



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

**Reference: Poverty and financial hardship**

TUESDAY, 1 JULY 2003

LISMORE

BY AUTHORITY OF THE SENATE

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**SENATE**  
**COMMUNITY AFFAIRS REFERENCES COMMITTEE**

**Tuesday, 1 July 2003**

**Members:** Senator Hutchins (*Chair*), Senator Knowles (*Deputy Chair*), Senators Humphries, Lees, McLucas and Moore

**Participating members:** Senators Abetz, Bishop, Carr, Chapman, Coonan, Crossin, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Harris, Lightfoot, Ludwig, Mason, McGauran, Murphy, Nettle, Payne, Tierney, Watson and Webber

**Senators in attendance:** Senators Forshaw, Hutchins and Moore

**Terms of reference for the inquiry:**

To inquire into and report on:

1. a) the extent, nature and financial cost of
  - i) poverty and inequality in Australia
  - ii) poverty amongst working Australians
  - iii) child poverty in Australia; and
  - iv) poverty in Australian communities and regions;
- b) the social and economic impact of changes in the distribution of work, the level of remuneration from work and the impact of underemployment and unemployment;
- c) the effectiveness of income-support payments in protecting individuals and households from poverty; and
- d) the effectiveness of other programs and supports in reducing cost pressures on individual and household budgets, and building their capacity to be financially self-sufficient
2. That in undertaking its inquiry, the committee also examine:
  - a) the impact of changing industrial conditions on the availability, quality and reward for work; and
  - b) current efforts and new ideas, in both Australia and other countries, to identify and address poverty amongst working and non-working individuals and households.

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**Subcommittee met at 9.06 a.m.**

**CHAIR**—I declare open this public hearing and welcome everybody who is present today. The Senate Community Affairs References Committee is continuing its inquiry into poverty and financial hardship. The committee is pleased to be visiting Lismore and other regional centres around Australia, as it will provide a valuable opportunity to hear the views of local organisations and individuals about the impact of poverty and financial hardship in local regions. The committee is particularly interested in hearing about the different issues and difficulties that regional areas face in comparison to the metropolitan capital cities.

The format for today's hearing will be fairly informal, as we are here to listen to people's views. Today's program includes representatives from a number of community groups; however, the committee will endeavour to provide as much opportunity as possible for other groups and members of the public to speak with the committee.

[9.07 a.m.]

**SNELLGROVE, Mr Stephen Frederick George, Senior Financial Counsellor, Lismore and District Financial Counselling**

**CHAIR**—Welcome. I now invite you to make a presentation, which can take the form of a statement summarising your views or highlighting any issues you would like to emphasise to the committee.

**Mr Snellgrove**—Thank you. I have put together a small issues paper and some of my fanciful solutions which I hope people will be able to take on board and which I will leave with the secretariat at the end. I would like to talk to it in general terms from my perspectives as a financial counsellor who has worked for 13 years in this area. Financial counselling has proved over the years to be a really cost-effective way to deal with financial crisis and where possible to deliver community education. The problem is that the amount of demand for the service is now putting incredible stress on the very limited services available.

For example, in the first six months of this year we have seen a 30 per cent increase in the number of people approaching us who are suffering severe financial distress. The number has risen from 166 people in the period January to June 2002 to 220 people in the same period this year—that is a 30-odd per cent increase. Of those people, 30 per cent are coming to us asking about bankruptcy, 25 per cent because they are in credit difficulties and another 25 per cent because they are facing the consequences of debt recovery action. We are looking at most of those people coming to us as a result of indebtedness which has come about through a number of issues that I will outline during this presentation. Of those clients, at the moment about 14 per cent are from the Indigenous community and about 5 per cent from the non-English speaking community. I think this emphasises the benefits of having a grassroots approach, which our service has taken, to make sure we are reaching people at all levels of the community.

To give you an example of how thin financial counselling is on the ground, from Coffs Harbour to Tweed there are part-time services—Tweed and Murwillumbah get two days a week of financial counselling services, Lismore, Ballina, Casino and all our outreaches get 3½ days a week, Coffs Harbour and Grafton get two days, and Mullumbimby and Byron Bay each get one day. That means we are very thin on the ground and the pressure put on us by clients obviously is very large.

At the moment we have a four- to five-week waiting list for face-to-face clients. Of course, people in crisis need to be dealt with quicker than that, so we are having to always invent new strategies to try and at least speak to people before the crisis becomes a disaster. Enough about us—let's talk about what our clients are facing. One of the big issues happening at the moment involves real estate and housing. The real estate boom is pushing house prices up and, with that, rents are going up. From talking to people working in the tenants' advice sector, it seems that Ballina is experiencing a real crisis in affordable housing.

For many people on low incomes, paying for housing is now a very large percentage of their income—often 50 to 60 per cent is going on paying rent. The rent assistance that has been made

available is just not matching the level of rent people are being forced to pay. The fact that most of the accommodation in this area is private sector housing, and with people now moving into investing in real estate, people are finding the stability and continuity of their housing is also affected. If you are trying to get into housing commission, waiting times are incredibly long—sometimes impossibly long. If you happen to be a single person trying to find somewhere to live on a Centrelink income or a very low wage, the chances of you finding somewhere of your own, rather than having to share, are very slim.

This whole issue is now exacerbated by the TICA tenancy registry listings, which is really making it very difficult for people who have a financial crisis. That financial crisis—with creditors at their back—may mean they stop paying their rent. They then get listed on the TICA registry. They can then find it very difficult, if not impossible, to find quality accommodation in the area. This puts them in a cycle of no escape because that listing stays there forever—it may be five years, I am not sure what the length of time is. Even if they address that arrears and pay it when they get themselves together—if they go to financial counsellors and sort their lives out—they still face this long-term difficulty of finding housing. This then forces people into housing on the outskirts of major communities, which means they may have a transport issue. It means that people then have to look more towards caravans and low-quality accommodation.

A second part of the TICA listing, which really concerns me as a financial counsellor, is that things like bankruptcy have been listed on the TICA. We see people in severe financial distress who are then having to consider bankruptcy and then also have to consider the impact on their future tenancy. If someone is being made bankrupt for a debt which is nothing to do with housing, it seems totally iniquitous to me that they can then be barred from getting housing because it is a debt that came about through something else. That is an issue which I really think has to be addressed to make sure that people do get a fair go. For many poor people who are in a difficult situation, when they actually make the decision to come for help—like coming to our service—it is really hard for us to say, ‘Yes, we can help you with this but you are still going to have this or that blocked off to you.’ For some of them it is just a case of ‘What’s the point?’ It is a real concern in this area.

The cost of rent factor, amongst other things, is creating real problems of homelessness in the area. Our neighbourhood centre has just moved recently. We were opposite the shopping square. The homeless breakfast every morning had 25 to 30 people turning up for breakfast. The accommodation broker based at the neighbourhood centre is constantly having people coming to try and find some sort of accommodation. People are forced to live in pubs and caravan parks just to get some sort of crisis accommodation.

Lismore at the moment has no emergency accommodation available. I think it is something we really have to move towards, getting regional areas being able to set up refuge type hostel accommodation where people can be given somewhere to go, get a start, move on and start to address the other difficulties that come through.

Added to that problem of having to spend so much money on housing, there is also the transport problem. Transportation in this area is dire—I do not think there is any other way to describe it. If you do not live on the highway corridor, public transport is almost nonexistent. School buses are maybe the only way you can drag yourself in from outlying places. If the only

place you can find low rental accommodation is out of the main areas of population and you then have to have a car to get in and out, it puts another huge stress on very limited finances.

There is a real issue around this whole area. You really do need a vehicle to do anything in this area, such as visiting a doctor. I work in Lismore and I cannot get to where I live on a bus. It is impossible. The last bus goes before I finish work, so I have to have a car. We are in the situation now where people are forced to have vehicles. But, if they are on very low incomes, they are finding it very difficult to maintain the costs of those vehicles. So people are having a very real dilemma about whether they end up isolated or whether they have a car. What happens if they cannot afford to get that car registered? Do they take the punt of getting it registered? You may say, 'You shouldn't break the law' but, if you are faced with your kid sick—or, even worse, Centrelink is telling you that, if you do not come in, you are going to be breached—it is a very real temptation to jump in that car and drive in. There is a huge problem caused by transport and a huge problem caused by accommodation, which are the foundations of all these issues in this area.

Adding to that, we have the fines regime in New South Wales, which has been in all the papers very recently. For me, working with people who are in financial distress, the lack of a way forward if you are in the fines loop is really crucial. People come to us trying to sort their lives out. People are not forced to see financial counsellors; people make a very conscious decision to come and see us. They are trying to sort their lives out and move forward. It is very brave to tell a complete stranger that your life is an absolute mess, but that is what people do. If they have got fined, we have nothing to offer them. If they have \$3,000 or \$4,000 worth of fines, they are on a Centrelink pension or a very low wage, their licence has been revoked, their registration has been cancelled, then basically you are telling them, 'You've got to raise that money before you can get it back.' People cannot do that. People end up continually offending. As they keep reoffending, the fines keep mounting and the problem becomes insurmountable.

