforms, if there is in fact a lowering and a casualisation at the lower end of the market scale.

Ms Mullins—May I just add to those points. We see four major implications of cashing out. Cashing out has been an issue since the Cox report in 1990, and probably even before that. The four issues are, essentially: how are the different needs to use services recognised by cashing out; how do you ensure people access essential services, in particular health; what Safety Nets will be required, particularly if prices and key services increase at a faster rate than any increases in the amount of social security, and who is responsible for meeting those costs; and, fourthly, how does each state government ensure that eligible recipients in their state get a fair share of the additional income support arising out of the cash-out?

In addition to that, when we are talking about cashing out we are also mentioning vouchers, and we do have concerns about vouchers. Firstly, people do lose vouchers, especially elderly people and people with disabilities, that means they cannot access the services. Who receives the vouchers and to what value are the vouchers going to be? And who will act as the provider when the vouchers are given out? Is it a non-government agency, central agency, current service providers? There are all sorts of questions that we are raising and that we would like answers to.

Ms ELLIS—I will just ask for one very quick last comment from you. This brings in another subject as well. Given that a lot of the recipients or the users of concession cards at the moment are, we could say quite safely, tenants of government provided housing, and given that there are moves and discussions and so on at the moment in relation to changes in the way people may continue to receive access to that subsidised type of housing in the future, do you believe that it would be a correct thing, a necessary thing, for any consideration in change of concession card application—that is, cashing out or other options—to be looked at in a far broader scheme than just in isolation? I ask that because there could be implications from the housing point of view as well. In other words, if there is any mooted change to the way concessions are received by pensioners, should that be looked at alongside other things such as access to subsidised housing through the government housing systems throughout the country, rather than in isolation of each other?

Mr Raper—Yes. I cannot make all of the links that those two things might imply, but our position is quite clearly opposed to cashing out for the six or seven reasons that we have jointly identified. If you take into account also our public position on the housing reforms, which is not opposed to reform but raising, again, some six or seven very significant concerns about that, it would be very unwise to introduce one without being fully aware of the consequences of the other. We know that the housing reforms are now going to take at least six to 12 months, possibly longer, to actually bed down, so I think it would be very unwise to go into cashing out—for a whole range of reasons, but that is

another one—in the context of the potential massive or very significant changes to housing reform.

Mrs VALE—I would like to go back to another question, Ms Mullins, about the inequities and the complexities in concession cards, and to use the example of Austudy and recipients who received Austudy. Often they are young people who are living away from home and probably not getting the proper food and nutrients, I can imagine, under the conditions. The fact that they are not aware that a Health Care Card is available to them is a concern. How would you suggest that anyone who is receiving a concession card could be made more aware of the full range of entitlements which they could claim?

Ms Mullins—I think there are two issues. The first is the issue of accessing the Health Care Card itself. Austudy recipients are the only ones who are not automatically issued with the card. So that is the first thing that has to be addressed—ensuring that they are automatically issued the card. The second issue, though, is ensuring people's awareness of their entitlement. These are for both pensioners and allowees. This includes publications in clear English and publications in appropriate languages. There are a lot of older Australians who have limited English skills. I know that, for example, until the age of 69 my grandmother could speak English and Italian fluently but as she has got older her memory of her second language, English, has gone. She has a great deal of difficulty understanding many of the publications. She is lucky that Italian is quite a common language, but many people do not have a community language in which they can access that information.

The APSF made a good recommendation in their submission. That was the use of a concessions ready reckoner administered through either the FIS offices—the Financial Information Services offices—or through the Department of Social Security. That is difficult to do because concessions change from state to state.

Mrs VALE—From budget to budget.

Ms Mullins—From budget to budget, yes. An issue that I neglected to raise earlier, though, is that concessions normally attach only to the concession holder, and there are some examples where children or grandchildren of pensioners do not have a concession card to travel. So one member of the family can travel but the children cannot travel with them on the concession. That is an issue of participation for those young people, and that also has to be addressed.

Mrs VALE—A real concern.

Ms Mullins—Yes.

CHAIRMAN—You mentioned Austudy recipients not receiving a card automatically. What would be the government's response to that matter?

Ms Mullins—At the moment the government is looking at a proposed youth allowance. Our proposal is that the proposed youth allowance would mean that all youth

payments—that is, Austudy and youth training allowance—would all be administered through the Department of Social Security. Therefore, the Health Care Card would automatically issue when they make the claim.

CHAIRMAN—But what is the government's reason for not giving cards currently to Austudy recipients?

Ms Mullins—It is because the Department of Employment, Education, Training and Youth Affairs issues Austudy through its student and youth assistance act. The Health Care Card is issued by the Department of Social Security. So when you go to the student assistance centre you put in your claim for Austudy, then you have to go and put in your claim for your Health Care Card with the Department of Social Security. It is a two-step process.

Mrs VALE—It is like a departmental demarcation line?

Ms Mullins—Yes, it is.

CHAIRMAN—It sounds as though you are endorsing our one-stop shop proposal?

Ms Mullins—Yes, we are. But the anomalies are also within the systems themselves.

Dr NELSON—In some ways this is probably a philosophical question but it is a very important one. The way the question is put here is a simple way of putting it. A number of submissions to the inquiry, including your own, have identified anomalies and inequities in the current concession-card system whereby people on low incomes, and in similar circumstances as pensioners, do not receive the range of concessions available to pension card holders. What would you suggest to remedy the situation? People in businesses, and I suspect state governments would be the same, who are providing concessions to card holders have, in many cases, just about had enough.

There seem to be so many people with cards. For example, I know that, in the medical area, the vast majority of doctors are only too happy to provide a concession to a card holder. Frankly, I think they should provide the services for nothing to many card holders. Twenty six years ago, nine per cent of the people attending a doctor were card holders of some sort. I worked in an area where three-quarters of the people coming along were card holders. You reach a point where you say, 'I cannot afford to provide a concession to everybody.' I see Eslake's work there on social security benefits in Australia. In the last 26 years we have gone from 18 per cent of the population over the age of 15 in receipt of some kind of social security benefit to 30 per cent last year. If you take out the unemployed, it is 24 per cent.

Mrs Hanson has recently focused on migrants and Aboriginal people but I suggest that unless the government and you people, who very well represent the interests of low income people, start to deal with it, it will only be a matter of time before we will have income earners in Australia, and perhaps someone like Mrs Hanson focussing on this

group, saying that they have had enough. I think about six million people rely on some kind of social security benefit, and 1.2 million of them dependents, and 8.5 million people working. There has to be a solution. I realise that, in a sense, it goes beyond the concession card issue but there is a simmering environment out there that is saying, 'Hang on, we've just about had enough of all of this'. Simply, how do you propose to remedy this situation? The GPs, who are coming later on today, have, I think, suggested six categories of card holders. They want to weed out the ones that they think are more deserving than others.

CHAIRMAN—Weed out the ones who are less deserving.

Dr NELSON—Yes. Do you see what I mean? I think you know what I am talking about so I would be keen to hear what you have to say.

Mr Raper—Firstly, I think there are two separate issues in there, one is need and the other is affordability, and I think we need to separate them out quite clearly. Our primary concerns are to meet the needs of low income, disadvantaged, Australians living in poverty and to alleviate poverty in Australia. In that regard, concessions play a very important and vital role. We would not want to see them restricted so that people remain in poverty because they do not have access to services. That means that they do not have access to health services or transport services that would, say, help them get out of unemployment. As you are aware, activity test requirements require a lot of transport and a lot of travel.

We would not want to see people's needs not being able to be met because they did not have access to concessions. The first question then is need, we establish need. We look at levels of poverty, and we look at how we alleviate those levels of poverty and concessions play a major role in that. However, we do share the concern that the extension of some of the concessions to higher but, nevertheless, deserving income groups—low income in the scheme of things but higher low income earners—without extension to lower low income groups was a very big concern because what it did was result in the withdrawal of some concessions and the reduction or the diminution of some others. It is ridiculous to have to make that distinction between the two groups, I acknowledge, but the need remains.

The second question then is one of affordability, and that is probably the key one that you are raising. It seems that some providers are saying that they cannot afford it and that it might be said that the Commonwealth government is not, in the current fiscal environment, prepared to extend the financing of concessions. We would argue that there is a need and that the Commonwealth ought to extend the financing to meet that need. In all ACOSS submissions they are costed and in our budget priority statements we produce a balanced budget.

CHAIRMAN—We are endeavouring to do so, too.

Mr Raper—I should not say 'a balanced budget' in the sense that our budget deficit reduction was of $5 billion, not $10 billion.

Dr NELSON—You can appreciate the point that I am making. If, for example, concession card holders got a discount at a fish and chips shop, we might not be having a race debate in Australia; we might be having another one even more disturbing.

CHAIRMAN—But not Ms Hanson's.

Dr NELSON—If we are not careful, the way I see it, that is where we are going to get before too long. So, where do we go?

Ms Mullins—With most private providers, such as movie theatres, concessions are provided as part of a marketing strategy to get people in when they do not have anybody else there. The states transport departments also see it as part of their marketing plan to have pensioners on at non-peak times—

CHAIRMAN—But you are not actually answering Dr Nelson's question. Dr Nelson's question really related to the fact that we have about eight million people who, in fact, produce the taxes which are spent on those people who are welfare recipients. I think he was also asking what we do as a community. There is a backlash out there. People are concerned and they are saying, 'Enough is enough.' The government must obviously be responsive to community concerns. We are asking for your help. What do you suggest? How do you suggest that the government should allay the fears of the eight million?

Dr NELSON—I hasten to add that I asked the question out of concern for low income people because every day—I think I would probably say for all us—we get as many letters from people who are working and paying taxes complaining and bemoaning the fact that there are so many people on some form of social security, as we get social security beneficiaries legitimately concerned about their lack of support.

Ms Mullins—I would like to draw your attention to two recent studies which may help illuminate some of the facts as opposed to the mythology about the social security system in Australia. The first is a report by the OECD, by Roseveare, in 1996, which was entitled *Ageing populations, pension systems and government budgets: simulations for 20 OECD countries* and it was by the Economic Department, working paper No. 168, Paris OECD. In that the research showed that among 20 member countries, Australia was one of a handful of nations which would experience only a minor increase or, in some cases, a decrease in public debt due to the consequences of ageing between now and the year 2030. Its projections showed no less than five different policy scenarios and, most importantly, were conducted over commensurate time frames as opposed to the audit commission report. In three out of the five projections for Australia, expenditure on the aged in respect of social security and health came to less than current expenditure as a percentage of GDP, and in the other two, minor increases of 1.2 and 1.6 per cent of GDP were estimated.

So, first of all, it is saying that for Australia, even with the ageing population that all Western countries are facing, our current targeted social security system is sustainable and that countries are looking to Australia for ideas on how to adopt a sustainable system.

Secondly, on the question of what is the role of the welfare state, this issue has been debated for some time and I would like to draw your attention to a study done by Pfaller A., Gough I. and Therborn, 1991, *Can the welfare state compete?* London, Macmillan. In that study the authors sought to test two competing sets of hypotheses about welfare in the context of the global economy: the first, that the welfare state is a hindrance to economic competition because of disincentives to work, the size of the tax burden placed on companies and the resulting uncompetitive unit labour cost; the second, that the welfare state is a necessary condition for maintaining competitiveness in that it provides the income security needed to underpin restructuring to compensate those who face periods of intermittent employment in an era of flexible labour markets and to retain those who are employed in sectors which have lost out in competitive terms.

After advancing their hypothesis on both these fronts, the authors turned to detailed case study evidence to test out these hypotheses. Like Atkinson, they were unable to come to any firm conclusion other than the fact that in the countries under study it was a matter of political choice rather than any immediate economic imperatives which determined the degree of support for the welfare state. Essentially, sustainability of the welfare system is more an issue of political will and the capacity to adapt to change, and that is underlying economic logic.

CHAIRMAN—So, if you could come back to Dr Nelson's question and answer it, please. You have not answered it because you have not told the government how it is able to tell the eight million people that the welfare system is sustainable.

Ms Mullins—The welfare system in Australia is sustainable in comparison to other countries and it is important as an issue of social cohesion and for the issue of poverty.

CHAIRMAN—We are not talking about the virtues of the system; I was just asking you to tell the government how to tell the eight million people that they are in fact wrong.

Ms Mullins—I am not telling the government how to do its job, I am simply saying that sometimes it is a political will to—

CHAIRMAN—You come forward with needs, but the government has to balance the books. The government obviously must respond to sentiment in the community and a government cannot stay in office unless it represents the aspirations of the community. So the purpose of the question was not designed to have a go at your organisation but rather to seek your assistance in how we can convince the eight million people that somehow the current system can be allowed to continue.

Ms Mullins—My comment was that the sentiment in the community is fed by a number of things and misinformation is one of those things. So the government making clear statements about reality, as opposed to mythology, is what I was suggesting should be done as a first step.

Dr NELSON—Yes, that is why I was suggesting that if concession cards applied

at fish shops, we might be having a different kind of debate.