Certain communities in this area where this sort of issue is rife find themselves in a cycle of no escape. We really need to have issues made where we do give people a one-stop chance—'Okay, you have done this, we understand you are trying to sort it out: we will give you one go at doing this'—to give people that sense of moving forward. At the moment, people are being knocked back in every area. They get knocked back trying to get their fines back, they get knocked back because they have got a bad TICA listing and now, when they have got debt, they find they are being knocked back very regularly by any debt collector to any reasonable sort of repayment they can make on their income.

There is an issue of the employment-Centrelink trap which means that, for people who are trying to get off Centrelink and move on to employment, the sort of clawbacks that happen in that very small area at the beginning make it very difficult. Huge overtaxing can happen in terms of what people lose, and there is nothing more soul-destroying than sitting down with somebody who is trying to get their life in check and say, 'If you take this job, by the end of the day you are going to be no better off than you are now—plus you are going to have the costs incurred by going to and from work.' Until we can bring some incentivisation in there to make people want to get into the work force, we are going to continually put people in this trap—especially if, to go to work, they suddenly have to have a car because there is no public transport. They have got to have more money, not just the money they are on at the time they are on Centrelink.



That employment-Centrelink trap is a very big issue here. We have very much a part-time, casualised employment force in the region. We have to look at issues like the fact that more students are having to pay parts of their loans, which means that more and more students are looking out there for the sort of employment that people from a lower socio-economic group may have been able to take up in the past. That is now being competed for by people who are from a higher socio-economic group and are willing to take the lower wages for the short term. There is even a squeeze coming in that casualised, part-time work that is available.

Back to financial counselling: what are we seeing as the real concerns and the creators of even greater poverty in the region? The first one is the availability of credit. Many of our clients seem to have multiple creditors and, although we do appreciate there is an onus on the client not to be going for extra credit, if you have got to feed your kids or keep the car on the road there are some real imperatives here. The issue for me is the fact that the credit providers are not doing adequate credit checks to find out whether people can really afford to pay back the loans they are being granted. People under pressure are easy prey for credit providers, and the social costs to their families can be enormous.

At the moment, I am dealing with a 74-year-old whose credit card payments are 55 per cent of his Centrelink income. How has a 74-year-old been given \$10,000 worth of credit? I have no idea, but that is the situation. He is on a pension, and he has been on a pension for 15 years. He is living in a commission house. He has no equity. Yet he has got these debts, and he is basically having something like \$10 to 20 a week to live on. He relies on the goodwill of the welfare associations in his area to survive. It is of real concern to me that that person was not screened out at an early stage, because you should not be giving that much credit to someone with that much income. It is just unbelievably ridiculous.

Then there are the people who actually do get credit with the credit limits. The way credit limits are increased is absolutely farcical. People get a letter through the post asking, 'Do you want more credit?' I put it to you that, if your kid was sick, you had to go to Brisbane to take the child to a hospital appointment, your car needed new tires and someone offered you \$1,000 worth of credit, you would have to be incredibly strong-willed to say, 'No, I'm not going to do anything for my family. I'll knock it back.'

The onus must be turned around and put on credit providers to do adequate credit checks. They are fast enough to chase people when they do not pay; they should be put in the situation of checking. We are seeing a lot of people with mental health issues who have absolutely no concept of these credit issues. We had a guy who was suffering from schizophrenia. While he was in the middle of an episode he walked into the credit provider and they offered him \$7,500 credit. He took the money, he spent it and he gave it away to all his mates. He did not know what he wanted it for. When he came out of hospital, he realised what he had done and he tried to commit suicide. There are all those issues, but why was the credit provided to somebody who was on a pension at that stage and was in an unfit position? Suddenly they are given huge amounts of credit which they do not understand. I would like to see some sort of provision in place where mental incapacity is a position where you could have a debt waived.

The outsourcing of debt collection is another practice that is really rife at the moment. It has brought about a second issue because it has created a break between the granting of the credit and the collection of the debt. The agency makes the credit available, but now no longer has to

try to find a solution when people cannot pay. It has been farmed out to debt collectors. Unfortunately I have to say, based on my experience—and I will say before I go any further that I only see the bad—that many of the credit providers are not looking at debt collection and many of the debt collectors have very little understanding of the law governing debt recovery or bankruptcy. So many times I have been told, ‘It does not matter if your client is going bankrupt; we can still chase them for the money when it is over.’ That is totally incorrect information.

There are codes of practice in place, we know, but people are never informed of their rights to seek redress under the codes of practice. Scare tactics are the order of the day, not resolution. If a debtor makes a realistic offer, based on their budget, to pay back a debt, they are routinely rejected. This creates a lack of self-confidence in the client. Some people just put up a wall and say, ‘What is the point?’ We then have a situation where people are either having to pay—as we said—50 per cent of their income to cover a debt, or they are going to be chased by the courts. Those issues are rife. I see them every day. We have seen about 220 clients. Every one of those walking in has a credit debt which they cannot meet. But I would say that 90 to 95 per cent of all the people we see want to pay their debts. They are not trying to run away; it is just that the mechanisms that the market demands are such that they cannot meet those demands.

Privatised, off-site debt collecting agencies are just after one thing: the debt collection. They do not care about how the debt came about. You then have the issue that the debt collector does not really care if there was a problem in the granting of the debt, and the agency that you are trying to deal with does not care so much any more because it has already been dealt with by debt collectors. That lack of the linkage which always used to be there is a real issue. You used to have a friendly bank manager, now you have a friendly ATM which sits in an office.

Our clients know nothing about their rights. Day after day and week after week we have to go through the very basics of the law on debt recovery. This means that disenfranchised people in poverty are easy prey to pressure, scare tactics and undue harassment. This is a great concern. We have all this stuff out there about making sure people know their rights, and in fact they do not have a clue what their rights are. The credit providers damn well know that and exploit that to the maximum. In this area at the moment we are suffering from terrible problems with payday lenders who are exploiting the weakness in our community. We have come across people being charged 240 to 360 per cent interest on loans, which is quite outrageous. These have been taken to the CTTT but only on a one-to-one basis.

**CHAIR**—Was that the CTTT?

**Mr Snellgrove**—The Consumer, Trader and Tenancy Tribunal in New South Wales. But those are only taken as a one-on-one victory; they are not taken as a victory against the whole organisation. Getting our client, who was an Indigenous chap, to take on this put enormous pressure on him. He got all his interest back in the end. We could not even go through the publicity for his case. He was too scared to even have it advertised. He said, ‘I don’t want my name to be known in my community as being mug enough to take this loan out.’ Generally, most loans in this area range from 43 per cent to 47 per cent, which is just under the legal limit of 48 per cent in New South Wales.

**CHAIR**—That is interest, is it?

**Mr Snellgrove**—That is interest. On a \$1,000 loan, there may be a \$350 fee to open up, 43 per cent to 47 per cent interest, \$5 for every letter, \$5 for every phone call et cetera—an enormous range of other fees and charges. The real concern is not only the high interest but also the fact that these loans are now being secured over people's furniture and vehicles. In the past, if people had loans that went through the civil debt recovery process, at least their furniture would be protected. Now, people have their beds up, their fridges up—all the items are listed on these forms—so they are now forced to have to pay these loans, even though under civil debt recovery if they were not secured loans those items would be protected.

**CHAIR**—Would you be able to send us a copy of a form?

**Mr Snellgrove**—I am working with Legal Aid in Coffs Harbour. There is a legal aid solicitor called Paul Batley in Coffs Harbour who has a folder on all this. I can do that. We have approached ASIC with regard to the debt recovery practices of some of the organisations in our area. At the moment, they are considering an investigation into one of those. But what that means now is that people on a low income who are desperate get sucked into these things. They see the advertising in the paper: 'We can lend to you, whatever your situation.' So they take up the offer, and then they find themselves tied in an even tighter knot. If they do not pay, the little vehicle they have saved all their life for is going to go or they will lose the TV, the fridge, the lounge—everything. Even if we can challenge that through the courts on a one-to-one basis, there are many more people out there who will not know about that. What that means is that families suffer because that creditor will get paid first. Other creditors suffer because they will not get paid. Even if the person goes bankrupt, that creditor still gets paid because those things are subject to a secured loan and therefore are still subject to being removed.

**Senator FORSHAW**—Who is providing these loans that you are talking about?

**Mr Snellgrove**—They are franchise organisations. The ones we are working with at the moment are Gold Coast based. They are based in this area. Some of them advertise just in the paper. They work on commission. We knew of a new organisation that was coming up. They were advertising recently. Someone I know went along to get some information—not me—about how they work, and they found out it was commission based. If you sell a loan, you get a commission. If you do not sell a loan, you do not get a commission. The levels of commission are so low that if you can afford to knock them back, you will go bust very quickly. So there is an imperative on finding a way through this.

**Senator FORSHAW**—They are small finance providers, are they?

**Mr Snellgrove**—One thousand bucks; 2,000 bucks.

**Senator FORSHAW**—They are not major financial institutions, banks or even solicitors?

**Mr Snellgrove**—No, they are on-the-edge lenders. I will name the organisation I am talking about: City Finance.

**CHAIR**—They were named in Ballarat yesterday as well.

**Mr Snellgrove**—There are a few others as well that we are coming across. Their franchising is very difficult. When you ring people up they say, ‘But the law says that we can do this’—and they are talking about Queensland law. We have real problems. We have organisations which are still threatening people’s stuff when it is secured and saved by bankruptcy because they are just going on other states’ legislation. That is a real issue for me.

There is a simple solution to that, as far as I can see, and it may seem very far-fetched. If we could make it that basic household items and a small vehicle were protected in all credit transactions, exactly the same way as they are in bankruptcy, then we could remove this threat from all these small credit providers. They would have to be much more careful in their assessment. Bankruptcy gives you certain protections and that should be the way. I would like to see no credit provider putting household furniture and small vehicles, under a certain value, as security on a loan unless the loan is for the purpose of buying that item which is secured.

**CHAIR**—We had this raised, as I said, in Ballarat yesterday where it seems that Victorian law says, with regard to household items, that you can take the bedhead but apparently you cannot take the mattress. They never mention vehicles but that is how they get—

**Mr Snellgrove**—What they are doing here is actually circumventing the law on recovery by getting things put up as goods mortgages. Therefore they become a secured item. I have a client at the moment who originally had a car under one of these loans, changed it to another car when that car was kaput, and now has the whole of his household furniture and effects up. So they now are absolutely tied tight. The cars are gone and now if they choose not to pay they have got the threat—real or not, we are not sure, but as far as they are concerned it is very real—that they are going to have an empty house to go home to.

I would like to raise a few other issues—I know I am raising a lot but I have an opportunity so I am going to keep going until you stop me. Mobile phones and young people is a huge issue we are coming across. Most of our younger clients have multiple phone deals, and they have no understanding of the real costs, the cancellation fees or the consequences of non-payment. This is true of credit across the board but more so in this area where it is a trend or fashion item. I do not know how many people are going to start getting these ones where they can look at each other across the way. I do not even have a mobile phone—I am a total Luddite.

**CHAIR**—Some bloke in Silverwater did.

**Mr Snellgrove**—Yes, he did, didn’t he? I think the one they are advertising on the TV now is \$2,500 over whatever period. It is really tempting, it is really sexy and it makes you great amongst your mates. Then you end up seeing somebody at the age of 22 or 23 coming through our doors with a whole raft of these accounts—Telstra, Optus, Vodafone, MobileNet et cetera—and they have other debt and they just end up with a really bad credit rating.

**Senator FORSHAW**—Another point is that, increasingly, the offer that is made is that you virtually get the phone for free or for a dollar but then you are locked into the contract.

**Mr Snellgrove**—And people not understanding the situation.

**Senator FORSHAW**—With the call costs on top of that.

**Mr Snellgrove**—People seem to think that if they stop calling that is it. Of course, they still have to pay out the rest of the contract.

**Senator FORSHAW**—It is a situation of making the credit appear easy or almost inexpensive, like you were saying earlier.

**Mr Snellgrove**—That is across the board in all of this. Credit is being thrown at people. It is no good people saying, ‘They are meant to read the contract.’ In a lot of our cases we are talking about people from low socioeconomic groups or with a low level of education and who have absolutely no idea what this is all about. They just want the money. They have no ability to understand the contract. Just saying, ‘You read the contract, you signed it,’ is just to me an irrelevancy. It should be much more incumbent on credit providers to make sure—irrelevant of whether people are signing—that they can actually afford to pay it back.

**CHAIR**—We have a few questions we would like to ask you. We might just let you finish and then go onto them.

**Mr Snellgrove**—I have just one other thing I want to throw in. We have tried proactive grassroots community education. We did it last year, and we won an award last year through the Office of Fair Trading for the work we did. This is a big area where there needs to be a lot more funding—working with communities at the community level, not training that is based on someone coming up with a pack somewhere in Sydney, Melbourne or Canberra. It has to be stuff that comes up through the community. We have been out to talk to people in land councils, we have been out to talk to young people, and we have asked them, ‘What are the issues that you want addressed and how do you want them addressed?’ It is not about what we want addressed. We found it extremely illuminating in that we were told that 90 per cent of all the stuff that they had ever read was gobbledegook; there were too many words, it did not make any sense and it had no meaning for them. They wanted simple, straightforward and blunt information that told them what would be happening. Culturally appropriate information is also important.

Finally, medical costs are also a big issue in this area—bulk-billing is something we hear a bit about. Even if there is a bulk-billing doctor in the region, you have to travel a long way to see them, and then you may be hit by the travel problem. Many specialists are on the Gold Coast or in Brisbane and you have to try and get up there. If you have a sick child and you are on a low income, you are in trouble because you just cannot stretch the money that far. Those are some of the issues. I have written down some of my solutions which I will pass on.

**CHAIR**—Thank you very much. I will start off. To what do you put down the 30 per cent increase from this time last year to now?

**Mr Snellgrove**—I put it down to the fact that things are just so much tighter—people have less money available because of rent, there are the issues of social security and travel, and credit is more available. We do not even advertise. I do not think our number is even in the telephone book because we are so heavily oversubscribed. Word of mouth is a huge issue for us too. Working with communities like the Indigenous community and the NESB community—which is what we have been doing—creates that sense of trust, and people then come to us because they trust us. It is an important issue. You have to build the grassroots. When I see what people’s credit is and the level of income they have, it is quite mind-boggling that people have been given

so much credit. A lady pensioner I spoke to was 55 and she had \$24,000 worth of credit card debt. She had been granted the credit. It is just hopeless.

**CHAIR**—As you know, we have just started visiting regional Australia as part of our inquiry. You have highlighted a few things which I think would be different in regional areas than in metropolitan areas, like access to transport and health. Is there any other particular thing that—based on your experience—you see as being different in metropolitan Australia than in regional Australia, where the effects of poverty and financial hardship might be different? You can think about that one. You can come back to that maybe when Senator Forshaw has a question.

As I said, we have heard of City Finance all up and down the coast now. I do not think they got named when the Australian Consumers Association appeared before us but Catherine Wolthuizen, who was on the television this morning, talked about credit surfing, inadequate checks for people being lent money and all those sorts of things. Laws on people borrowing money from City Finance and all that are, as I gather, governed by state legislation. Would that be your understanding?

**Mr Snellgrove**—The 240 per cent was a deliberate attempt to circumvent the consumer credit code.

**CHAIR**—The 240 per cent?

**Mr Snellgrove**—One of the credit providers in this area was charging 240 per cent interest on their loans.

**CHAIR**—Is that 240 per cent what you get after you have been paying \$5 a letter and \$5 a call?

**Mr Snellgrove**—No, that is 240 per cent interest. They actually stood up at a tribunal and admitted it.

**CHAIR**—Was that City Finance or their franchisees?

**Mr Snellgrove**—No. That was a different organisation who were trying to work under the Pawnbrokers Act, but they did not take anything under control. When they were taken before the tribunal, that was shown as illegal access to interest and the interest had to be repaid.

**CHAIR**—Was the tribunal the CTTT?

**Mr Snellgrove**—The CTTT in Lismore.

**CHAIR**—So it is New South Wales legislation?

**Mr Snellgrove**—Yes.

**CHAIR**—Or state legislation?

**Mr Snellgrove**—What was the question?

**CHAIR**—The question was whether, as I understand it, the people who are supplying this finance are governed by New South Wales or state legislation.

**Mr Snellgrove**—The consumer credit code.

**CHAIR**—Are credit cards still governed by state legislation?

**Mr Snellgrove**—Yes. When the legislation came in it was supposed to be uniform across the country. It has been adopted by all states. However, there are slight variations in each state. In Queensland they did not put a 48 per cent cap on interest. So it is very tempting for someone on the Gold Coast to try to run down here saying, ‘There is no 48 per cent interest cap.’

**CHAIR**—Is the only way that is exposed when it comes to your attention?

**Mr Snellgrove**—Yes, and by having to take it through. We had to get a lawyer up from Coffs Harbour to take the case to the tribunal to represent the client. The client would not have been able to represent themselves. There is no mechanism; you have to take it on an individual basis. That is the real issue here.

**CHAIR**—Senator Moore arrived with us last night but her bag arrived only this morning.

**Senator MOORE**—No, it hasn’t! I do apologise for arriving late.

**Mr Snellgrove**—We are talking about not only the excessive amount of credit that is available under these franchise payday lenders but also the excessive amount of credit available through the major institutions. There are two lines to this.

**CHAIR**—Can I ask this question. What would people do if they did not have access to this finance? I could possibly understand young people not knowing about mobile phones, but if you are an adult you know you are possibly entering into a pact with the devil once you go and see one of these finance companies. It is not like borrowing money from the Commonwealth Bank.

**Mr Snellgrove**—We are talking about that. If you have a Commonwealth Bank credit card—and I am not naming a bank; you have named a bank—and they offer you another \$2,000 or \$3,000 on your credit limit, that is the same type of action.