Ms ELLIS—Can I just quickly say, too, Mr Chairman, just to give a balanced view from the committee's point of view, that, first of all, I must live in a weird electorate because I am not getting the numbers of letters that other members say they are. Secondly, I do not believe that we have to explain to the eight million because I do not believe the eight million are in fact complaining. But there is absolutely no doubt that if we are going to have a debate in the community and in parliament about whether or not we need to defend those who are in the unfortunate position of having to rely on the welfare payout, we may end up having a debate very similar to the one we are having at the moment on racialism. We have to be extremely careful how we handle that debate and point out to those people who are in the community, and who are unsettled about their support for those people in that position, that they should not wish themselves into that position. I have a very strong view that we need to have a very balanced debate about this. They are legitimate questions but they have to be handled in a very appropriate fashion, as does the other debate currently running.

Mr Raper—It is an important question and I take your point. There are three other studies—the UN development fund, OECD and the World Bank. I will give the references later. Those are three major international studies recently on the question of global inequality. All three organisations essentially recant on their former position in support of deregulation and largely Thatcherist type economic policies because those policies have led to greater inequality. Britain is now the most unequal country of all the OECD countries and this is acknowledged in these three reports.

They point, more particularly, to the fact that increased inequality leads to decreased economic growth—the point being that to sustain economic growth you have to decrease inequality. This is something that we all have to come to grips with, certainly throughout the global economy and so does the Australian government. It goes exactly to the point that if it is the case, and now we have three major organisations saying that it is, then we have to reduce inequality. To do that, we cannot not educate the population about the fact that Australia is a low taxing country—the second lowest taxing country in the OECD—and a low spending country. It is the third lowest spending country in the OECD. We cannot not educate the population about those things and we cannot allow Australia to degenerate into the sort of society as in the United States with homelessness and poverty, which make it a society that we do not want to live in.

Therefore, we have to educate; we have to do something about tax reform; we have to improve our revenue base which is both leaking and shrinking. There are many suggestions as to how to do that—ACOSS is involved in a very substantial public debate on the ways to reform the tax base now—in order to provide the revenues we need to balance the budget, to sustain economic growth, and to preserve the welfare state that we have in Australia which reduces the levels of inequality and takes people out of poverty. If that means having enough to provide a range of concessions—to bring it right back to here—as a part of that overall strategy in reducing inequality and increasing affordability for low income people, then I think that is what we have to do.

CHAIRMAN—Regrettably we are out of time, but are there any other issues you would like to raise with the committee concerning the issue of concession cards?

Mr Raper—I will quickly look at my list because there are some points about the DSS submission which we would support and some we would oppose but we have covered most of them.

CHAIRMAN—If there are points, as you say, that you oppose in the DSS submission, why not let us have a paper which we could then circulate to members?

Mr Raper—Yes.

Mrs VALE—In answer to Ms Mullins, I do hear what you say about the mythology. That is probably the biggest problem in the society in which we live—the difference between reality and perception. I do take it on board. I also take on board that, as a member of the government, it is actually my role to make sure that mythology is somehow busted. Also, in answer to why I think we should consider the people who are less fortunate than ourselves and who are on social security and to alleviate poverty there is the argument that Mr Raper suggested: that in the very end, if we can minimise that gap of inequality between us all, we all profit.

Mr Raper—Yes. We will add something on the issues that we oppose. I would like to note that we support the anti-fraud measures that they outline in there. I do not think, in our experience, that the levels of fraud are very high—they are quite low—but we oppose any fraud, obviously, in the system. The measures they outline are very good. We do raise some concerns about the smart card which we did not get to. Essentially, they are: what would be the purpose of it; what data would be collected as a result of it; what would be the uses of that data? But it is not opposition per se, it is just the natural concerns that most of you would share, I am sure, in relation to privacy and the purposes—

CHAIRMAN—In the additional material you are letting us have perhaps you could include your concerns about smart cards. Thank you very much for appearing before the committee this morning.

Dr NELSON—I would also be interested in receiving any of the papers to which you both referred.

Mr Raper—Yes.

CHAIRMAN—If you could pass them on to the secretary they can be circulated to all of us. Thank you very much.

[12.40 p.m.]

COVELL, Ms Diana, Pensions Officer/Seniors Infoline Coordinator, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000

HUTTON, Mr Bruce, CPSA Committee Member, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000

MACKENZIE, Ms Olwyn, State Secretary, Combined Pensioners and Superannuants Association of New South Wales, 11/35 York Street, Sydney, New South Wales 2000

CHAIRMAN—The submission has been circulated to our members, thank you very much. Is it the wish of the committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The document read as follows—

CHAIRMAN—Would one of you like to highlight briefly a couple of the points before we move to questions? Perhaps you could take about one minute—you can talk very quickly; *Hansard* is very good.

Ms Covell—Basically, our submission wants to stress the importance of concessions for pensioners and older people, particularly those on low incomes. We see this as crucial for older people's ability to live a healthy, dignified lifestyle, which we believe they are entitled to. The concession system is an essential part of the complimentary system of income support, which means that people have access to essential services and goods, especially to health, transport and other requirements needed for basic standards of living.

We have pointed out a couple of anomalies. There are some inequalities existing in the current concession availability. For example, we point to the fact that older unemployed workers have many of the same needs and that the opportunities and potential for getting a job as you grow older decrease. We have highlighted older unemployed workers, for example, as one category of people to whom we would like to see concessions extended. While our remarks and suggestions in this submission have highlighted and focused on the needs of older people and pensioners in particular, we would like to state that we do not want this to be read as excluding the interests of other groups who need support.

CHAIRMAN—You listened to the evidence from your peak organisation. Do you have any differences with the point of view that that organisation put forward?

Ms MacKenzie—No, we do not. In one respect I do, to some degree. I do not believe that the Health Care Card should be available to all retired people. There should be some kind of an income test. It is quite obvious to everybody here, I imagine, that there are lots of very wealthy older people out there in the community who do not qualify for a card.

CHAIRMAN—Not many in my electorate.

Ms MacKenzie—Where do you come from?

CHAIRMAN—I represent the second poorest electorate in Queensland, the Sunshine Coast area, where many people come from Sydney and Melbourne to retire. At what level would you bring in that cut-off?

Ms MacKenzie—I do not have any idea. I have just finished serving on a committee set up by the New South Wales government to look at community service obligations of government trading enterprises. The profile that emerged from that at the end of the study was that the people in the community who benefit most from these concessions are age pensioners who own their own home, who have a car, who own a boat, and so on. The people who are worst off, in so far as being able to attract any concessions, were older people, or young mothers living in rented accommodation in Sydney, where the rents are very high.

CHAIRMAN—In your estimation, what proportion of pensioners would own their own homes?

Ms MacKenzie—We think it would be over 60 per cent. Most of those people would be free of mortgage obligations.

CHAIRMAN—What does the association believe should be the purpose and objectives of concessions? And how do you feel about cashing out concessions, particularly if there was overcompensation to pensioners?

Ms MacKenzie—I am sorry, what was your first question?

CHAIRMAN—The first question is: what do you believe should be the purpose and objectives of concession cards?

Ms MacKenzie—It is a Safety Net for people who are on very, very low incomes. But of course you have to take into account that with pensioners, and aged pensioners in particular, there is a great variation in incomes. The basic pension is $174 a week. I think something like 67 per cent of people are on the full pension, but we do not know whether that means they are not getting additional income, because you can earn up to about $50 a week before it starts to affect your pension based on losing 50 cents for every dollar earned. All we know is that 67 per cent of people do get the full pension.

But if you are a married couple with an income of about $735 a week you can qualify for a $1 a week pension and then you attract all the fringe benefits that go with the PCC. Similarly, if you are a single person on $400 a week you get the same sort of thing. I suggest to you there is a very wide variation between a married couple on the lowest pensioner rate of $230 and somebody on $734 or $735 a week, given that the average male weekly earnings are $670 a week. So you have that enormous inequity. This is not being shown in people that have been discussed here today with ACOSS and the Welfare Rights Centre—younger people out in the community and people who do not qualify for any sort of concession because they live in rented accommodation. They might get electricity but they are certainly not getting anything connected with local government rates or water rates or anything like that.

CHAIRMAN—You mentioned that concessions are a Safety Net. If the government chose to cash out concessions and basically compensate people for perhaps twice what they lost with the cashing out, how would your organisation react to that?

Ms MacKenzie—Do you mean that people who are getting the most concessions would still continue to get that, times twice, and the people who are getting the lowest concession would also only continue to get that? Or are you going to get an evening out?

CHAIRMAN—What would be done would be that there would be an estimation made of what the average value of concessions would be. Then there would be not just a compensation but an overcompensation—maybe twice the figure, maybe more. This would give the concessions in cash form, so they would not be lost, but it would give people free

choice and it would also substantially reduce administration.

Ms MacKenzie—What you are suggesting is that if the highest one is—

CHAIRMAN—I am asking you. I am not so much suggesting it as seeking your advice.

Ms MacKenzie—Hang on. What you are suggesting is that if the highest one is $1,500 and the lowest is $50 you are going to take the average and that will apply across the board to everyone. Is that what you are saying?

CHAIRMAN—My understanding is that the average is $1,400 or thereabouts. I might be wrong on the figure.

Ms MacKenzie—The average is $1,400?

CHAIRMAN—So, if you were to abolish concessions, instead of simply adding $1,400 to a pension you might add, say, $3,000 to a pension to compensate people for more than what they have actually lost. This would mean that pensioners would still have access to the Pharmaceutical Benefits Scheme, not at the $3.20 rate but at the $20 rate. There would also be the Safety Net.

Ms MacKenzie—I would have great difficulty with that scheme, mainly because—and I have heard this said, and it is probably a paternalistic or maternalistic attitude—the concessions are targeted at the moment to specific needs and you may get a situation where people will go and blow it on the pokies or at the casino or something. Then they are no better off, and in fact are far worse off, than they would have been had you retained the old system.

Mrs VALE—Your submission states that there has been limited information provided by the Commonwealth Seniors Health Card and that consequently many older people are not aware of their eligibility. In your view, what have been the specific limitations of the information provided to date, and how would you like to see it remedied?

Ms Covell—For example, we get many inquiries daily through our seniors info line. We found that people were simply not aware. The only information has been published on a single, poster sized publication. There are no leaflets available generally speaking and there is no actual written notice about that.

Mrs VALE—So when people actually apply for the card and are given the card there is no actual list of benefits or anything to which they are entitled?

Ms Covell—That may be different. The point is, first of all, that a lot of people do not know that they can apply for the card. Of course, one of the services of our organisation is to help inform people. But when I tried to order them so that we would have multiple copies to give out, we found out that there was a delay in getting them and

there is only one poster size sheet of which that was one of four or five different cards advertised. There is nothing else. For example, we hand out information and mail out information if people request it. There is nothing like that that we could do.

Dr NELSON—The College of General Practitioners in their submission—actually the federation reminds me of the AMA where you go along to present something to the government and the next thing one of your branches turns up with a different view—have said that they think there ought to be a grading of cards. I cannot put my hand immediately on it, but they had categories A, B, C, D. Category A represented a person who was of the most limited means, and then so on down the train. How would you react to that sort of proposal?

Ms Covell—Our organisation would frown upon the idea of breaking out the question of deserving poor, less deserving and all the rest of it. There is also a problem in the complications and administrative problems and other confusion that might arise from that sort of thing. This relates to other questions like the cashing out and the smart cards and so on, does it?

Dr NELSON—No, not really, but I know there is an enormous amount of angst in the medical profession about the squeezing of Medicare benefits on the one hand, and then what is seen to be a proliferation of concession cards on the other, the holders of which all expect a concessional fee—usually bulk-billing, obviously. There is a view that some people seem to be—what were those words, Ms MacKenzie?

Ms MacKenzie—Less deserving.

Dr NELSON—Less deserving perhaps, or others had greater needs within that card holder spectrum than others. For example, several times over the years, I have got out of bed in the middle of the night to go to a place with a Jaguar in the drive and somebody throws a Health Care Card at me, having sold their newsagency three months earlier. That is an extreme example, of course.

Ms MacKenzie—I can sympathise with it. My husband was in practice at St Ives so I can sympathise with you on that one.

Dr NELSON—So you know all about it. But there is a lot of pressure, and I suspect that there are other providers outside the health area who perhaps are feeling a bit the same way. So there is a lot of pressure being placed on the government from providers, obviously as well as the beneficiaries of cards, to try and rationalise this system in some way.

Ms MacKenzie—Do I understand you to say that incomes are declining in the medical profession as a result of having to overservice people with bulk-billing?

Dr NELSON—What is happening is that, because the Medicare benefit has effectively been frozen for three years, a number of doctors who traditionally provide a concession to certain groups of people who hold cards have become more discerning about

whom they will continue to bulk-bill. There is another group, who have continued to this point to bulk-bill everybody but have diminished the quality of the service that they have provided, in the sense that they spend less time with that person, that they are less willing to do home visits to nursing home patients and that they prescribe more medications—things with which I am sure you are familiar.

That is a price that, I think, sections of the community are paying for the tension which is currently existing, and I am sure we will hear it this afternoon when we hear from the doctors group. They are proposing this. I am not suggesting for one minute that the government would seriously consider it, but this is what they are proposing. Is it something that you would have difficulty with, within the card holder group—

Ms MacKenzie—We have difficulty with it already, Dr Nelson, because at one time, as you know, there was quite intense competition, particularly in the large city areas. We had 'Bulk-billing done here'. But, out in the boondocks, the medical profession forms itself into a kind of cartel and we have 'No bulk-billing done here'. Because you are not in the suburbs, you cannot say, 'Well, bugger that. I am going down to the next suburb.' You are stuck in the country town with this group who will not bulk-bill. There is a great deal of competition in the medical profession in the city, so far as I can see, having just arrived back from Bellingen, where they quite proudly say, 'Bulk-billing done here.' Are you telling me that these guys are really running at a loss?