**CHAIR**—The same as borrowing money from City Finance?

**Mr Snellgrove**—I am saying it is giving extra credit to people who are already way past what they can afford to repay. By giving people more credit, you take away the point of dealing with the problem. You move it from being a small crisis—which we as a financial counselling service may be able to assist them with—to a major crisis which may have only one avenue of outlet, which could be bankruptcy. Asking, ‘What would people do without the credit?’ is like saying, ‘Okay, we’ll give you a bit more credit so you will have another six months of happiness and then in six months time your life is going to be even worse.’ People do not see it like that at the time, but that is the long-term impact. I would like to see much tighter restrictions put on availability of that credit. Even when they have a problem with their debt and they try to redress it, they are being generally knocked back by credit providers and debt collectors from the

perspective of a realistic repayment on their income. We have a real issue there. You are asking what people would do without it. My answer is that they would have to confront their problems and deal with them earlier.

**CHAIR**—Finally, before Senator Forshaw asks you some questions, in our hearings throughout the country you are the first to mention pawnbrokers. Are pawnbrokers a problem, in your experience?

**Mr Snellgrove**—I am talking about the payday lending, which is linked to pawnbroking.

**CHAIR**—Are they the same places now?

**Mr Snellgrove**—The organisation I am talking about was not a pawnbroker; it was set up as a credit provider under the Pawnbrokers Act. It was using the shield of the Pawnbrokers Act to allow it to charge excessive rates of interest. It did not act as a pawnbroker at all.

**CHAIR**—It just used that as the cover.

**Mr Snellgrove**—It said, ‘We will take this item, which we will under a normal, secured loan—a goods mortgage.’ Then they would say, ‘We’ll take that for the loan,’ but instead of taking it and putting it in the shop or the yard, which they would do under pawnbroker rules, they let you keep it. In fact, it was not pawnbroking; it was credit providing. That organisation still exists. They have closed their offices in Lismore and are now working by a telephone number, but they are still in existence.

**Senator FORSHAW**—Thank you, Mr Snellgrove. You have given us a pretty comprehensive coverage of the issues you wanted to raise, and I thank you for that. You have raised quite a number of issues we have heard about, but of particular relevance are the issues in terms of regional and rural Australia and that is most informative. With respect to the increase in the number of clients you are now seeing, you said the number has gone from 166 to 232—

**Mr Snellgrove**—220.

**Senator FORSHAW**—220, sorry—in the two six-month periods, which is a 30 per cent increase. I presume that 220 represents a lot more people, because many of the people would be from a family.

**Mr Snellgrove**—Yes. We do not break up a family group. That could be an individual or a family of 10.

**Senator FORSHAW**—So it is 220 separate—

**Mr Snellgrove**—It means that 220 issues have come forward, and of that well over 30 per cent are bankruptcy. People are now coming in to us and saying they want to go bankrupt.

**Senator FORSHAW**—So it could well be a lot more than 220 individual people.



**Mr Snellgrove**—It is a lot more. In some cases we are talking about families of seven or eight people being affected by that one issue of debt.

**Senator FORSHAW**—How long has your service been operating?

**Mr Snellgrove**—Thirteen years.

**Senator FORSHAW**—Have you ever seen it this bad?

**Mr Snellgrove**—No, this is the highest figure we have ever had. It has been going up gradually over the years. The number of clients I have seen in the first six months of this year would have been almost a year's worth three or four years ago.

**Senator FORSHAW**—So it is not explained simply as more people becoming aware of the service and therefore seeking assistance that they may have needed in the past but did not have access to?

**Mr Snellgrove**—Because our funding has not increased in the last six, seven or eight years—apart from in line with the CPI—people are having to be much more patient to come and see us now. People are really having to put in the effort to see us and they are having to wait because we cannot see the number of people who want to see us, on the day they want to see us.

**Senator FORSHAW**—You also mentioned employment. We have heard around the country about the problems of accessibility to full-time employment. Many families are now having to survive on combinations of casual and part-time work and so on. I understand that is a particular problem in this region of the North Coast, which has some of the highest levels of unemployment and the lowest levels of employment vacancies in the country. We know some of the reasons for that, including changes in the industrial and agricultural base up here. Many industries that have traditionally employed a lot of people in those areas have moved or ceased to operate. What is happening with employment services? We used to have the CES. Do you have employment services in this town?

**Mr Snellgrove**—We have employment services. I do not have any issues around employment services, so it is not something on which I can make any comment.

**Senator FORSHAW**—Okay; maybe I can ask someone else. The final issue I want to raise is credit, which Senator Hutchins touched on. People use credit cards because they need to actually buy items like food, or whatever it is they need; and the availability of easy credit may mean they are getting into purchasing items they do not need and they should not be extending themselves. On the issue of repayments, you said there should be greater checks on the sorts of credit limits people are able to access. Also, with many of these credit cards, the minimum repayment requirement can be very low, so the debt level can accumulate—I am talking about Bankcard and Visa cards et cetera. You can have a couple of thousand dollars worth of debt and you only have to pay off \$50 a month or something.

**Mr Snellgrove**—Yes, but if you have two or three of them, that is a huge chunk of your Centrelink payment.

**Senator FORSHAW**—True, but I suppose I am looking at whether there are mechanisms in terms of the repayment cycle that can be looked at to assist people to keep their debt levels manageable.

**Mr Snellgrove**—As I said earlier, I find that almost all our clients want to repay. The thing that is stopping that repayment in many cases is the total intransigence of credit providers to come to any sort of realistic repayment solution—they have a rule, and that is the rule. It gets farmed out to all the private debt collecting agencies, which are on a recovery process to make money for themselves as well. Obviously, they are in businesses, and I am not denying that people are in business to make money. You are asking whether there is room there.

People want to pay their debts. They do not come to me and say ‘I want to run away from my debts.’ People come to me because they cannot get anywhere with making payments to creditors on the level of income they have, and creditors do not want to know. If you try to negotiate with Optus for a repayment on a phone bill, they want it paid off in four or six weeks regardless of your income. We are talking about a situation that totally disempowers the customer, makes them feel totally useless, destroys their self-esteem and puts pressure back onto services like ours to go in and negotiate. Five years ago, we would not have had to do that.

**Senator FORSHAW**—One of the examples you often see is an interest-free loan with no repayments for 12 or 24 months.

**Mr Snellgrove**—What a disaster that is.

**Senator FORSHAW**—The attraction is there to take up that offer. I always understood you had to be able to put down say, a third or a quarter of the cost anyway, but that seems to have gone by the book. What you find is that up front it looks good; but the trouble is that the debts accumulate.

**Mr Snellgrove**—Where that really hits is when you have a situation like the one we have been talking about. You have a credit card that you are managing, you have something else that you are managing, you take up this offer and then 12 months down the track you have another huge payment to make and suddenly the whole thing goes kaput. Interest does not collapse on you at the point of taking it. The credit collapses when it accumulates. You are asking, ‘Should people have it available? What would they do without it?’ Eventually if they do without it, they will have to deal with it because they will end up doing without it anyway in the end if they are bankrupt or being taken through the courts and their credit rating is totally destroyed by Baycorp, or whoever the credit reference agency is.

**Senator FORSHAW**—So your service is ultimately about teaching people how to manage their debt?

**Mr Snellgrove**—We are dealing with people at the point of crisis all the time. You are saying that this credit is available and asking what people are going to do if it is not available. If they keep taking it, eventually they are going to get to the point where credit will never be available to them because their credit reference will be too bad or they will be bankrupt and they will be stymied. That short-term fix of a bit of credit means in the long term that they may no longer be able to get any credit at all for the rest of their lives. In a society where credit cards and those

types of things are becoming far more important to people's survival, that is going to make life far more difficult in the long term. In answer to your question, if you do not have extra credit, you have to face reality and try to deal with it. All extra credit does is move the crisis on for another six to 12 months.

**CHAIR**—When I asked you about the 30 per cent increase in your clients and you went into detail, you said 50 per cent of them were bankruptcy issues, 25 per cent credit difficulties and 25 per cent debt reduction. Is that 30 per cent in any one of those categories or is it over all of them?

**Mr Snellgrove**—When we take our clients in, we record the initial inquiry. So, of the initial inquiries coming into our service, 30 per cent plus of all of them say, 'We want to go bankrupt.' A further 25 per cent say, 'We are so far into our credit, we don't know what to do.' Another 25 per cent say, 'The courts are chasing us; what do we do now?' The remainder are tax balance issues. We end up, most probably, doing a bankruptcy interview as a matter of course with every client who is in debt because we have to give them their options, but that 30 per cent are the people who actually present with bankruptcy issues. People are already deciding or being told to go bankrupt—and one of the problems for us is that creditors are now telling people, 'You'd better go bankrupt; it is the only way to deal with it.' So when they come to us they have already got that seed in their mind. Many other community services who cannot handle it or have not got the time to do it also say to people, 'Why don't you go bankrupt.' In response to your question, that is the answer given to the initial inquiry as to why people come through our door.

**Senator MOORE**—Where is the closest office of ITSA that you deal with here?

**Mr Snellgrove**—We actually have a very good working relationship with the office in Sydney. On a bimonthly basis, officers of ITSA come up to Lismore, take over my office and see local clients who need to discuss bankruptcy or hand in bankruptcy petitions. We have such a good working relationship that we are now seen as the bankruptcy experts in the area. We get referrals of bankruptcy from solicitors, ITSA, Legal Aid, and local accountants and we have direct contact with the offices of the Deputy Official Receiver and the Official Receiver and the 2ICs down there, so we can discuss each individual case before it comes in. So we are able to solve that problem of distance by having a very good working relationship which came about initially through my work and the work of George Caddy when he was the Official Receiver.

**Senator MOORE**—Is it that personal link and then building up the delivery of the service and so on?

**Mr Snellgrove**—Absolutely, it is vital. It makes a huge change to someone who is going bankrupt when they can actually hand it over to someone from the bankruptcy trustees, know that it has been accepted, walk away with their bankruptcy number and know that they can get on with their life. It is a huge benefit.

**Senator MOORE**—They feel that they are talking to a person and not a phone line.

**Mr Snellgrove**—We will deal with them and act as an intermediary but, if they need it, we can put them directly in touch with Bob Cruikshanks, Terry Castrides, Flo or anybody down there and they will deal with them on a one-to-one basis for us.

**Senator MOORE**—You mentioned the people who are selling off the debts to the larger debt collection agencies. I am from Queensland, and we have a number of those people in Brisbane—they are growing monumentally in number and taking over whole floors of buildings. My understanding is that they get a whole company's debt; they get a list of everything and their job is to sit on the phone and discuss repayments with people and that one of their options is to look at the issues of bankruptcy when they are talking with people on the phone. Have you heard that from your clients?

**Mr Snellgrove**—It sounds like a PR exercise. Our clients are not being told, 'You have a range of options'; they are being told, 'Don't pay—we'll take your furniture.' I am sorry, but that is the reality of it. They say things like: 'Tell Mummy to come to the phone. If Mummy doesn't come to the phone, she's going to be in trouble.' Recently we have had a creditor ringing up clients and saying to them, 'If you don't come to the phone, we're sending the police around and you're going to jail.' It might be that, at the higher echelons of management, there are codes of practice which say, 'You must not do this. You must introduce the codes of practice. You must introduce the rights of the customer.' Unfortunately, at the grassroots level where people are under real pressure and the politics of the office are to be hard and tough, they are hard and tough.

**CHAIR**—Thank you very much, Mr Snellgrove. That has been very helpful.

[9.56 a.m.]

**GATES, Mrs Janet, Director, Counselling, Lifeline Northern Rivers**

**HARVEY, Mr Terrance Eric, Business Manager, Lifeline Northern Rivers**

**CHAIR**—Welcome. The committee has before it your submission. I invite you to make a presentation, which can take the form of a statement summarising your views or highlighting the issues you would like to emphasise to the committee.

**Mr Harvey**—I have a dual position, because I am Business Manager for Lifeline Northern Rivers and I also do volunteer work with Steve Snellgrove's service one day a week. I concur with the issues that Steve raised. The other aspect with the payday lenders is that the biggest problem is the inconsistency between state and federal laws. It is a matter for us to identify loopholes and then try to develop tactics to make options more representative of what our client can afford. That is a side issue.

As to Lifeline Northern Rivers, I have done a little bit of research and I would like to read it out. It is a statement more than anything else. I would like to commence my presentation by questioning the need to conduct a forum on poverty in the first place. From my readings of history in respect of the various societies on which we base our social system, poverty has been a fact of life for well over 7,000 years. Over this time, I would have thought someone would have learnt something about the consequences of having systemic poverty in a society.

Poverty has been documented in ancient Egypt, Greece, Rome and in the Middle Ages in Europe and Asia. All had similar circumstances underlying why poverty existed—that is that wealth, and the power to generate further wealth and to maintain control of this wealth, was concentrated in a very small number of families whilst the majority of the population was left to fend for themselves as best they could. These regimes no longer exist.

The consequences of having a country's wealth so narrowly distributed, leaving many people without access to income support, is well documented in recent history. The first example is the 1845 to 1848 famine in Ireland, where over three million people of a population of eight million either died of starvation or immigrated to build a better life for themselves and their families. The second example is that poverty is one of the underlying reasons why the 1917 to 1925 Russian Revolution occurred. This resulted in the death or relocation of approximately 30 million people. The third example is probably the most devastating of all. Severe poverty was the principal reason why Adolph Hitler came to power in Germany during the 1930s, and we all know what the results of that event were.

I believe the consequences of having a society that regards poverty as being someone else's problem are fraught with danger. This is an issue that has to be dealt with on a national basis with compassion and not, as has happened in the last 25 years, with it being seen as part of the so-called economic cycle and with blame being placed on the victims not the system. I see a need to view poverty as a problem to be solved by society with input from all sectors of government.

In this region, the reason why poverty is such an issue is because up to 75 per cent of the population rely, either directly or indirectly, for their income on some form of government support, be it from a federal, state or local government level. The true number of unemployed or underemployed in this region is largely hidden because of the use of statistics. Since 1987, statistics have been used to reveal the number of unemployed instead of the actual figures as previously. This tends to distort the real position regarding the true number of welfare recipients in the northern rivers area—be they on a pension, a student allowance or Newstart payments.

Current government policy over the last 25 years has moved from placing emphasis on social justice towards the Americanised system of focusing on families as being part of the economic system. This means that families are viewed from an economic perspective and not as part of a social or nurturing system that places value on people and their role in society and not on what they contribute to a country's wealth.

To see where these types of policies lead, the income distribution statistics published in America last week showed that the top 400 income earners declared a combined income of over \$40 billion. The next tier of 3.5 million indicated that their income was over \$200,000 per year. What that highlighted was that the income gap between the haves—the 400 highest earners—and the next 3.5 million was huge. No explanation was given as to why that was so. The other factor in American society is that it is reported that the prison population in the United States is always between three million to four million people at any given time. This is in a country of about 300 million inhabitants. Do we want to go down that path? I think not.

The lack of employment in this region is a huge problem. What research I have done shows that the adoption of an economic rather than a social justice policy perspective has meant that goods and services that are provided by the various public authorities are now provided on an economically sustainable basis and not on a needs basis, with many potential users unable to access a particular service because it is no longer locally available.

With more government agencies forced to consolidate in capital cities or the larger regional towns, many people who cannot afford to travel are unable to access a service or receive vital medical treatment. In addition, those employed by the affected service provider are either forced to move with the service or remain behind and rely on the social security department for assistance—that is, they become part of the welfare recipient system. Either way, the total regional income declines.

What I am talking about there is that Mr Howard and every other economist—or whatever—like to emphasise the fact that the multiplier effect of one government dollar spent in a region can generate four to eight times that amount. If a person on an average income of \$800 a week working for a government department either moves from that area—so that is a gap of four times that \$800—or goes on the dole for \$160 a week, or whatever it is—so that is a \$650-odd gap—and you multiply that gap four times, that is income that will not be spent. The economic base is eroded by government policy—that is where I am coming from.

The other thing is that, where those employed by the affected services are forced to move with the service or remain behind and rely on the social security department, the population shift means that the demand for goods and services provided by the various banks and other businesses decreases, resulting in further industrial decline. As jobs are no longer available,

families are forced to move to areas where better employment prospects may be available. Local services are then further reduced. It is a dog chasing its tail effect—it is a vicious circle.

Where families are unable to move from this area because of lack of financial resources or a high level of existing debt, then it is more likely that emotional and mental health problems will occur. This leads to further demands on the already limited services of the community to support agencies in this region. To compound this population loss, young people leave the area to pursue careers that are no longer provided locally, leading to an ageing population in this region, with other issues emerging that contribute to a higher level of poverty—for example, the lack of bulk-billing by doctors or the lack of a properly funded dental health service.

With respect to Lifeline's direct contribution, in the last two years that I have been business manager, the requests for material assistance, which is furniture and so on, has risen by 130 per cent—not to mention over 5,000 crisis telephone calls from people in the northern rivers region. So Janet Gates's service handled over 5,000 phone calls from people in crisis situations. That is why Lifeline exists. All of these requests for assistance have been met from our own resources without any government financial assistance. I believe this trend is an accurate indication that poverty in this region is becoming an increasing problem and not, as the government would have us believe, just part of the economic cycle that will automatically fix itself over time.

In conclusion, this vicious circle of withdrawal and further withdrawal of employment prospects is what has emerged in the northern rivers area. Smaller villages have lost services that have been centralised in the larger regional towns. People seeking to access these services are forced to travel using their limited resources or go without. Therefore, I believe that greater focus should be placed on creating more full-time, long-term employment rather than the short-term Work for the Dole programs, which appear to be created in order to distort the real employment situation in this region.

**CHAIR**—Mrs Gates, would you like to add anything?

**Mrs Gates**—I would like to add a different perspective to that. First of all, Lifeline Northern Rivers is situated in Lismore. We cover an area from the Tweed in the north, Grafton in the south to Kyogle in the west. That includes rural towns such as Casino, Tabulam, Bonalbo, Woodenbong, Urbenville, Kyogle and Uki. Our main core business in Lifeline is the delivery of a 24-hour, seven day a week telephone counselling and referral service. Due to the demand over the years, we have now introduced a face-to-face counselling service and a gambling counselling service. We receive no government funding to operate the centre, and we are reliant on the income from our shops to do that.