Dr NELSON—No, they are not running at a loss, but I think some of their patients are running at a loss.

Ms MacKenzie—So, you are saying that, because they are pushing them in and out in six minutes instead of in 20, they are getting an inferior service?

Dr NELSON—I could spend all day talking to you about this, but perhaps I will just come back to it. There is pressure on the bulk-billing arrangements from both the government side and the medical profession side, and there is an increasing amount of restlessness in the medical profession about who has a concession card and what is the precise level of entitlement of that person. In many cases, doctors do get to know their patients reasonably well. So, the doctors are proposing—and I just want to know what your reaction to it is—six categories of card holder, a category A for people receiving more than 75 per cent of the pension, down to category F, which is simply low income earner. Do you have a view of that?

Ms MacKenzie—Category F is low income earners?

Dr NELSON—Yes. Category B for people because of the large number of their dependents; C for people who are currently unemployed and have received a benefit in the preceding fortnight; and so it goes on. I suspect that this is preparing them for an environment where, if Medicare benefits do not increase or alternatively if Medicare benefits do not increase for card holders, the medical profession—I can only surmise, and I will ask them this when they come—intends to give advice to its members about how to be more discretionary about to whom they may choose to give a concessional benefit.

Ms MacKenzie—They will be implementing their own means test, in other words?

Dr NELSON—In a sense, yes—which, for many years, I suppose, in a sense, is what doctors have done.

Ms MacKenzie—Yes, to a certain degree. But I put it to you that most people in professions in Australia who have been educated in universities have done so with a great deal of assistance from the Australian taxpayer. You do not pay in any university in Australia—unless you go to Bond—the full amount that it cost the government to put you through. Is it not time that the doctors started to put something back into the community? I am not preaching socialism. I am talking about social justice here.

All doctors, all dentists, all lawyers—anybody, including me—who have gone through university went through probably after the Whitlam years, when universities were more or less free or at a very greatly reduced rate. You know quite well that anybody who does a science degree course at any university—and those are the most costly—costs the most to train and never pays what it has really cost to train them. So, I suggest that the medical practitioners ought to be looking at what they have got out of the community, what they have got out of the taxpayer, and be prepared to put a little bit back.

CHAIRMAN—Many doctors are on very low incomes.

Ms MacKenzie—Are they? Like what?

CHAIRMAN—What is the average general practitioner's salary?

Ms MacKenzie—Forty-two thousand at graduation?

Dr NELSON—Sixty-four thousand dollars a year for a 65-hour week. I will give it away; but you ought to be aware that there is pressure on this—

Ms MacKenzie—I would really be quite alarmed at the prospect of going into a surgery, producing my card and then sitting down and being put through the third degree by the receptionist saying, 'Give me a statement of your income.'

Dr NELSON—So you would be opposed to that kind of system?

Ms MacKenzie—I certainly would be entirely opposed.

CHAIRMAN—Even emphatically perhaps.

Ms MacKenzie—More than that!

Ms ELLIS—Would you give the committee your views on the possible proposal of smart card technology? At the moment we have several concession cards and there is a view around that we should condense them into one, to have it on a smart card which has a computer chip inside it which holds all of the information, and the pensioners that you

represent would then be using that technology. Do you have a view on that?

Ms MacKenzie—I have no problems about privacy, that does not worry me, I have no problems about identification cards or anything else.

Ms ELLIS—The technology then?

Ms MacKenzie—I have no problems with technology either. I am sold on phone banking and all this other stuff but I can understand that there are people in the community who are not, who have not had the same background that I have had and who will be alarmed by it. There are people who take on board all the comments from the civil liberties crowd and do not want all this stuff being accessed. But they give up all this information when they get their passports so I cannot see the difference. I do not see why everybody gets excited about it. It is horses for courses in these kinds of things.

Ms ELLIS—Okay, so there could be an optional arrangement. If you were my mum and you did not want to use it, you did not have to, but if you wanted to then you could.

Ms MacKenzie—Yes, sure, I have got no problems with that.

Ms ELLIS—Fine. I will just relate an example to you if I can. I had a gentlemen come into my office recently who was furious to the point of physical anger because he did not qualify for an age pension. He believed it was his right. I tried to explain to him that he was lucky that he did not have to use that form of dependence and he should be pleased with the fact that his life led him down that path.

If I can use that example, in a question that we had earlier this morning in relation to the targeting of concessions, the people from ACOSS put it reasonably well but someone earlier said that it is a shame that some people do not have the benefits that others do. For example, if you live in a country town and you have got a transport concession, you cannot use it. If you are in a nursing home, you are not in a position to use it. What is your view about that in an equity sense?

I have a view that it is still fairly equitable because if there is not a bus to get on then do you need the concession? If you are in a nursing home, do you need a concession to get on a bus and so on? This comes back to the cashing out thing. In other words, do you agree with the total targeting of concessions in relation to need—

Ms MacKenzie—I do.

Ms ELLIS—Or do you think that there is some way of averaging it all and saying we all get X dollars to replace what we may or may not use?

Ms MacKenzie—They have got to be based on need. My organisation completely opposes the concept of a universal pension, which is what you talked about earlier. Information came out of Mr Barber's report entitled *Targeting for Equity*. There was a

great deal of pressure put on by so-called independent retirees, who I do not believe are independent retirees, they have got a lot of tax concessions in order to get them to that point. We oppose the universal pension because we believe there is only a certain amount of money in the pool and if you are going to start to hand out universal pensions to everybody, despite what Eva Cox has to say about it, people at the bottom of the pile who are already on the basic pension are going to suffer.

You are then going to have to introduce something like a supplementary pension as they do in England where you line up outside the post office and get your little bit extra and everybody knows why you are there. What is going on with concessions at the moment is that it is targeted towards needs, specific needs, and I think that ought to remain. The smart card stuff does not grab me at all.

Ms ELLIS—Thank you.

CHAIRMAN—What concessions does your association consider should be standard core concessions across Australia?

Mr MacKenzie—Standard?

CHAIRMAN—Yes, and should these core concessions include additional ones not currently available?

Ms MacKenzie—Like transport?

CHAIRMAN—That could be one.

Ms MacKenzie—I think you are going to have a lot of trouble with the less populous states who are going to say, 'No, we've only got X hundred thousand people and we are getting all these so-and-sos from Victoria and New South Wales coming up and using our transport. Not as many of our people are going to go down there and use their transport for free.' I think you are going to have a lot of problems there. I think Lindsay Tanner has got some idea of introducing a bill along these lines, hasn't he?

CHAIRMAN—I think some of the state ministers are actually talking about it. It is on the agenda to try to standardise concessions. I imagine, if it were possible, your organisation would be in favour of it.

Ms MacKenzie—New South Wales has the cheapest transport concession in Australia. It is a dollar. Okay, you can travel around the whole of the metropolitan area for a dollar. That is cheap. If you go to Queensland it is two dollars; you go to Melbourne it is two dollars, I understand. You are going to have to get some consensus from the states as to what the charge will be—whether they are prepared to have 100,000 people come up every year from New South Wales and Victoria, whereas they are only going to send 30,000 people down this way. There are going to be problems; I can see that.

Ms Covell—Can I just add that, yes, we would not like to see, on the other hand,

any reduction in the existing concessions, and whilst—

CHAIRMAN—I wondered if you were going to say that.

Ms Covell—Yes. I would like to strenuously reinforce what APSF and also Welfare Rights Centre said about that on behalf of our people too. It would be very bad to see a reduction to some sort of lowest common denominator. It would simply not result in the kind of social justice objectives that the Commonwealth and state governments would be interested in.

CHAIRMAN—The Pharmacy Guild of Australia proposed the establishment of an on-line interactive electronic system linking pharmacies with the Health Insurance Commission database to enable pharmacists to verify card holders' eligibility for concessional pharmaceuticals. Obviously, Ms MacKenzie would not have any concern about the privacy element of that anyway.

Ms MacKenzie—No, I have got no concerns with privacy—none at all. What do you want to hide? What difference does it make?

CHAIRMAN—Fair enough. All right, are there any other matters you would like to raise with the committee this morning?

Ms MacKenzie—I think you should speak with Mr Hutton because he is a superannuant.

CHAIRMAN—Over to you, Mr Hutton. Are there any matters you would like to raise?

Mr Hutton—No. As a superannuant, I belong to the APSF and we have got our policies and you have got to abide by them. I would like to add about the smart cards. I think there are possibilities, but I think on the introduction there is going to be need for consultation, education and patience because you want to be able to educate the old people about them. I think people are concerned and they have probably got their right to privacy and what type of card it is going to be. Are they going to be charged for it? Is it going to be a credit card or a stored value type? I think those are the sorts of things about which there should be consultations with the people to make them feel they are part of it. You have got to be wary because if you just tell them it is going to change next week, it gets their backs up straight away.

CHAIRMAN—Mr Hutton, are many superannuants also members of the Association of Independent Retirees? What would motivate a superannuant to join, say, your organisation rather than the Association of Independent Retirees?

Mr Hutton—We have probably got some as members. I could say if we went through the books. We do not ask them what other organisations they belong to. There could be independent retirees and there could be other superannuants, all as members of the CPSA. We would not be able to divide those figures up because we are all just

members as far as I am concerned.

CHAIRMAN—What would motivate a superannuant to join your organisation rather than the Association of Independent Retirees, given the fact that on a lot of issues your organisation might agree with the Association of Independent Retirees but on other issues you might strenuously disagree with them?

Mr Hutton—My reason for joining—I could have joined all the others too—is that I feel that there is strength in numbers. I think all these organisations cropping up are splitting our force and this is where we go wrong. We find it very hard to obtain something because others are against it. It is divide and conquer and I do not believe in that. I think you should stick together.

CHAIRMAN—Thank you very much for that, Mr Hutton.

Mr Hutton—May I just make one little statement. In this inquiry you would have collected a lot of information which we probably will not have access to till the report comes out. I would not like to see it stop there. Before any decisions are made, I think that we should have another opportunity for consultations and input to the committee. I think it is a very major problem and I think while we are on it we should stick at it till we have got a consensus of opinion that we are going to have a satisfactory and more friendly concession organisation.

CHAIRMAN—We have a finite inquiry. What we are doing is having public hearings in the capital cities and in Canberra. I must say our evidence is published; all the submissions have been published and you are welcome to have copies of those. You are also welcome to have copies of the evidence progressively as that is published, and if you wanted to contact us in relation to some aspect we would be more than happy to look at what you say. But obviously we cannot keep going round the country rehearing the same witnesses.

Ms MacKenzie—Could I say how disappointed I am that you did not ask us what we thought about the eight million people who are paying for the rest of the people and what would we do about it.

CHAIRMAN—What do you think about the eight million people and what would you do about it?

Ms MacKenzie—Thank you very much. I think you had better start looking at overhauling the tax system. You are obviously talking about eight million PAYE people, are you, pay as you earn?

CHAIRMAN—I think what Dr Nelson was saying was that eight million people are in effect bearing the cost of running the country.

Dr NELSON—I think it is about 8.4 million people.

Ms MacKenzie—Are they PAYE people?

Dr NELSON—Or they are running businesses. In one form or another they are contributing to the pool of money which governments have to distribute to those who—

Ms MacKenzie—I just wonder how much the National Bank is contributing to this pool of money, given that they have just had this enormous $5 billion profit—

Dr NELSON—Two point one, I think.

Ms MacKenzie—How much are they contributing to the pool? I think you are going to have to look at overhauling the tax system. The bulk of responsibility for this sort of thing falls on the low income people in the work force, small business people.

CHAIRMAN—The working poor.

Ms MacKenzie—Yes. It seems to me that those people in these big organisations like the banks are just getting away with murder and I think it is time you looked at overhauling the tax system and made the tax system more equitable. It is completely inequitable, and I think that is one way out of your dilemma.

CHAIRMAN—Do you seek to broaden the tax system?

Ms MacKenzie—Indeed I do.

Dr NELSON—I think, Mr Chairman, I might get Ms MacKenzie to make an appointment to see the Treasurer.

Ms MacKenzie—We are old sparring partners.

Dr NELSON—I think you would be a very good match for Mr Costello.

Ms MacKenzie—Thank you very much. He knows me of old.

CHAIRMAN—Thank you very much for appearing before us this morning. Could you make your peace with *Hansard* before you leave, just so that—

Ms MacKenzie—I thought you were going to say with Hanson. I was going to say, never!

CHAIRMAN—I think today *Hansard* will do. It is now time for lunch.

Luncheon adjournment

[1.42 p.m.]

BOLLEN, Dr Michael Dean, Secretary General, Royal Australian College of General Practitioners, 52 Parramatta Road, Forest Lodge, New South Wales 2037

CHAIRMAN—Your submission has been received and circulated. Are there some aspects of it that you want to highlight or have you anything you would like to add to it?

Dr Bollen—I have nothing to add to my submission but I would be perfectly happy to take questions.

CHAIRMAN—We found very interesting the suggestion by the college that there should be degrees of disadvantage in some way recorded so that doctors who are currently reluctant to bulk-bill the number of patients who are being bulk-billed will be able to, according to their own values, sort out those who were more deserving compared with those who were less deserving. When I read that in your submission, I was wondering who would do the grading and, if you consider it is going to be the government, and also what costs would you see being incurred as a result of the implementation of this suggestion by the Royal Australian College of General Practitioners?