Counselling is offered by trained volunteers. Training the volunteers is taking up more of our time, because we cannot retain them for as long as we used to. The reasons why people volunteer are to help others and, for those who are students, to get experience working with clients or because it looks good on a resume. I would estimate that about 80 per cent of our telephone counsellors are unemployed and that at least half are wanting to work in the social welfare area. What I see as one of the larger problems in retaining our telephone counsellors is the fact that they come from all over this area to work with us in our centre—to do their shifts—and the cost of petrol is huge. The price of petrol has increased tremendously in rural areas, and they just

cannot afford that extra \$10 or \$15 petrol to come to and from the centre if they are on unemployment benefits or any other benefits.

When we are looking at what is the most important thing for people, we are looking at the basic needs for survival, which are food and shelter. This city lacks both in many ways. A big social problem in the town related to poverty is homelessness, and often related to homelessness are mental and physical health problems. Some of these people who are homeless experience dual diagnosis of mental health problems and addictions and others are homeless because they just do not want to go home. Social isolation, relationship issues and mental health problems are the main reasons why people call on our Lifeline phones.

In many ways I believe we have lost sight of the foundations for social justice in our country. That is, people have equal rights as brothers and sisters with the same Father in heaven, and our role is to support the suffering and the poor. I do not think we do a very good job of that. Poverty is being considered in terms of financial hardship, when an individual can be impoverished in so many other ways that are less measurable: loss of hope for the future to ever be better and loss of self-efficacy—that is, the belief in oneself that we can do what we need to do. This city does not have a night shelter or short-term refuge accommodation that homeless people can be directed to. Where do the homeless go at night? They used to sleep on the railway stations, the river banks, under the bridges, in the bat cave or in the parks. Now they sleep in the towns—behind buildings, on verandas and around churches. They have to be moved off by the start of business, but often their human excreta, empty bottles and food scraps are left behind for others to clean up. It appears that there is no real responsibility taken—not by the city council, the police, the health department, the churches or the individuals themselves. What happens when it rains? These people are moved on by police or security patrols as soon as it is daylight and sometimes during the night.

In our centre we have homeless people walking in off the street wanting bus fares to take them out of town, because there is nowhere to stay for the night. They list the services they have tried, and often a bus ticket is about the only way we can help. We do not have the money to do the welfare that we do. It comes from the funds that would normally go to our centre providing services in other ways. Emergency accommodation vouchers are out there in our community but sometimes a prerequisite to receiving help is a statement of benefit from Centrelink. People can be referred to the Department of Housing, and we do this but it is restricted to business hours. Homeless people are not always in touch with business hours. 'Four o'clock? I can't believe it.' There is a reluctance for homeless people to go to these places again. They say, 'I got help there before and they won't help me this time.' Help often means a couple of nights in a hotel, caravan park or maybe a motel, but what about the rest of the week or the next month or even the next year? There is no place where these people can go to learn social or living skills to make a difference in their own lives.

For some people the crisis is all too confusing. But, putting the money aside, there is still no emergency accommodation in outlying towns. We tried to find accommodation for a client. He came in to see us. He had no car and he wanted to be close to his estranged wife and his baby daughter. He was traumatised and frantic. The reason he was traumatised was that he had been abused as a child and he had been abused in jails. He had been trying for days to get some sort of psychiatric support for post-traumatic stress syndrome. He had been put out of the courtroom because he had been diagnosed with post-traumatic stress. The health system saw him in the



court and diagnosed him. That was the last support he got. He had been trying around town for days to get some sort of help. There is no help if you do not have the money to pay for it. One or two visits to the mental health service is as much as they can support him with.

We tried to get him a place. He wanted this place so he could see his little daughter. For access rights to be legal, he had to have a place where he could take her to see her, but there were not any places available. This fellow had travelled three hours to see me. When he got there he was in a panic attack and it took him at least half an hour to settle down before we could even find out what he wanted.

On Sunday night I was sitting in my home and my neighbour called me. She was in Wollongbar, which is a town just out of Lismore and rather a good area. She said, 'There is a chap here standing looking in the food bowls at the shops. I provided him with a meal because he was hungry. Where do I send him, Jan? Where do I send him for accommodation for the night?' I said, 'I'm really sorry, Julie. There is nowhere you can send him. We don't have a refuge. We don't have an overnight shelter.' She said, 'But he is suffering with some form of delusions or hallucinations or something.' I said, 'Do you think he is a danger to himself or anybody else?' She said, 'No, he does not look as if he is at risk.' I said, 'There is no point in calling the mental health services. They will come if a person is at risk or they are a risk to somebody else. So, sorry, we cannot help him.'

Another friend of mine phoned from Pottsville on Sunday afternoon. They had gone to a new church in Pottsville and outside the church was this chap sitting there asking for some sort of food and accommodation, and he needed a lift to Lismore. So they said, 'We're going to church. We will see you later.' They came out after church and the fellow was still there. Talking to this chap, they found out that he used to work on prawn trawlers up on the Gold Coast somewhere. His feet were red raw, he had no shoes and he had been sleeping in a sleeping bag under hedges. He wanted to get to Lismore so that he could see Centrelink to see if he could get some money to go to Melbourne, where he had a job lined up on a prawn trawler. They said, 'Jan, can we provide any accommodation in Pottsville?' I said, 'No, there isn't any.' They said, 'Can we provide him any accommodation in Lismore?' I said, 'No, I'm sorry, there isn't any.' They said, 'I really don't want to take him home. What do I do with him?' I said, 'I'm sorry, I don't have an answer for you.'

We run a 24-hour telephone counselling service. I am the supervisor for people who are on the phones at night. They say, 'Jan, what do we do? We have a guy on here who is looking for accommodation.' I say, 'Sorry, there isn't any. It is after-hours; there is nothing available.' This is only marginally better for young people. There is somewhere we can send young people. It is only marginally better. So when I am looking at what the needs are for this area, on Lifeline's behalf, I am supporting the need for an overnight shelter with a soup kitchen attached.

The soup kitchen is another thing. Food and shelter are our main needs for survival. In this area, the soup kitchen has had to move because people do not like having it near them. They work out of a caravan and at times they work out of a back alley. The last soup kitchen burned down. The soup kitchen in the neighbourhood centre has disappeared; it is now in the back of the church near the Lifeline centre. We have 30 to 40 people who queue there some mornings of the week for breakfast.

Again, I am suggesting an overnight shelter with a soup kitchen attached and a pick-up and drop-off minibus. Medical help should be available as well, because many of the homeless do not contact doctors for the medical help that they need. The funding would need to be ongoing to make the shelter sustainable. That has been a problem in the town. When our welfare groups have talked about it together, we all agree that the homeless shelter is necessary, but what do we do and how do we fund it? We have talked to the politicians and what have we got? They said, 'Who's going to put up their hand and take it on? We have a little bit of money that can help you.' What is the good of that? It will help out for maybe six weeks or six months but then we will have to close it down and we will be in the same boat again. It is no good at all. This would be one big step towards meeting the social obligations to the suffering and the poor in our beautiful part of the country. Thank you for listening.

**CHAIR**—Thank you, Mrs Gates. Mr Harvey, you said with respect to payday lenders that you are wishing to highlight the inconsistencies between state and federal laws. Have you prepared a paper on that or are you in the process of preparing one?

**Mr Harvey**—I have done something and, as Steve said, it has all gone down to Paul Batley. Essentially what happened is that Fast Access Finance, a franchise of a Queensland based organisation, had contracts—this is how stupid they are—where one of the clauses said that the person entering into this contract will be subject to Queensland law. In every respect—the contract was signed in Lismore, the money was lent in Lismore, the franchise was based Lismore et cetera—there is no such thing as Queensland law. The other thing that Steve highlighted was the New South Wales Pawnbrokers Act with which this mob tried to set themselves up. I think section 21 or 23 says that to comply with the act they have to take physical custody of the goods and if it is a motor vehicle, as it was in this case, it had to be held in an approved holding yard.

The loophole we discovered was that the Queensland act did not apply and the Pawnbrokers Act was breached. The CTTT then said, 'You're a credit provider, so you're subject to the consumer credit code, which says your interest rate is excessive—it should not be 240 per cent, it should be 48 per cent max.' All the other little charges, \$5 for this and \$20 for that, were then held to be a breach of the code and so they were all dismissed in the tribunal. What happened is that we had to spend hours and hours looking through the various acts and credit codes trying to find a loophole to exploit. That is what I am trying to say: an operation based in New South Wales has to be subject to New South Wales law when they set up, not try to make out that they are something that they are not. I have a Bachelor of Business degree and I have studied a lot of consumer law, which highlights the consumer credit code, Pawnbrokers Act, mercantile areas et cetera. Because of that experience, we found the seed that we could exploit which ultimately came to the benefit of our clients.

**CHAIR**—Any information you could supply to the secretariat would be helpful and very much appreciated, because we are going to see if we can look at the various differences in consumer credit laws throughout the country.

**Senator MOORE**—I have a couple of questions. Mrs Gates, you talked about a welfare meeting that you had with various agencies. Is drawing in the welfare support agencies across the region a regular arrangement that you have?

**Mrs Gates**—It used to be. We used to meet once a month or once a quarter—different times—but that has stopped. We just do not have the time to do that now. We still have the same number of staff to handle these problems and higher needs and we cannot do it anymore—it has fallen away. But the time I was talking to you about it was actually raised by the pollo—a politician came and asked us if we would get together. He wanted to tell us that we were spending too much money on food vouchers and the distribution of welfare—we were not tough enough. We soon fixed him up.

**CHAIR**—Is that what a ‘pollo’ is?

**Mrs Gates**—Yes.

**CHAIR**—That must be up here; we normally get called ‘pollies’.

**Senator FORSHAW**—We get called a lot of other things too!

**Mrs Gates**—Anyway, that was his point in holding the meeting.

**Senator MOORE**—He called it?

**Mrs Gates**—He called the meeting and we all attended. He was saying that we were—

**Senator FORSHAW**—Who was it?

**CHAIR**—Do you want to tell us? You can tell us afterwards, if you like. It wasn’t Michael?

**Senator FORSHAW**—It wasn’t me!

**Mrs Gates**—No.

**Senator FORSHAW**—I think I can guess.

**Mrs Gates**—Probably.

**Senator FORSHAW**—He will read the *Hansard*.

**Mrs Gates**—So that was his issue: to talk to us about—

**Senator MOORE**—Being tougher.

**Mrs Gates**—Yes. We then said to him that the problem we see in this is homelessness—there is nowhere to send people. There was a refuge in town called Cathcart Street Refuge, St Canice’s. St Canice’s was also what is called a proclaimed place, where the legal justice system used to send people who were waiting to go to court. When the legal justice system changed, this proclaimed place was no longer required. Although many people were saying, ‘Please don’t close it; there is nowhere else’, it closed.

**Senator MOORE**—How long ago was that?

**Mrs Gates**—I have been there seven years as director, so I suppose it was four or five years ago.

**Senator MOORE**—I knew that refuge. When you were saying there was nothing in town, I was unaware that it had closed.

**Mrs Gates**—Cathcart Street, St Canice's closed, after many attempts to stop it from closing. The idea came from the government or politicians—I don't know where.

**Senator MOORE**—But the end result is?

**Mrs Gates**—The end result is a voucher system: we send people for a voucher, they give them a voucher after they have been to Centrelink and they place them in a caravan park, a motel or a hotel. These people are not real keen to have them there. What is the point in a voucher if there is no accommodation to send them to anyway?

**Senator MOORE**—Are those vouchers for the SAAP scheme?

**Mrs Gates**—Yes.

**Senator MOORE**—We talked a lot with the federal Department of Family and Community Services—we have not spoken a lot with state departments yet—and Centrelink. One of the things the departments tell us is that they have extensive community consultation in terms of better service delivery meeting the regional needs—allowing for the fact that people work in a national format but that there are very important regional needs. Are you involved in that process at the local level?

**Mrs Gates**—I would say maybe four or five years ago, yes, I was; but now I am involved in so much extra training and those sorts of things that that does not happen in this area anymore. There is an interagency meeting in Ballina that I attend when I can, but we do not have an interagency meeting at a local level.

**Senator MOORE**—The issue of homelessness and its various impacts comes up everywhere we are, as you would expect.

**Mrs Gates**—I am sure it does.

**Senator MOORE**—Your situation of having nowhere to send people is particularly concerning—you are identifying people that you have no way to help. Have you noticed a change in the numbers and types of people coming through who are identifying as homeless?

**Mrs Gates**—More people with mental illnesses who are homeless are turning up. There seem to be different levels of homelessness. You have got the very destitute people who have health care problems. They need housing, they need somewhere to stay and some need institutionalised care to support them. Then you have the ones trying to help themselves who are homeless. These people seem to have got to the stage where they say, 'This is how life is. What can we do about

it?' Has it increased? Yes, it has increased. What types of people? You get more fathers wandering around trying to find mums and children. The disconnection in families is huge. You get more people with deep-seated problems; abuse issues that have gone on in their families. There are people who are not in touch with their central core and do not know how to solve their own problems or even think how they might solve their own problems.

**CHAIR**—Are these people overwhelmingly men?

**Mrs Gates**—Mostly. I would say a greater proportion of them are men. But that is not to say that there are no women. There are women too.

**Mr Harvey**—Being on the business side of things, I provide the furniture et cetera for these people. I think what Jan is saying is that when people go to refuges they are mainly furnished. As Steve was implying, when the brokerage through the neighbourhood centre or wherever else takes place and they get accommodation, it is usually unfurnished, so that person has got bare boards. They then have to turn around and make an application to my part of the service for basic bedding, wardrobes, a lounge and so on. This is an area that is glossed over. As I said before, we do not get any direct funding from the government for what we. It is a hidden part of the services that we provide. I think it is another issue that needs to be looked at.

**Senator MOORE**—What kind of waits are there here for public housing?

**Mrs Gates**—It depends on the area. In Lismore, it is about six years, so I am told. In Casino, you could get something in maybe 18 months or two years, I hear.

**Senator MOORE**—It seems to be an ongoing issue, in terms of the way—

**Mrs Gates**—It is an ongoing issue. As we know, one in two marriages separate these days, so you may have a mum and three kids looking for accommodation. She gets accommodation for six months and then the high market and the selling boom means that the landlord is interested in selling that place, so she is only in it for four months and he has got it up for sale. It may be more interesting for others to buy it if it has got tenants in it, so after the six months is up and the tenants are not wanted, she has to find somewhere else. Sometimes they can come to you within a 12-month period saying, 'This is what is going on for me. For the last three months I have been moved from one place to another.' That is not where it stops. It stops with the disruption to kids that are going to school—kids who are trying to deal with mum and dad separating, hair falling out, social isolation, antisocial behaviour, families falling apart, mothers not coping with the loss of a break-up and trying to find new accommodation and to cope with schools saying, 'Your kids are going wrong'.

**Senator MOORE**—And the kids moving from school to school as well.

**Mrs Gates**—Yes. And in country areas transport is an issue—you cannot hop on a bus and go back to the same school that you went to before. It is just not possible.

**Senator MOORE**—What kind of public transport is there around here?

**Mrs Gates**—We have a train that goes through once a day.

**Senator MOORE**—Right. And that goes up the coast? That is the major one?

**Mr Harvey**—That is the XPT.

**Mrs Gates**—It goes through early in the morning and late at night. There is no train service out to Byron Bay, Ballina or any of those places—nowhere.

**Senator MOORE**—Are there any transport links between the small communities that you mentioned before that are part of your coverage area?

**Mrs Gates**—There is a bus service that runs now and again. They are private bus services at different times of the day—one in the morning, usually one around lunch time and one in the late afternoon.

**Senator MOORE**—Are the Centrelink offices here in Ballina? Do people have to present here?

**Mrs Gates**—There are Centrelink offices in Lismore, Casino, Ballina and Byron Bay.

**Senator MOORE**—So people have to travel to fulfil their Centrelink obligations?

**Mrs Gates**—Yes.

**Senator FORSHAW**—The XPT goes through Lismore, does it?

**Mrs Gates**—At night.

**Mr Harvey**—At night, at about 10.30 or 11 o'clock.

**Senator FORSHAW**—I recall that in years gone by the trains used to go from Casino to Murwillumbah. You had to get off to come across to Lismore.

**Senator MOORE**—That is local knowledge. There are so many questions but I am just going to ask one more, and it is one of my pets. Mr Harvey, you refer in your paper to TICA. You have mentioned it in your paper: would you care to elaborate a little bit more about the impact that system has had on the people in your part of the world?

**Mr Harvey**—TICA is the Tenancy Information Centre Australasia. It is American owned and controlled. There are certain estate agents throughout Australia that subscribe to this database service. Tenants that get overdue with their rent, in excess of the two weeks that is normally allowed, go on to this listing as a matter of course. They catch up with their rent as soon as they get paid—which is fair enough—but that default stays on their record for, as we understand, at least five years, but perhaps forever. There are examples of narky estate agents that did not like people so for some reason they put them on the database, saying, 'They did damage when they left and they did not pay for the repairs,' et cetera. That goes on their record. There is no recourse for the person to say, 'Get that off my record.'

The other one, which Steve referred to, is that issues other than tenancy issues are listed on the database. If a person goes bankrupt—even though it is not tenant related—that goes onto the database, it is accessed by real estate agents or letting agents and that person is refused accommodation, not because of a tenant issue but because of a financial issue. This stays on. In applications for accommodation there is invariably a question that says, ‘Have you ever been refused accommodation before?’ You have to tick yes, then you get the accommodation refused and have to go and sleep in the park.

**Senator MOORE**—If you tick no you have breached a contract because you have not been truthful.

**Mr Harvey**—Yes.

**Senator MOORE**—Are many of the real estate agents in your region subscribers to this particular database?

**Mr Harvey**—From what I understand, there are at least three in town that are.

**Senator MOORE**—Do they advertise that in their front window?

**Mr Harvey**—Not as TICA, they just say they are part of a certain database group.

**Senator MOORE**—Just to wrap up for the record—has this kind of process had an impact on the people with whom you are working?