Dr Bollen—Let me answer that in an indirect way, and I am sorry for being indirect. At issue here is not a case of making value judgments by the doctor. There is a submission in here describing the history of the provision of benefits to people which describes, initially, the pensioner medical service that was in existence when I first became a practitioner. At that time, without any consideration, one simply treated these people on the basis of their signing a pension voucher.

The introduction and the expectation of bulk-billing—which is a policy of your government, but nonetheless it is there—is fine in principle but it falls down in practice. It falls down in practice because it presupposes that you can practise quality practice, provide good quality care, maintain the infrastructure of your practice and still bulk-bill everybody who comes through the door. It is that that is at issue because, as I have mentioned in my submission, the rate at which people have been now allocated Health Care Cards is such that doctors who want to practise well may find that they are grossly disadvantaged.

Let me give you the example of people with chronic illness. It is not just a case of a person coming in, and having a prescription written and out they go again. There is much more to the management of an illness than that and it takes much more time than that. Let us say you are prepared to give that time and that person is then bulk-billed. If you have lots of those people because you give that sort of time, and your reputation builds up and you attract more of these people, eventually you get to a stage where the income that you are getting, and therefore the ability to be able to pay for all of the other aspects of your practice—such as your staff, the building and whatever—no longer makes it worthwhile.

CHAIRMAN—Unless the doctor overservices.

Dr Bollen—They are your words and not mine. But there is the potential to practise five-minute medicine on our current fee-for-service system. Therefore, the more you see the more you earn, the quicker you see the quicker you earn, the more often you see the more often you earn is the perverse incentive. That perverse incentive is built in when you, as the patient, are seeing that you are getting something for nothing. We need to look at who gets something for nothing. We describe in our submission a recognition that universal bulk-billing is not necessarily acceptable to all people, and is not necessarily beneficial for all people. If you are driving us into a Robin Hood situation—in other words, where we charge a lot more for those that can pay—then we are going to have to charge increasingly more as that group of people who can afford to pay gets smaller and as the number of people with Health Care Cards gets larger. Does that make sense? Can you see what I am saying?

CHAIRMAN—It does. I suspect that there would be a number of practitioners who would have found their own way around the dilemma you highlight in the submission, in so far as you suggest that there should be varying degrees of disadvantage and doctors treat patients according to their degree of disadvantage. But there would be some doctors who, stuck with the bulk-billing Medicare fee, might well get a patient back a day or two earlier than the patient would normally return and that would be the doctor's own way of compensating for what he or she would see as being the inequities in the system. I am not defending that practice, but I dare say it must happen on occasions.

Dr Bollen—That is what I am talking about when I talk about the perverse incentive. There are two issues coming out of this. Firstly, there are a number of cards, and these are described in other submissions. But there is also an expectation that holding those cards means people can be bulk-billed. What we are saying is that the allocation of these cards or of a single card but with a marker on it, as used to occur with Veterans' Affairs although that has changed in recent times, nevertheless gave you an indication of the extent to which that person needed assistance.

CHAIRMAN—How would you suggest that the change you have outlined should be implemented? Obviously, it would be your idea that government would do this. What costs would you anticipate would be incurred?

Dr Bollen—First of all, in allocating the card in the first place, it is not just an across-the-board arrangement, so that there is an arrangement made by the Department of Social Security through social workers or some sort of clerical process. I believe that assessment can be made first of all so that there is a threshold. But, instead of there being a cut-off threshold, there needs to be a series of tiers. That is what I am really trying to describe here.

CHAIRMAN—The committee has received evidence that the range of Commonwealth concession cards and state government seniors cards available across Australia causes confusion among card holders and service providers as to their eligibility for different concessions. What impact would your proposed grading system have on the administrative complexities of the existing concession card system?

Dr Bollen—At present, the numbers of cards do not, frankly, cause a lot of confusion in general practice. People come along, produce their card and expect to be dealt with by being bulk-billed. What I am saying is that this would not introduce complexities, it would allow discretion to be exercised. You may well say, 'That's unfair. Doctors are going to impose their own judgments.' They were your words earlier. But, yes—

CHAIRMAN—I am not defending that practice.

Dr Bollen—No. But the alternative is that if you are going to practise quality medicine as distinct from the way you suggested where somebody could be brought back earlier so you doubled or trebled the consultation—and, again, I am not suggesting you are defending that; you are just implying it—then surely we need to look at a way of addressing the perverse incentive. That is really what I am talking about, so that we can say—as your government and the previous government have both done in relation to pharmaceuticals—that there is a price signal for some people.

That price signal needs to be an issue that we need to take on board. I recognise that is not politically popular. With the pharmacist, the pharmacist does not carry any of the loss. The pharmacist has made up whatever the difference is between what the government decrees the payment should be and the total payment. But you are asking us as general practitioners to carry that loss without any say into the way in which you determine how the cards are distributed, the cut-off points are made. What I am asking for is some method whereby general practitioners can look and say, 'Yes, at that level I am prepared to bulk-bill and at that level I'm prepared to impose a small or a larger co-payment.'

CHAIRMAN—We are not asking the profession to do anything. You might have been referring to what the law currently is. I have two more questions and then I will invite Dr Nelson to ask a question. Firstly, both the Health Insurance Commission and the Pharmacy Guild support the introduction of an on-line interactive electronic system linking pharmacies with the Health Insurance Commission database to enable pharmacists to verify card holders' eligibility for concessional pharmaceuticals. Do you have a view on this proposal?

Dr Bollen—There is something already in place called Mediclaims that allows for direct billing and electronic transfer. But there is no particular virtue in it because the turnaround time of funds coming back from the Health Insurance Commission is pretty much the same whether you send it electronically or whether in fact you send it in a paper form and still require the Health Insurance Commission to do all the keyboarding.

CHAIRMAN—This question is not perhaps directly relevant. Just imagine that the government of the day said to general practitioners that they were able to bulk-bill the Medicare rebate proportion of a medical bill and then collect the balance from the patient. Would your colleagues be in favour of such a proposal?

Dr Bollen—I think there would be a wide variation in whether that was regarded

as acceptable. It is a sensible suggestion provided that everybody benefited, in other words, if as a patient you did not have to take your form to a Medicare office because in fact it was transmitted electronically at the time.

CHAIRMAN—That was the point; the doctor would bulk-bill.

Dr Bollen—Yes. If as the doctor you had a reasonable turnaround time so that you were not waiting a fortnight to three weeks before the money came back.

CHAIRMAN—That brings me to the last thing I was going to ask you. It seems to me to be viable that if the government were to say that if a medical practitioner were to direct bill electronically the Medicare rebate proportion, in that circumstance the bill could be paid much more quickly than bills are currently paid. Would that not be an incentive for practitioners to adopt this means of dealing with the Health Insurance Commission? If that were to happen on a widespread basis, that would clearly reduce the administrative costs of Medicare.

Dr Bollen—I cannot say that that is the policy of my organisation but it certainly has an appeal. But it also has an appeal as far as the government is concerned. If that were done, there would be considerable keyboard saving costs. You would not have to have as many Medicare offices. You would have the ability to have a more rapid turnaround and you would have the ability to do electronic funds transfer. All of those things have got to be taken into account. This is why I am saying that there are three groups that would be advantaged.

CHAIRMAN—A win-win situation.

Dr Bollen—The marketplace would take care of the issue of whether in fact you charged everybody a co-payment or whether you were selective in charging a co-payment. In other words, I do not believe that general practitioners in the main are greedy, nor are they demanding on their patients. What we are really saying is that we do not believe that we have been consulted sufficiently in the past, we do not believe that the current system benefits us, and therefore it leads to use of the perverse incentive that you have described.

CHAIRMAN—My suggestion encompassed the fact that bulk-billing for the whole of the medical bill would also be available to the practitioner. So I was not suggesting bulk-billing should be abolished. I was just saying that non bulk-billing doctors should be able to deal with the Health Insurance Commission electronically as well.

Dr Bollen—What you are really saying is that the rebate component would be transferred electronically and that any cash component would be dealt with in the practice. That is an eminently reasonable suggestion and one that ought to be pursued.

Dr NELSON—To what extent is the continued bulk-billing of concession card holders under threat at the moment? I understand Medicare benefits have not really increased at all—for three years at least—and that there is also a large number of people with concession cards now. To what extent are general practitioners at breaking point, you

might say, and what would be a reasonable way forward? Some people have suggested that concession card holders should attract a higher Medicare benefit that non-card holders, for example; others have suggested—a bit like the previous government's short-lived co-payment five years ago—that perhaps the bulk-billing arrangements ought to be maintained only for the card holders. Has your organisation any views on this?

Dr Bollen—There are two questions that you are really asking. The first relates to how GPs are feeling about this at present. For two of the past three years, the cost of living component in the Medicare rebate for general practitioners has been reduced by 50 per cent—ostensibly to fund other reforms for general practice. I add that whilst general practitioners only received 50 per cent of the CPI, our specialist colleagues received 100 per cent. This year neither general practitioners nor specialists received any increase at all. So Dr Nelson is quite correct: for the past three years at least there has been either no, or a very small, increase in the rebate component.

CHAIRMAN—What is the reason for discrimination against general practitioners?

Dr Bollen—If I had a real answer to that then I might be able to address it. The reason behind it has been that 50 per cent of the increase has gone to provide these other reforms for general practice. However, that is absolutely contrary to the agreement that was reached with the previous government and that is listed in a document termed *The future of general practice: A strategy for the nineties and beyond*, which says precisely the opposite to what actually occurred. So in answer to your question, Dr Nelson, general practitioners are becoming angry. But also they are arguing that the generosity they were prepared to extend previously is starting to dry up because the rebate component is diminishing relative to the actual costs of running a practice. During that time wages have gone up, infrastructure costs in general have gone up. There has been no bulk-billing for doctors in relation to electricity or telephone. We have still had to pay the full amount, but our rebates have diminished and therefore the incomes of general practitioners have diminished accordingly, relative to our costs.

Dr NELSON—Is there any evidence at the moment that some doctors have desisted from bulk-billing and if Medicare benefits do not increase, at least for concession card holders, is there a likelihood that concession card holders will find access to bulk-billing will be restricted in the foreseeable future?

Dr Bollen—I have no evidence for that. We have not done a recent survey. But when one goes to medical meetings this is an issue that comes up time and again. There is a risk, but the risk is much more likely to go down the direction that the chairman indicated, the slipping into the perverse incentive, the bringing somebody back a second time when it perhaps was not quite necessary, or the utilisation of that time for investigations.

Dr NELSON—A witness from the Combined Pensioners and Superannuants Association of New South Wales suggested that doctors ought to put something back into the community. I think she said that many have had a free university education. I suggested to her that whilst doctors may continue to bulk-bill concession card holders that

the price would be paid by the patient in terms of shorter consultations, more frequent consultations, greater reluctance to perform home visits, the prescribing of medications which might otherwise not be necessary, and things with which consumer advocates would be familiar. Is that a response that some doctors will make to this?

Dr Bollen—It is a response that some doctors may make. It would be a sad day for Australian medical practice when that situation becomes widespread. This is why we need to address the issues that I am putting forward in my submission. We need to look to see whether, with the growing number of card holders, and without negotiation with general practice, you can necessarily always rely on the generosity of general practice, irrespective of the point that was made about doctors putting something back into the community. I put it to you that general practitioners put a lot back into the community in many ways, and I think that is an unfair slur.

Dr NELSON—Yes, I agree with that. Finally, to what extent was the College of General Practitioners involved in the negotiations over the budget that was delivered this year? Also, to what extent do you feel you will be involved in the budget coming up in May, particularly given this issue about Medicare benefits, bulk-billing and concession card holders?

Dr Bollen—The College of General Practitioners was not involved in negotiations over the budget that was brought down. It was just as much a surprise to us as it was to others. I am hopeful that there will be a greater degree of negotiations so that we can make some positive contributions, including taking forward the idea put forward by the chairman which I think is one that deserves to be fully explored.

CHAIRMAN—What did you think of the changes in relation to Medicare provider numbers?

Dr Bollen—That is quite a separate issue. The issue there is that our college believes that anybody who goes into general practice and practices unsupervised should be appropriately trained. That is an issue that we hold very strongly. And if the issue of provider numbers is limited to those who are in training or who have been appropriately trained is carried out then it will carry out the policy of the college.

There is a world of difference between saying that provider numbers should only be provided to those who are in training or those who are trained, and of saying that there are going to be some that miss out because there are insufficient training places. What we should be saying is, 'Where are the training places? How can we make them available?' That is a response that the profession and the government should be working towards. We should not be arguing that this will mean that there will be more people staying in hospitals for long periods of time because I do not believe that that is a satisfactory answer.

We need to look at training programs, not just in general practice. This is not just a general practice issue. We need to look at training programs that are provided by specialists and by the specialist colleges and start to ask ourselves, 'Why are there such

high failure rates? Does that reflect on the standard of education that is provided to specialists, or does it reflect some means whereby one controls the number coming into a speciality?'

I believe that this is something that we as a profession and you as government need to look at together because I believe that if people go through a medical course and come out the other end they have every right to proceed to be vocationally trained for a particular service within medicine. I do not believe that it is fair to say, 'Well, some are going to miss out.' We must address that issue.

CHAIRMAN—Thank you, doctor.

Ms ELLIS—Dr Bollen, I have to confess that I do have some problems with the proposition that you have put and if I can say that at the outset, and with that basis, I would like to discuss it with you a bit further. Is the rating that you have got in your submission, from A to F, top to bottom, that in order of preference?

Dr Bollen—No, it is not. It is simply to get some understanding of what it is that the card has been provided for.

Ms ELLIS—Let us hypothesise for a minute and let us say that this is an accepted proposal and let us say that it is decided that this will be given a trial. Could you agree that this could be a precedent for other professions—for other deliverers of services to concession card holders—in other areas of the community who might likewise feel hard done by given the number of people with cards as you assert?

Dr Bollen—Can I just return that question by saying: what other group—

Ms ELLIS—I do not know. I am asking you actually.

Dr Bollen—What other private practice group in the community are asked to carry that cost where they do not have any say as to who should have it? Most other concessions, if you read this book, are provided by either state government or local government. As I said earlier, the pharmacist is not asked to carry the difference. The pharmacist is acting as an agent for government and is refunded the difference.

Ms ELLIS—Can I say to you that in my opinion there is not much difference today between a doctor in private practice and some state and federal government decisions in terms of user pays and on that basis this could be the start of a new way of asserting cost sharing. Could you see it that way, too, possibly? If the GPs of the world believe that there are too many concession card holders for them to operate under the current system, what I am proposing is that there could be other areas of service delivery that could say, 'We agree and we believe that we should have a similar concession applied to us.'

Dr Bollen—In truth, where concessions are granted, somebody has to pick up that cost sooner or later.

Ms ELLIS—That is right.

Dr Bollen—If this is what you are asking, I am simply saying that in that case we need to look to see how that might operate in other areas. What we do have to recognise is that concession cards are fairly widely granted these days and certainly in many of our practices they seem to be coming in increasing numbers. It may well be that other providers are going to say the same thing: that they are simply being asked to make their other customers—in our case, our other patients—carry a disproportionate cost because the federal government has decreed that this is how it should be.

Ms ELLIS—Can I ask you how category C—that is the person who is currently unemployed and who has received a benefit in the preceding fortnight—would be operative within a surgery? What would they need to do when they walk into a surgery?

Dr Bollen—They would have their card and they all have numbers on them and it would have C in front of it.

Ms ELLIS—It would not because you can go on and off unemployment benefit fairly promptly with any luck, so I am suggesting that that person would in fact need to walk into the surgery and give proof that they have received unemployment benefit in the fortnight preceding.

Dr Bollen—There must be some sort of butt to their cheque or some sort of document or receipt and that could simply also contain a coding in the number.

Ms ELLIS—It is very evident from where I am coming from that I find it a little bit of a stigmatisation for that person to have to prove that that is the fact rather than there being a universal, automatic, single method of identification. But that is not a question to you. Basically, it is a statement from me more than anything else, if I can put it that way.

I have one last question. You have made numerous references to the number of people holding cards. I know the answer to this, but for the sake of the record could you explain to the committee which of the cards that people currently walk into a surgery with would trigger bulk-billing, where a surgery is bulk-billing? What is required to be produced at the moment by a card holder to receive that service?

Dr Bollen—They need to produce a Health Care Card, a seniors Health Care Card or a Veterans' Affairs card. Veterans' Affairs is a different issue.

Ms ELLIS—I realise that, but that means that there are three identifying cards.

Dr Bollen—Yes, that is right.

Ms ELLIS—Does your college have a view as to the variety of cards that are held out there generally? One of the major points of this inquiry is to look at the range of cards—how many we have and whether we need to condense them in number. Do you have a view on that?

Dr Bollen—We do not have a view on that. It does not really constitute the confusion, as I explained earlier.

Mrs VALE—I would like you to elaborate a little bit on the mechanics of concession cards. It has been proposed to the committee that concession cards be issued in the form of smart cards. This would assist in the verification of eligibility. Do you have any views on that?

Dr Bollen—Provided that, with a smart card, the patient or the holder still has a personal identification number that only they know, so that they can control the information that is extracted from that card, I would have no difficulties. If information could be extracted from that card without the consent of the patient, the holder, then I would have some grave misgivings because the whole issue of smart cards raises a number of questions as to what information could be stored that could be detrimental to the individual. Smart cards are fine provided that we have personal identification numbers that allow the holder to retain control of the information.

CHAIRMAN—Is there anything else you would like to tell us in relation to this subject as we draw to the end of this hearing?

Dr NELSON—Could I just ask Dr Bollen a question, Mr Chairman?

CHAIRMAN—Of course.

Dr NELSON—Perhaps I know the answer to this question too, but you might like to tell the committee, please, Dr Bollen. When a doctor chooses to bulk-bill a person or charge them only the Medicare rebate or refund in response to the production of a card of some sort, is it the government or is the doctor who in fact is providing the concession? Who is actually doing it? We have heard from people this morning that there is an expectation that if I have a Health Care Card, a Pharmaceutical Benefits Card, a seniors card or any one of a number of cards I have a right to be bulk-billed. Could you just clarify that for us?

Dr Bollen—Yes. It is quite clearly the doctor that provides the concession, not the government. This is the difference that I am trying to explain in relation to pharmacists as distinct from doctors. With pharmacists, on the introduction of a differential, whether it be $2.50 up to $17 or whatever it is, the pharmacist does not carry any of that component. If the pharmacist charges somebody $2.50 the pharmacist is reimbursed for the balance.

With a general practitioner, with doctors in general, if the doctor charges the rebate only, then whatever the doctor’s normal fee is, the balance is forgone. Nobody makes it up.

Dr NELSON—Mr Chairman, I have just got a couple of things supplementary to that. It might be a useful exercise, Dr Bollen, if we went through the financial aspects of this. The college, I understand, is responsible for standards in general practice. What would be an appropriate hourly workload of patients? How many patients an hour should

a doctor generally see, to be doing it well?

Dr Bollen—The college has produced standards for general practice, and the document from which I am quoting contains the 1996 standards for general practice. One of those standards is that, on average, each consultation should be at least of 10 minutes duration. So a maximum of six per hour would be seen to be appropriate management. Clearly, that may well differ from hour to hour, because one patient might take an hour, and a number of patients might take only a few minutes if it is simply for immunisation. But on average it is 10 minutes, six an hour.

Dr NELSON—Let us work on, say, six an hour, one every 10 minutes. What is the bulk-bill payment, in this case, being provided to a concession card holder?

Dr Bollen—I think it is $18.95. I cannot give that figure off the top of my head at present.

Dr NELSON—What is the average hourly cost of overheads—staff, rent, medical indemnity costs, medical supplies, all those sorts of issues? How much an hour does the average practice cost to run?

Dr Bollen—Again I cannot be specific, but what I can say is that practice overheads amount to somewhere between 50 and 60 per cent of a practice's gross.

Dr NELSON—Let us say that, for example, three of the six patients were concession card holders which were bulk-billed and the other three were not; presumably, the doctor charged them a fee. If it is a practice, as you describe, meeting the standards which you have developed, then there would be a not insignificant income forgone to provide a service to those concession card holders.

Dr Bollen—The standard consultation fee for general practitioners—as distinct from the schedule fee, which is the government established fee—is around $30 per consultation. So there is a significant amount of money forgone as compared with what one would charge for a private patient.

This becomes accentuated, Mr Chairman, when we are talking about home visits, and it becomes even more greatly accentuated after hours, because an after-hours visit bulk-billed is, I think, $38. How many plumbers would you get to come out, to actually step in your door, for $38?

CHAIRMAN—I suspect you would not get one, certainly not on some nights.

Dr Bollen—I am not comparing doctors with plumbers. What I am saying is that we need to look at relative values.

CHAIRMAN—You certainly would not get a plumber at some of the times that general practitioners are called out.

Dr Bollen—What we do find is that, because of the chronicity of the illness or for a whole variety of reasons, many of the after-hours calls that are provided are provided to people who also happen to have Health Care Cards, and there is an expectation that they will be bulk-billed.

Dr NELSON—But some doctors might choose to see more than six patients an hour. Some, I understand, might see even 10 an hour and then, of course, bulk-bill them all. But one would question the standard of the service.

Dr Bollen—That comes back to what I said in my opening remarks. The people who seem to be successful in terms of dollar terms work on the basis that the more you see, the more you earn; the quicker you see, the quicker you earn; and the more often you see, the more often you earn. That, to me, is unacceptable practice.

CHAIRMAN—It seems to me that the most disadvantaged medical practitioners in the country are those who do not bulk-bill and who are what we would always describe as old-style family doctors.

Dr Bollen—I think that it is reasonable to say that the practice of quality medicine and the taking of time with patients is an issue that we need to explore in a very different way from the way that we are exploring it now. If I get paid the same whether I see somebody for six minutes or for 20 minutes, then human nature might drive me back towards six minutes. I think that is totally inappropriate when somebody needs 20 or 30 minutes of attention. We need to address that, but that is a separate issue.

CHAIRMAN—Are there any concluding—

Ms ELLIS—I have one very quick one. Dr Bollen, do you think it would be wise to have a consideration that we reduce the number of cards issued?

Dr Bollen—I think that what we need to do is to look at why the cards are being issued and what the expectation is of the holders of those cards.

Ms ELLIS—I understand the expectation line, but what I am actually asking you, because you have said frequently today that there is a very high number of card holders—we all know what their expectations are—is whether you believe that government should actively pursue a policy of issuing fewer health care concession cards.

Dr Bollen—Fewer cards or fewer total quantity?

Ms ELLIS—Cards—fewer people holding the concession or Health Care Cards that are a problem for the doctors.

Dr Bollen—What we need to look at is the reasons why the cards are issued. If indeed it is considered by government that there is a need for those cards to be issued, then there needs to be further discussion with general practice about the level of rebate that is provided for people who hold cards. I think that really is at issue. Rather than

saying that we should reduce the cards, I think we should be looking at making sure that those who are card holders are given the exactly the same opportunity as somebody who is paying the full amount for a consultation.

CHAIRMAN—Thank you very much for appearing before the committee this afternoon.

[2.23 p.m.]

NELSON, Ms Rhonda, Policy Officer—Privacy Branch, Privacy Commissioner's Office, Human Rights and Equal Opportunity Commission, GPO Box 5218, Sydney, New South Wales 2001

WATERS, Mr Nigel, Head—Privacy Branch, Privacy Commissioner's Office, Human Rights and Equal Opportunity Commission, GPO Box 5218, Sydney, New South Wales 2001

CHAIRMAN—During the last parliament, I was a member of the House of Representatives Standing Committee on Legal and Constitutional Affairs. At that time, it was stated to us that the Privacy Commissioner, while associated with the Human Rights and Equal Opportunity Commission, is not actually subject to the decisions of the commission. Is that still the case?

Mr Waters—That is correct; the relationship is a little complex, but the Privacy Commissioner is a statutory officer in his own right and takes no directions from the commission. However, the staff that support the commission are employed by HREOC. The commission's role is to provide the resources for the Privacy Commissioner to do his job, but he does that job in his own sole capacity.

CHAIRMAN—Thank you. We have seen your submission. Is it the wish of the committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The document read as follows—

CHAIRMAN—Would you like to highlight the key points in about one minute?

Mr Waters—I shall attempt to highlight a couple of points. You will appreciate that the Privacy Commissioner operates at two separate levels. On one hand, we provide advice to government and to government agencies about safeguards for proposals that have been introduced or that it has been decided will be introduced. We also have an important role in relation to commenting on the desirability of new initiatives and proposals, and the submissions that we have made to you really cover both of those aspects of the commissioner's role.

CHAIRMAN—The fact that the two submissions were intertwined was rather confusing. It probably would have been more helpful had they been separated.

Mr Waters—We apologise if that has caused you any difficulty.

CHAIRMAN—Not difficulty, just extra time.

Mr Waters—The second submission was hopefully directed specifically at the issues that you are addressing in this particular part of your inquiry.

CHAIRMAN—With respect to both of our inquiries, the issue of privacy has come to the fore and, clearly, it is a matter of great interest in the community. I dare say we will be talking to you in relation to our other inquiry, but in dealing with concession cards today, could you outline to committee members the legislative framework for the protection of confidential personal information in Australia?

Mr Waters—At the moment, the Commonwealth government agencies are bound by a set of privacy principles contained in the Privacy Act and covering the whole life cycle of personal information, from collection through to use and disclosure of that information. However, that protection does not extend to either the bulk of the private sector or to state and local government instrumentalities. There are some exceptions to that, in that there are special rules governing the use of tax file numbers and the credit reporting industry. But, generally speaking, once information passes outside a Commonwealth agency, there is no legal protection applying at present.

CHAIRMAN—At present. There is a suggestion that it should be extended.

Mr Waters—The government announced in a discussion paper released in September that they intend to extend privacy protection to the private sector, to the extent of the Commonwealth's constitutional competence.

CHAIRMAN—And you would be in favour of that?

Mr Waters—Yes. The commissioner has called for that over a number of years and we are pleased to see the government responding to that.

CHAIRMAN—Both the Health Insurance Commission and the Pharmacy Guild of

Australia support the introduction of an interactive on-line system similar to Pharmanet in British Colombia. We have some evidence on Pharmanet—and I must say that I personally am most impressed with it—which would link pharmacies with the Health Insurance Commission database to enable the pharmacists to verify concession card holders' eligibility for concessional pharmaceuticals. We also have had evidence that privacy has not been a major concern over there. I think that the citizen over there is able to lock off his information, but that only in very few cases has that actually occurred. Can you tell the committee what privacy issues would need to be considered and resolved for the introduction of such a system in Australia?

Mr Waters—Yes. Most of the concerns that we have about this proposal really reflect the same concerns we had about the earlier proposal in 1989-90. We see very few differences between this current proposal and the one that was canvassed at that time, which I am sure the committee is aware was subsequently abandoned, partly on privacy grounds but mainly on the basis of an adverse cost-benefit report from the National Audit Office.

CHAIRMAN—Such a rreport is always important.

Mr Waters—We would like to see a renewed cost-benefit analysis for the current proposal. We still do not see any figures attached to the proposal and we think that, because of some of the privacy implications that I will explain, there needs to be a clear identification about what are the other public interests and the public benefits that would flow from the adoption of the proposal in precise terms rather than just in general assertions.

CHAIRMAN—Apart from extending coverage of the Privacy Act 1988 to the private sector, what other legislative changes would be necessary to bring about the implementation of a Pharmanet type system in this country?

Mr Waters—In order to bring it about, there would not even need to be that. In order to bring it about to our satisfaction, there would need, firstly, to be coverage of the pharmacists and anybody else involved in the process by privacy laws and also some specific offence provisions relating to potential misuse of the information, not only by those who are authorised to handle it but also those that might seek to procure it. And you may remember from your previous committee's work that that is an issue about the soliciting about information, where there is at the moment inadequate deterrent against misuse.

CHAIRMAN—I understand that the Privacy Commissioner in British Columbia has had the odd complaint about Pharmanet but that Pharmanet is broadly recognised as having been an outstanding success for a number of reasons, and you are probably quite aware of them. Why is it that you have these concerns in relation to Pharmanet? Obviously Canada is a quite similar country to Australia in many respects with respect to values. Why is it that it is okay in British Columbia to proceed but you seem to have grave reservations in this country?

Mr Waters—I would have to say that the British Columbia Privacy Commissioner retains a number of serious concerns about the proposal. You may be aware that he opposed its introduction and was overridden, as the legislature was entitled to do, but he remains concerned about certain aspects of the operation of the scheme. I think a year's operation is too soon to tell whether some of the privacy concerns will be realised.

A lot of the issues that we are concerned about relate to the longer term potential for misuse and abuse of the information and I would emphasise, as I am sure you are well aware, the sensitivity of the information that we are talking about here—the potential for it to be used as a surrogate, and sometimes an inaccurate surrogate, for a person's medical history and the considerable detail that is contained in particularly profiles and histories of drug history over a period of time.

So I do not think that you can rely necessarily on simply the absence of complaints or the lack of take-up of a password option, which I understand was not widely advertised or understood, as being necessarily indicative of the population's satisfaction with that scheme at this stage.

CHAIRMAN—But surely the lack of complaints and the failure to take up the password, but particularly the lack of complaints, is a pretty fair indication that the community is happy. When a government does something and people are not happy with it, I dare say all of us would receive representations from the community. If we do not get any representations, we would consider it is a pretty fair assumption that people are happy.

Mr Waters—Our experience is that, whilst the complaints side of our work is an important indicator sometimes of particular issues, it does not necessarily reflect the breadth of community concern. There are a number of reasons for that. One is that many privacy breaches go unnoticed by the individual. Information can be exchanged and used in ways that affect an individual without that individual ever being aware that it has taken place, and obviously it is only if they are aware of it that they are able to take the complaint up. So I do not think the complaints experience should be relied on as the only indicator of public concern.

Mrs VALE—It has been proposed to the committee that concession cards be issued in the form of smart cards and that this will assist in the verification of eligibility for concession card holders. Do you have any thoughts on that and what kind of problems do you foresee?

Mr Waters—The Privacy Commissioner issued a fairly detailed report on the privacy implications of smart cards earlier this year. We have provided the committee with a copy of that. From a privacy perspective, there is nothing intrinsically privacy intrusive about a smart card. It can be a neutral form of technology. It is really a question of what information is to be stored on it, what sort of backup database is going to be required in order to administer the system, who can have access to it and under what conditions. Those are all issues that already exist. The introduction of a smart card simply brings to the forefront some of those other choices that need to be made, particularly about access control. As you say, Dr Bollen already made that point.

Mrs VALE—That is true. Thank you.

Dr NELSON—We are also doing an inquiry into Telemedicine which relates indirectly to this issue. Some of my medical colleagues who get behind a computer seem to lose a bit of perspective. One person who appeared before our inquiry told us, when asked if there was any concern at all about a health information network, that there were only a couple of small groups with certain religious views who were concerned about it. I thought he was going to name a couple of medical organisations, having said that.

The Health Insurance Commission has told us that it is working with providers to develop a health communication network, and a national framework for it, to have patient information in a computer network. Does the Privacy Commissioner have any concerns about it? I notice that, almost unsolicited, at least two of the organisations we have heard from today who represent real consumers—not some of the other groups I have dealt with in the past—have said they are quite concerned about this.

Mr Waters—There is the general concern that, at the moment, doctors are not covered by binding privacy laws. Whilst we obviously acknowledge and respect the tradition of medical confidentiality, we do not think in the current environment that it is sufficient to rely on that. There is a temptation for people faced with new technology and the benefits that it can bring to maybe lose sight of the fact that they are handling extremely sensitive information and to perhaps do things with it that do not accord with their patients' or their customers' expectations. There is plenty of evidence from the research that we have carried out that individuals and the public at large are significantly concerned about threats to their privacy from new technology in particular.

Dr NELSON—In the course of one of the other inquiries I am on, I stumbled across the fact that at least some state governments and, I think, the Health Ministers Advisory Council are looking at a patient identifier, possibly using a Medicare card number. That reminded me of the debate over the ID card. Does the Privacy Commissioner have a view of this suggestion? I understand that, with a health information network nationally, everyone would have a Medicare identifier number. I ask this because I have constituents who refuse to get Medicare cards and things like that because they are worried about all sorts of things they think might happen to them.

Mr Waters—Clearly, that proposal which is being discussed by the Health Ministers Council does raise the same sorts of issues that were debated at the time of the Australia card proposal. Again, it is not a question of privacy principles necessarily being compromised by the idea of a single purpose card, a health card. Many of the concerns were about the crossover between health and other areas of public administration and use. So it may well be that there is an acceptable development within the health care sector of patient identification schemes, but it would need to be accompanied by some very strict safeguards and, in particular, an emphasis on informed consent of individuals for their participation.

Dr NELSON—Finally, when questioning the Royal Australian College of General Practitioners' representative, Ms Ellis made some comments in passing about privacy

issues in relation to someone being identified as unemployed in the last two weeks. This was in reference to this grading system for concession cards. Is that a concern the Privacy Commissioner would have?

Mr Waters—I think it is a concern that is there whether the system relies on cards or whether it relies on an interactive eligibility checking system. We still think that there are some unresolved issues relating to how pharmacists would deal with the situation of the computer telling them that somebody was ineligible and the individual claiming that they were still eligible and the disputes that could arise in the public setting of a pharmacy. It seems to us, and I think the Pharmacy Guild shares these concerns, that those issues have not really been resolved.

Dr NELSON—Wherever you sit in the economic spectrum of life, I think there must be some concerns—humanitarian, if not privacy ones. It is like being tattooed: 'I earn below $20,00 a year' or 'I earn over $100,000' or whatever you like. Perhaps it is something that we need to be taking into consideration.

Mr Waters—I would say on that score that there are some respects in which technological developments like smart cards can offer a partial solution to that sort of problem. There is a term that we use called 'privacy enhancing technologies'. I would not like the committee to think that our resistance to some aspects of this proposal are a Luddite sort of response. We do see some potential.

Dr NELSON—We do not want a technologically driven caste system developed.

Mrs VALE—One of the issues that you mentioned in answer to Brendan's questions was the matter of informed consent, Mr Waters. What factors do you suggest would constitute informed consent?

Mr Waters—We use that term really to cover a situation, firstly, of where the individual is fully aware as to what is being proposed and they are being asked to give their consent. So, the awareness and education side is very important; but also the genuineness of the consent. In other words, we have come across a number of cases where people are asked to sign a consent but the reality is that, unless they give their consent, they do not receive the service or the benefit or whatever. We would not regard that as within the definition of informed consent. If that is the situation, where the individual is going to be given no choice, they should be fully informed, but they should not be fooled into thinking that they really have a choice. So, when I say that informed consent should be the basis for participation as far as possible in this sort of scheme, I mean genuine ability to opt out.

I would like to make that quite clear, that we are asking for consideration to be given, particularly in the area of the monitoring of drug usage and medication patterns, to the idea that individuals ought to be given a choice in that respect. Obviously, when you come to the eligibility checking and the claims processing side of the proposals, it may not make sense to give people choices. In that case, fully informing them and putting safeguards in place would be appropriate. But there may be some components, and we

would like to see this proposal broken down into its constituent elements—the claims processing side, the eligibility checking side, the drug use monitoring side—as separate parts of the proposal and the privacy costs versus the benefits being weighed up for each of those components.

Ms ELLIS—I have a question to ask you but, before I get on to it, let me put this to you. From what you were just saying in relation to the identification relative to drug use, there would be a need to be terribly careful. There would be some people who could have disease or disorder identified quite easily, I would imagine, in some cases by the form of drug being taken. I think of AIDS as being the perfect example. That is the sort of thing you are saying we need to be terribly concerned about when we look at how we transmit. Just to say that they are taking aspirin is fine; but, if they are taking a drug for a specific purpose that is very easily read, then that is the sort of thing you are getting at there, is it not?

Mr Waters—Yes. We give a number of examples in the submission, I think, of other drugs that can lead to conclusions about some very sensitive information.

Ms ELLIS—The question I want to ask is in relation to the commission's report on the implications for privacy of the smart card and the reference to consideration being given by the Warren Centre for Advanced Engineering to developing a smart card for the management of the pharmaceutical prescriptions. Do you have any more up-to-date details on that project at the moment?

Mr Waters—Not on that specific proposal, no. We have had some discussions with the Warren Centre on their general report on smart cards, but not on that particular proposal.

CHAIRMAN—Does the Privacy Commissioner believe that current encryption technology would overcome some of the privacy concerns that have been expressed? As we have spoken to other witnesses, encryption is often mentioned as a possible solution. What do you think of that?

Mr Waters—I do not see it as a solution. I certainly see it as an essential component of a scheme like this to ensure that at least in transmission between the pharmacist and the HIC the information would be secure against hacking or unauthorised interception.

CHAIRMAN—How easy is it to hack that kind of information?

Mr Waters—Encryption technology is—

CHAIRMAN—Without encryption.

Mr Waters—It depends what other security safeguards have been put in place, but pretty easy for those that are in the know. We have seen enough examples reported of even military level information being hacked into by the enthusiastic amateur. Encryption

is really the only answer in the long term.

CHAIRMAN—Are there any other comments that you would like to make before we close?

Mr Waters—I would just like to touch on the idea of a pilot. I think there have been suggestions made about the need for some sort of pilot or trial scheme. We would certainly endorse that if it is decided to go ahead, but there is not much point in doing a pilot if what it means is designing the whole system and spending all the money and then just applying it in a small local area. By that stage, the money has been spent.

CHAIRMAN—How would you suggest such a pilot should be run?

Mr Waters—We think there should be some piloting of the individual components of this scheme to test out what, for instance, would happen in the situation in a pharmacy—you can do that even with a dummy system, without actually designing the system.

CHAIRMAN—Would you like to let us have a paper on such a pilot?

Mr Waters—We could certainly give you some suggestions in that regard.

CHAIRMAN—If you could pass it on to the secretary we could consider it. Any other comments?

Mr Waters—Really just to reiterate that one other essential safeguard would be, in our view, an extension of the Privacy Act to cover pharmacists and their staff. Whether that be through the general extension of the act or through a more specific part of this proposal does not really matter, but it needs to be in place before a system like this went live.

CHAIRMAN—I thank you very much for appearing before us.

[2.45 p.m.]

MEAKIN, Mr Terry, Vice President, Carers Action Taskforce, 11 Bromwich Place, Menai, New South Wales 2234

WYATT, Mrs Patricia (Trish) Joyce, Secretary/Treasurer, Carers Action Taskforce, 11 Bromwich Place, Menai, New South Wales 2234

CHAIRMAN—I welcome our last witnesses this afternoon who are from the Carers Action Taskforce. Thank you very much for your submission, Mr Meakin. It has been passed around to all of our members and we have looked at it closely. One of our colleagues on the committee, Mrs Vale, has said what wonderful people you are and what a tremendous job you do. Would you like to outline for the committee just briefly the role of the Carers Action Taskforce and how you see concession cards as being important?

Mrs Wyatt—The Carers Action Taskforce is trying to do two things. First, it is trying to raise the profile of the carer. There are so many people who do not even know what a carer is. There are a lot of people taking on the caring role without knowing that they are a carer. Second, and the other side of it, is to help carers financially. We know that the government cannot, at this stage, help the carers financially, so with the help of the carer card we hope to be able to help carers save money.

CHAIRMAN—Thank you. Mrs Vale might like to lead the questions at this point.

Mrs VALE—Mr Meakin, as the Vice President, might have a short announcement to make.

Mr Meakin—Might I reciprocate by telling you that Danna Vale is a wonderful lady, too.

CHAIRMAN—We have noted that on the *Hansard* record. I must say I concur as well.

Mr Meakin—Ladies and gentlemen, thank you for this opportunity. We apologise that our submission has only been really lodged today. We really are thankful to Danna for bringing the hearing to our attention so that we were able to have a late submission. I would also like to say to you that we would like to be able to consider further submissions to you through 1997 as we develop our research and our opportunities to understand how the carers card may well advance to a national basis.

Today I represent the Carers Action Taskforce and, at the same time, I bring to you my background of being raised to respect the Christian ethic of love thy neighbour. I have never been exposed to people who come from a grassroots level that are genuinely looking to help one another, themselves and all the people who do need support. I would like to think that I speak on behalf of 1½ million registered carers throughout the nation, the many carers who do not claim concessions allowances, and those who are cared for because they benefit from the carers, and without the carers, they are not well served.

We have put three recommendations to you. Let us be clear that we are not a service organisation; we do not have the ability to provide statistical research programs, but we have done plenty in a voluntary sense. We are very thankful that we have had the opportunity for consultancy and we are investigating the card systems of this country that currently exist in the loyalty card situation. We have looked at the private sector to see that it might well be linked into as far as technology, and in a financial supportive role to the carers card. And we have looked at the seniors card in the state which crosses into the loyalty card arena because it provides concessions in one part and shopping discounts in another.

I would say to you at this point before I start quickly on the three recommendations, that it appears to me that none of the cards that are in existence—and they have been well sampled, particularly the loyalty card and even the seniors card—have really achieved the goals they have set out to establish because they have not been able to sustain the merchants who, in turn, can support the people that are purchasing. In fact, we feel that there has to be a consolidation and a proper consideration through your committee. There will need to be a joint venture across the board to achieve the consolidation and the success of probably one loyalty card, which may be linked into the smart card.

Our first recommendation relates to your consideration about the pension card system, the concession cards. We are talking from the basis of the wonderful opportunity of looking at other people's submissions, the 36 that I have seen plus one other that I was able to secure that was not published in volume 1. Whilst most of them are impressive, there are contradictions. I would say to you that my exposure tells me that the last one I read—because it was the biggest—from the Department of Social Security was probably the most credible. It opened my mind to the opportunities we have to look at. In fact, I think that it sowed the seeds, and I have specifically referenced parts of that in my written report. I do not need to reference that now, because it is with you in the report. But, in fact, they have suggested the possibility of a national card and total consolidation. That I agree with totally, because of the confusion that is out there amongst the needy, particularly as to what range of cards are available and what entitlements are available.

I move on to the two specific recommendations that are very dear to the hearts of carers. Certainly, I want to reference the domiciliary nursing care benefit to carers. Yes, carers have a pension that is similar to everybody else's pension, and the one other bonus they receive is a domiciliary nursing care benefit. By definition, looking in real terms at your own publications, you might say, being the Department of Social Security, it is very interesting to note that they say:

> You may receive this financial help if you are looking after a chronically ill person who is 16 or over, who gets adequate full-time care at home and who would otherwise be eligible for admission to a nursing home.

This benefit, ladies and gentlemen, is only $57.10 per fortnight on top of the carers pension of $288.90 per fortnight.

I draw your attention again to the three specific parts of the definition, because I put to you that there is tremendous confusion, tremendous contradiction and a lack of understanding of what carers are all about. I even have to tell you that I could reference a paper of the Prime Minister when he very pleasantly launched National Carers Week in Tasmania and spoke about the carers as volunteers. Okay, they do contribute considerably, but they cannot live on volunteerism when they are in full-time employment.

With respect to the first part, full-time care, if—and in most situations it is the case—full-time care is a requirement and the government is trying to bolster the carers' income by giving them the opportunity to go out to work for 10 hours a week, with a proposal now to increase this to 20 hours a week, how on the one hand can they be giving full-time care and on the other hand be going out to work for up to 20 hours a week? It is just not a reality. I think, in fact, it is an attempt to buck-pass the cost.

I submit to you that there obviously is a contradiction, and it is an unrealistic solution to even be offering this work opportunity to carers who are already committed full-time to those for whom they care. The bulk of them are. Then it says that care is required at home and full-time. Again, I ask: how can the government introduce the opportunity that is upon us for the carers to live elsewhere while they are to provide full-time care? The full-time care is 24 hours a day, seven days a week. You cannot be in two places at the same time.

I put to you something that I believe is so wonderfully significant. The question raised by the third part is: how much is really understood about the carer's role? I can respectfully tell you that the carers know because of the associated stresses and strains. Being eligible for admission to nursing home is the significant part for the care recipient. Does this itself not identify the intensity of care needed to keep a care recipient out of a nursing home and in their own home? We know that that is a government stated policy. They are trying to cut the cost of welfare.

Does it not also suggest that substantial nursing home subsidies are saved? I submit to you that these savings are estimated realistically at $8 billion per year, and I submit to you that they are significantly higher, and that is on the backs of the carers. The total national cost of concessions—and it is in the submission of the Australian Bureau of Statistics—is $4 billion per year. It could be said that carers are doing plenty, in more ways than one. I say quite seriously that I want you to look at that statistic, because there is nobody in this land who is giving service who works for their pension and at the same time is saving the country as much as what it would cost to sell Telstra per annum.

Mrs VALE—Thank you. I wonder whether you could outline for committee members and the record the objectives and function of the carers taskforce.

Mr Meakin—Yes, but I would like to be able to conclude on the submission of the carers card. I am sure that Trish can give me support. She lives it, and I understand what it is. I suppose it is fair enough to answer that question. The Carers Action Taskforce has come about because they feel that the government and governments of the day are taxed beyond any sensible expectations of further funding. They are also aware and

disappointed that their representative organisations do not appear to be providing the necessary service that would give them satisfaction. I say 'appear', but in reality it may well be true.

The great news is that these people are standing up for themselves. In six months, the Carers Action Taskforce has come out from the ground to say, 'We have to help ourselves.' That is what the taskforce is all about. It is representative of the carers themselves, who are so busy anyway. It is not easy to identify the carers because of privacy considerations. It is also not easy to gather them together in membership to be able to achieve the goals of helping yourself.

In six months, the taskforce has become representative of 340 people. It is likely that, with the work ahead of us over the next few years, it could stretch to thousands. You have a 21-year caring association that has, in fact, a representation of 1,500 members. We will be able to give them tremendous support in building the membership because of need. Is that a satisfactory explanation?

Mrs VALE—Yes, it is. Could you tell us for the record whether any of your members who receive the carers pension also receive the pensioner concession card?

Mrs Wyatt—Some do. The ones who receive the carers pension receive the pension concession card. But a lot of carers do not qualify for the carers pension, which is very sad. For example, if a man who has worked and paid taxes for 30 years has to retire early to care for his wife, he has to use up most of his superannuation before qualifying for the pension, even though he is still working. He has no chance of retiring. He may have given up going to a nine to five job, but he is still working. He is either caring or on call for 168 hours per week.

Dr Nelson made a comment earlier about doctors earning $65,000 for a 65-hour week. I would like you to compare that with a carer who is caring or on call for 168 hours a week and earning $144 per week with a pension and $28.50 per week with a domiciliary nursing care benefit. There is no comparison. It is not done on a volunteer basis. In most cases, it is because they have to. It is done out of love. I am sure that if love were not involved, no-one would put them through the caring role. A lot of them do it because they cannot stand the thought of their loved one being cared for by a complete stranger and having complete strangers come into their home who are not qualified in the first place. A private carer from Homecare, for example, can in no way be fully qualified for every aspect of caring for a person where there is a husband and wife or parent and child. There is just not that commitment. We really feel it is time that carers got back something for all the work they put in.

Mr Meakin—I will go on from there to finish off talking about the benefit. It could be said that we need the government's support to substantially increase it, even though I say in the first place that we know the pressure is on the dollar to spread it. I have also included with our submission today a 10-minute tape of an interview of Alan Jones with the Parliamentary Secretary to the Minister for Health and Family Services in Victoria. I have introduced the booklet to you, where they have a budget to spend $100

million over the next four years. We are very impressed by their recognition of the need to support carers. I am afraid that we do not have that at this stage in New South Wales. At the same time, I encourage your government to look at the pilot that was set in Melbourne. On this tape, they talk about the benefit being frightening.

Mrs VALE—Mr Meakin, do you have any details of the initiatives in Victoria?

Mr Meakin—Yes. A booklet has been submitted to you. It is with the secretary now. Obviously, more can be obtained.

Mrs VALE—It was just for the record.

Mr Meakin—It is for the record. The third recommendation is that we are trying to achieve our goal of helping ourselves. We cannot achieve anything without some form of government support, I am sorry to say, because so much can be done but so much needs funding. The third one is for you to provide endorsement and funding assistance for the enhancement of the carers card so that—the obvious one—goods and services might be effectively purchased at discounted rates in the open marketplace. We have put it in detail in the submission.

It is very important that we bring in the question of services and training. We are not just talking goods. Nobody in the land is doing that with the current system. We need to encourage the merchants, and I say again that nobody is doing that. It is a bonus that we must help business trade. Those businesses can in turn give back the discount that can save governments from providing subsidy. We must work at a joint venture where we all work together.

We need to create successful marketing across the nation, because we are not greatly successful in marketing. We have to look seriously at this joint venture so that we can achieve something that does not bankrupt us by trying to extend the welfare system too far. What can I say? No group of people in this land provides more support for cutting the welfare cost of the country than the carers themselves. But they cannot carry it on their back.

We need your support to introduce a loyalty card and extension of the carers card across Australia. Again, I put a submission to you that we could consolidate the concession card across the land. I believe that we can. We are foreshadowing the amalgamation of the health benefits card into the health carers card in July 1997. One card will be eliminated. With all due respects, we could well bring an involvement of the seniors card by the various states and territories as well. We have many submissions saying that there is a problem in the interrelationship between the states and the usage of the benefits that come from those cards.

One problem may well be the funding of it. But if ever I saw something clear, this is one time when the government should well be keeping its money to provide concessions and taking it back from the states and consolidating. One report says that on the one hand the states have a responsibility for distributing money but that, on the other, the national

government, through each department, has the responsibility for administrating but not for policing the problems of the cards. So there is a need for consolidation.

CHAIRMAN—Mr Meakin, thank you very much for your opening statement. I assure you that it was the most fulsome opening statement that we have had during this inquiry.

Mr Meakin—My deafness brings out my voice.

CHAIRMAN—Because it was a late submission, obviously we have not had the opportunity to read everything that you have included.

Mrs VALE—For the record, Mr Meakin or Mrs Wyatt might explain exactly how the carer card concept works.

Mrs Wyatt—What we are doing at this stage is running a pilot project in Sutherland Shire. We are trying to get as many retailers as possible to offer a discount to holders of the carer card. To get the carer card, carers contact us and we send out an application form. The bottom part of the form has to be filled in by a doctor or a registered nurse to prove that they are a carer. Then we send the carer card out to them. The retailers have a window sticker saying, ‘Carer card accepted here. We care about carers.’ We are hoping that having this sign up in as many windows as possible is going to increase the profile of the carer. People are going to be saying, ‘What is the carer? What is the carer card?’

CHAIRMAN—How many do you have up?

Mrs Wyatt—None at the moment. They are going out this week.

CHAIRMAN—So how many do you anticipate will be up shortly?

Mrs Wyatt—I would say in the early twenties at this stage, but it is nowhere near enough. Because of lack of funds, we have a lack of advertising at this stage. But we feel that, as soon as we start getting them out there, people are going to see them and start asking about them.

CHAIRMAN—So how many carers cards will you issue?

Mrs Wyatt—We have 1,500 printed at the moment.

CHAIRMAN—What benefits will the card offer?

Mrs Wyatt—On average, retailers are offering 10 per cent discount to holders of the carer card. We have some retailers who offer the carer 50 per cent as long as the person they are caring for is with them and pays full price. For example, a coffee shop might give a 50 per cent discount to the carer as long as the person with them pays full price.

CHAIRMAN—How do you define ‘carer’ for the purposes of the carer card? Is that a person in receipt of a carer’s pension?

Mrs Wyatt—No.

CHAIRMAN—It would include those people but others also?

Mrs Wyatt—Yes. Our definition of a carer is a male or female who cares for a relative or friend who is frail, aged or disabled. There is no age limit. It does not matter if they are under 16, because there are 33,800 carers in Australia under the age of 15 who do not get any recognition at all.

CHAIRMAN—That is frightening, is it not?

Mrs Wyatt—It is scary. My eldest daughter was my part-time carer before I remarried, and she was my part-time carer between the age of eight and the age of 12.

CHAIRMAN—You must be very proud of her.

Mrs Wyatt—I am very proud. But we had no idea there were thousands of other children out there doing the same thing, and it is about time that these children receive recognition. They are giving up their childhood. They are going to school, but before and after school and weekends their time is all taken up with caring for disabled parents. It should not be happening, but there is a lack of service out there and also child carers are very shy to speak out. They do not want their friends to know that they have to go home to change their mother’s catheter bag. They do not want their friends to know that they cannot go to the movies because their mother needs them to do the washing and the cooking. It is heartbreaking, and it should not be happening but it is and we have to acknowledge these carers.

So it does not matter if they are 10 years old, if they are a carer and they have a doctor or a registered nurse willing to sign a piece of paper to say that they are a carer, they can have a carer card. It does not matter if they are 90 years old. If someone has been caring for their son or daughter who was intellectually disabled for 50 years, for example, they can have a carer card. These elderly carers are very concerned and are asking what is going to happen to their son or daughter when they pass away. They are scared.

CHAIRMAN—I can understand that. So often you see parents who have spent their entire lives looking after children who are disadvantaged in some way and that would be a very real worry. I think Ms Ellis has a question.

Ms ELLIS—Yes, I have a couple of questions. They are really just to give me a full understanding of your group. You have already told us that there are 340 members. You are obviously a new group. Are you only located at this stage in your own region?

Mrs Wyatt—No. We have a few interstate members but most are spread all over

New South Wales.

Ms ELLIS—So it is fairly localised at this point. How far in distance do you go?

Mrs Wyatt—It is localised to the point that the pilot project for the carer card is in the Sutherland Shire. But we have phone calls daily from people in the central coast, Bourke, the south coast, all over the place. We have a few members in Queensland, a few in Western Australia and a couple in Canberra.

Ms ELLIS—How have they heard about you?

Mrs Wyatt—Mainly through the *Carer's News* and the MS magazine.

Ms ELLIS—Are you associated in any way with the Carers Association of Australia?

Mrs Wyatt—No.

Ms ELLIS—Is that a purposely decided thing? Is that a decision that you have made?

Mrs Wyatt—We have fairly regular meetings with them. We have finally convinced them that we are not trying to take over the Carers Association. We are not trying to push them out of the way.

Ms ELLIS—Have you tried these ideas of yours through their organisation?

Mrs Wyatt—When we first suggested the carer card to the carers association they said, 'We thought about that a couple of years ago and decided it was too hard.' So we thought, 'Well, we'll do it on our own.'

Ms ELLIS—Do you think that it should be a federal or a state and territory responsibility to pick up the idea of the carer card and take it through to its fullest potential?

Mrs Wyatt—Federal.

Ms ELLIS—You happen to be dealing in an area that is one of my pet projects and one that is closest to my heart. I am a carer, and I have been a carer of my elder brother basically all of his life, but I am now a distant carer. My mother has been a carer all of her life, so I have a very strong understanding of where you are coming from. In relation to the children/sibling carer role, you will be pleased to know—and I am pushing it like billyo from where I stand—that the Carers Association now have programs acknowledging children carers. I was at a function in carers week in my own electorate run by the local Carers Association for that very purpose. I think it is one of the best things that has started to happen.

Mrs Wyatt—They are doing research into child carers, which is really good. I also know that Interchange are getting involved.

Ms ELLIS—Putting on my devil's advocate hat for a minute, you have heard other people through the day say that we have too many cards. I do not necessarily agree with that for a range of reasons. We might be able to streamline the number, but the implication I do not like. How will you handle that critical comment?

Mrs Wyatt—A comment I do have to make came from one of our local MPs.

CHAIRMAN—No-one here at present?

Mrs Wyatt—No, guaranteed. He said, 'If I had my own business, I would be much happier giving this discount to a carer with a carer card than an elderly person with a seniors card who probably has three times as much money as I have.'

Ms ELLIS—We could all be a position of making these judgments, like the fellow from the college of practitioners who made similar judgments.

Mr Meakin—I would like to comment that the actual number of cards is not really the point. It is the administration and the management of the packages and how they interrelate. There is no doubt that there are administrative problems. Again, I refer you to the Department of Social Security itself.

I would like to return to your previous point to Trish. We are here because we have to be here to make a submission on behalf of carers. The national body or the state body were not playing an advocacy role. I am surprised by the lack of submissions from the state government of New South Wales. I am surprised that the people who are on loyalty cards have not made a submission in New South Wales. We are a very tiny group of people with a lot of heart and a lot of momentum, but we are saying that the federal government needs to understand what we are about so we can work together.

Ms ELLIS—I happen to have a strong belief, from the very core of my belief in politics, that there are certain things governments should be responsible for. I believe carers should be receiving far more than they have received. I think that any concession that can be made to carers should be made by government rather than by the private sector per se.

Given that, I am not indicating my lack of support for your project. I am saying that I would prefer to see it coming from a different area, because I think there are certain things in our society that governments should be responsible for. Because the government is the community.

Mrs VALE—I will really have to second that, Ms Ellis, because the carers are actually saving this country so many billions of dollars.

Ms ELLIS—But because you also want to.

Mrs VALE—Exactly. But not only that—they are the only people who are recipients of a pension from the government who actually have to work for that pension.

Mrs Wyatt—We have been told by so many people, 'You can't increase the carer's pension without increasing all the other pensions.' I say, 'Hang on. Carers are the only ones who not only have to work for their money but save the government money.'

Ms ELLIS—With disability and health care needs and carers' needs, I would like to see the budget for respite care for carers quadrupled tomorrow. There are a range of things that I think we should be doing as government. I am not part of the government now, but if I was I would be arguing just as strenuously anyway because that is what I happen to believe in.

Mr Meakin—If I can just pick up one very important thing there, you talked about respite and the government is looking to increase its funding. There is a pledge to do that. But there is a very significant problem here—I come from this industry and I can tell you that we are not providing the accommodation to take the respite. I listen to the people who say that there is a problem with the aged in that they are not taking up the respite. I say, yes, but you are talking about nursing homes where it is not appropriate for people under 60. We are not providing the supported housing that will take the children.

Ms ELLIS—There is a very good thing, Mr Meakin, called in-home respite.

Mr Meakin—Yes, that is right.

Dr NELSON—On the issue of children as carers, the census figures that I saw show about 35,000 under the age of 15. I have been involved with this Angus Swain foundation—

Mrs Wyatt—His mother is one of our members.

Dr NELSON—Right. If the government was to provide some kind of support for children as carers, have you given thought as to what form that ought to take?

Mrs Wyatt—I personally do not see why they should not receive some kind of financial help, as well as organising some way for someone else to come into the home and take over their role so that, as kids, they can get the time out they need with their friends—even if it was a weekend a month away somewhere. We cannot expect our children to be doing these things without the government giving something back. I do know that Interchange organised a weekend for child carers and Angus Swain was one of the kids invited to it.

We found out afterwards that it was a weekend sleeping on the floor of the Interchange office and going next door to an inside rock-climbing place. That was their big adventure. I think they watched videos and probably got pizza—and that was their big weekend away. I do not think that is good enough. I think kids want to go out to the beach, out on a camp with other kids, to go horse riding or out on a boat. They need to be

doing exciting things, not sleeping on the floor in an office. They can do that at home.

Mr Meakin—I am very pleased to see your aggro and emotion on that particular issue. Can I suggest to you that we should be looking across the whole spectrum, because the children are neglected and, on the disability side, when you come to age 18 all of a sudden you become an adult and you are thrown out for nothing. Carers themselves have a real problem with that because they cannot access the respite that they could up to the age 18. With 60-year-olds it is the same. You get to 60 and all of a sudden you are cast away from what you are used to because of certain reasons. What we want to do is to look across the spectrum and try and solve all those problems. Okay, it may take 10 or 20 years and a lot of hard work, but they are out there.

Mrs Wyatt—A carer is a carer, no matter what their age. Why does Social Security automatically put someone onto an age pension when they turn a certain age? They are still a carer. Because of what Social Security does, they are automatically taken out of those statistics. If the ABS does a survey or a census, they are not included in that group of carers because they are over 60 or over 65, or because they are under 16, and a carer who has a disabled child under the age of 16 does not get the carer's pension. They are not classed as a carer because someone, in their wisdom, decided that it is no harder and costs no more to look after a disabled child than any other child.

Dr NELSON—Just to come back to it, if the government were to make some kind of money available to a child carer, should it be paid into a trust which is then paid out upon their turning age 16 or 18, should it be paid into a trust which makes an annual allocation for the kind of relief that you describe, should it be paid into some sort of account as an allowance in the name of the child to be drawn by a guardian or a parent? That, of course, may be open to some sort of abuse. How do you think it ought to be paid?

Mr Meakin—I welcome the opportunity. Remember I foreshadowed that we would like to extend our submissions to you. You raise a very important one. You obviously cannot pay an allowance to a child that does not know how to manage the dollar. It would be hard to believe that there would be the situation of a child looking after somebody that did not have mental abilities, because you would have a dual situation of disaster. You would hope that there would always be somebody that was in a position to be able to look to the management of the dollar, but there would be situations where we need to bring in management or trusteeship of some kind. I would like to think that we will come back to you within—

CHAIRMAN—Would you like to make a further submission on that and pass it on to the secretary for distribution among committee members?

Mr Meakin—Yes, on that particular one. It is a very important issue.

Dr NELSON—For what it is worth—I do not mind saying this at the risk of being criticised—in Australia we spend money on the wrong things. It costs me $10 a day to put my dog in a boarding kennel but, as you said earlier, we pay $37 a fortnight for carers

who are looking after human beings who have significant needs. I get very upset because I see governments spending money on the wrong kinds of people, whose needs are considerably less than those of people in the situation that your people are in.

Mr Meakin—In a sense, it is very difficult to be judgmental, to take something off somebody to give it to somebody else. That is a job that is difficult but you have—

Dr NELSON—I would have no trouble doing that with some—

CHAIRMAN—I suspect it is often political power and perhaps carers have not really had a lot of political punch.

Mrs Wyatt—They have not.

Ms ELLIS—How long is it since the carer's allowance came in?

Mrs Wyatt—I think the domiciliary allowance has been in for about four or five years. It is not a long time.

Ms ELLIS—There has only been a very short time in our history when we have actually used the term 'carer' and applied it in a proper professional fashion. But that is the important thing we have to keep in our minds as well: where we are in historical terms.

Mrs Wyatt—Yes.

Ms ELLIS—Sorry, Brendan, I interrupted you.

CHAIRMAN—We have got time for perhaps another one or two questions.

Mrs VALE—I wanted to ask Mr Meakin or Mrs Wyatt if they had any other matters that they wanted to bring to our attention today.

Mrs Wyatt—I would like to make three requests, and I do not know if these requests are possible.

CHAIRMAN—A request is always possible; the fulfilment may not necessarily be.

Mrs Wyatt—The first request is that, because of privacy laws, information about the carer card be distributed to carers and care recipients via mail-outs done through Social Security, ageing and disability or other relevant government departments, because we have no way of getting out to all these homes. The statistics are that one in five households have a care recipient, someone requiring care. Without having thousands and thousands of dollars to do a mail-out to every household in Australia, there is no way we can get to them.

The second request is that retailers providing discounts to carer card holders

receive some kind of tax break or incentive to help the carers. Perhaps it could be that the discounts they provide are seen as a donation and therefore they can claim them as a tax deduction. I really feel that the government needs to give the retailers some kind of incentive to give the discounts. The other one is that the carer card be accepted for public transport concessions, because we know of a lot of carers who do not qualify for the pension but they may be caring for their mother who does, and the mother gets the concession but the carer does not; and that is very unfair.

Also brought up earlier was the matter that dependents do not get the concessions. We have that situation ourselves. Roy and I both have travel concessions. We have six children between us—three of whom live with us—and none of them gets the concession. Therefore, we cannot afford to go anywhere by public transport because we cannot afford to take them with us and we cannot leave them behind.

CHAIRMAN—And that would render your own concessions virtually useless.

Mrs Wyatt—Exactly. They are.

CHAIRMAN—The matter of transport concessions, whilst certainly within the area of our terms of reference, is directly a New South Wales matter; and it is probably something that you could take up with Danna Vale, with a view to seeing whether the New South Wales government might be prepared to assist in that area. Is there anything else that you would like to say?

Mr Meakin—Yes. I would like to answer a question that you have asked a few times today. I would like to just reference the smart card. I would say a simple thing about the smart card: it is going to be upon us—it is already upon us—and it is a good thing in technology. The simple matter is that it has got to be balanced between good privacy considerations and the worthwhile benefits that might accrue to all who receive concessions and allowances. We have the problem that we cannot get to the carers, either because they do not identify themselves or because we have no access because of privacy. You would have to ask yourself how we can help them, because they find it very hard to help themselves. There has got to be a balance between the two, and I am sure that is what you are looking at.

I also tell you that I have just come out of a government department. I am not going to mention its name, obviously, but there are 8,500 clients who are arguably the most disadvantaged in the state, and nearly every one of those is on the list of high brokerage as far as insurance is concerned. They have a better computer record of the clients than the office itself does. Where is the privacy? You have to ask yourself that, and you have got to draw a balance somehow.

CHAIRMAN—Indeed. Thank you very much for appearing before the committee this afternoon. You are going to let us have a further submission and, if you have further thoughts concerning the terms of reference between now and when we report, please feel free to write to Bjarne Nordin, the committee secretary—he is only a postbox away—and we will be more than happy to circulate that for consideration. Before we conclude the

proceedings today, I dare say that Mrs Vale would be happy to move that we accept a submission headed 'Carers Action Taskforce' and that we publish that submission.

Mrs VALE—I certainly will.

CHAIRMAN—Is it the wish of the committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The document read as follows—

Resolved (on motion by Ms Ellis, seconded by Dr Nelson):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 3.31 p.m.