**Mr Harvey**—The issue that has come up is bankruptcy. This is something that Steve has emphasised in our financial counselling training: that we have to emphasise over and over again to our clients that if they go bankrupt they will more than likely go onto TICA, and if they have private rental accommodation and they move, they are going to have a helluva time trying to get new accommodation. I emphasise to them that if they stay where they are and keep their rent up to date they will not have a problem. The person that is going bankrupt has to be very careful of what their future plans are.

**Senator MOORE**—And all the implications.

**Mrs Gates**—I will add something to that. They turn up at our front door and say, ‘We can’t get accommodation.’ We say, ‘Go over to the department of housing.’ They say, ‘We have been there. We are on TICA, we cannot get private rental.’

**Senator MOORE**—And it is across the whole country.

**Mrs Gates**—They say, ‘So what are you going to do for me; what can you do?’ What can I do? Nothing.

**Senator FORSHAW**—I just wanted to raise the issue of employment, which you touched on, Mr Harvey. You recall I asked Mr Snellgrove a question earlier which he said was probably best to put to other witnesses. There used to be a CES office in Lismore. I think there was one in Casino, was there?

**Mr Harvey**—Casino, Ballina and Byron Bay.

**Senator FORSHAW**—There have been some major changes to the provision of employment services. Indeed, there is more happening from today, as we know, with the Job Network service. What is the position in this region? Employment National, I understand, set up. Do they still have offices in the region?

**Mr Harvey**—Employment National in Lismore was wiped out about 18 months ago. They sent it all down to Ballina. Sarina Russo took over there a lot of their clients. They have since closed their doors and disappeared.

**Senator FORSHAW**—They were private, were they?

**Mr Harvey**—They were private enterprise. There were no government support employment agencies in Lismore for about the last 18 months.

**Mrs Gates**—There is Tursa in town.

**Mr Harvey**—They are private enterprise. Uniting Care. There are about four or five different ones.

**Mrs Gates**—Wesley Employment.

**Mr Harvey**—They are all private enterprise for profit.

**Mrs Gates**—On that matter, I am finding that sometimes people who want to do extra training are now being funded by Tursa or those organisations to do some extra training with us, which is something that never happened before.

**Senator FORSHAW**—The other feature I have been made aware of which is important to get on the record is the withdrawal of some government services or departments having offices in this region. Could you comment on that?

**Mr Harvey**—As I said before in the presentation, we have had the department of education and employment services, DEET as they used to be called. They had big offices and employed hundreds of people.

**Mrs Gates**—Taxation was here.

**Senator FORSHAW**—That is another one I had.

**Mr Harvey**—They are all gone—gone to Brisbane, gone to Sydney.

**Senator FORSHAW**—They were major employers.

**Mr Harvey**—They were major public employers. What I have tried to get through is that as you withdraw a government service that person leaves town and the family leaves town.



**Senator FORSHAW**—I think it is a fair point you make. If you argue that there is a multiplier effect when you create a job, the converse should apply.

**Mr Harvey**—But this is something that is glossed over. What I am trying to get at is that if you take out one government job they do not go to the supermarket to buy food, they do not go to the clothing store to buy anything and they do not buy petrol, tyres or a new car. It does not impact directly on the government department but it has that flow-on effect right through the economic system.

**Senator FORSHAW**—Putting all that together with what we know, that industries like dairying, beef and forestry have all been seriously affected over quite a number of years in this region, this has affected the job opportunities not just for employees but for farmers and their families. Where are the opportunities? Are there any?

**Mr Harvey**—No, there is nothing. The kids have a terrific university up here. The kids get a really good education and come out with a top degree. Where do they go? Sydney, Melbourne or Brisbane, because there are no jobs of that type being offered within this region. Even research positions are being centralised back to Canberra. We do not have an education department office up here anymore even though it is a growing area and there are more schools being opened up in the region. For recruitment, someone comes from Blacktown for a couple of days onto the Lismore university campus recruiting teachers, and where do those teachers go? They go to other areas. Experienced teachers come to this area because they have got higher experience and higher qualifications than the newly created student teachers. It is all right to have young people in the country but usually the schoolies go out teaching in bush schools for two or three years and then come back to the coast. All the regional areas are really just getting older people going to them.

**Senator FORSHAW**—We do have people from the university coming here this afternoon. Thank you.

**CHAIR**—One final question. With regard to the people you are helping with your financial counselling—I should have asked Mr Snellgrove this as well—in your opinion, how many of them are at work as opposed to people on some sort of social security benefit?

**Mr Harvey**—I would say at least 75 per cent on social security.

**CHAIR**—So 25 per cent are working.

**Mr Harvey**—I do not get to see all the records. Because I only do one day a week, I get to see a certain narrow base of clients. I did bankruptcy yesterday and have a bankruptcy today, and probably two weeks ago I had a domestic violence client. There is what we call sexually transmitted debt, where the husband has just walked out on the family. These are the issues we deal with.

**Senator FORSHAW**—Do you have a legal aid office here?

**Mr Harvey**—Yes.

**Senator FORSHAW**—Is there a court here, or a visiting set-up?

**Mrs Gates**—Yes, we have a court.

**Mr Harvey**—The legal aid office here is primarily focused on family law issues, whereas Paul Batley at Coffs Harbour is consumer credit issues. Again, they are underfunded.

**CHAIR**—Do you think more people are in debt who are working now who are coming to see you?

**Mr Harvey**—Yes. Unfortunately, a client I have had recently had a credit card originally issued for \$1,000 while she was working part-time in a nursery. She used her credit limit for \$1,000 and stayed around that. She got a letter in the mail offering to go to \$3,000, so she signed it and sent it back. There was no credit check. She used it all up and was offered \$8,000. She used that all up, lost her job and could not pay the credit card. There was no credit assessment before or after the credit limit changed. She has just gone bankrupt. That is the vicious cycle we are getting into.

**CHAIR**—Thank you very much, Mr Harvey and Mrs Gates.

[10.50 a.m.]

**CRAWFORD, Mrs Rosalind Margaret June, Adviser for Homeless Issues, Family Support, Budget Counselling, and Vice President, Diocesan Council, St Vincent de Paul Society**

**DENEHY, Mr John Terrance, Diocesan President, St Vincent de Paul Society**

**KELLY, Mr John Patrick, Diocesan Vice President, St Vincent de Paul Society**

**KING, Mrs Gwen Margaret, Diocesan Centres Advisor, St Vincent de Paul Society**

**McMULLEN, Mrs Shirley Blanche, Orara Regional President, St Vincent de Paul Society**

**MOORE, Mr Leonard Victor, President, Ballina Conference, St Vincent de Paul Society**

**MOORE, Mr Norman Edward, Tweed Byron Regional Council President, St Vincent de Paul Society**

**SUTTON, Mr Michael James, Diocesan Advisor, Care and Support, Budget Counsellor, Conference Member, St Vincent de Paul Society**

**CHAIR**—Welcome. I now invite you to make a presentation, which can take the form of a statement summarising your views or highlighting any issues you would like to emphasise to the committee.

**Mr Denehy**—Thank you. Could I first of all add some additional information to some information I heard here this morning. With regard to St Canice's, that closed down five or six years ago. The proclaimed place was for alcoholics and it was attached to a refuge for either single people or families, so sorting out that became a bit of a problem. It closed because of occupational health and safety issues, the lack of staff numbers and insufficient funding. The other thing I wanted to add with respect to bankruptcy was that it is interesting to note the comments this morning that on every insurance form you take out to take out insurance, they ask the same question: have you been bankrupt?

I intend to give an overview of the diocese and just touch on a couple of points. Then I will hand over to other people to talk on individual matters. Basically, we in the society believe in helping people but we also believe in doing this whilst protecting the dignity of the person or the family. As late as yesterday I was given a copy of a letter from Health Services Australia Ltd. The instructions on the document read:

PLEASE TAKE A SEAT IN THE DESIGNATED MEDICAL WAITING AREA, NEXT TO THE TOILETS. DO NOT WAIT IN THE GENERAL WAITING AREA.

I see no dignity in that. We need to ensure that all people—whether or not they pay taxes—are treated with respect and dignity. We launched Vision 2000 back in the early nineties; Robert Fitzgerald when he was our state president launched the document. In brief, it was to try

wherever possible to get people off the poverty cycle and to reduce the bandaid effect. We do this with a lot of different methods but particularly with budget counselling, as opposed to financial counselling. We use Steve for financial counselling when we move into that area, and they do a wonderful job. Our year ended yesterday, so I do not have this year's figures. We are good but not quite that good! However, the diocese in Lismore goes from Laurieton in the south up to Tweed Heads in the north, and we also go to Dorrigo.

There was a slight shift in the figures that we have seen for 2001 as against 2002. We assisted 54,509 people or families in 2001. That actually reduced in 2002 to 49,941. You might think that is against the trend, but if you consider that we are trying to get people off the poverty cycle, you could also think that we are having a win. The assistance given came to \$845,934 in 2001. It was higher in 2002, at \$851,716. That is only \$5,582 higher but, when you think that we have helped fewer people, that tends to make you think that it is working. We are trying to get people off the poverty cycle. However, we have not won the battle and it is only a scratch.

Someone told me recently that it is 30 years since we have had a Senate inquiry, and I just cannot cope with the fact that it has been so long. I certainly believe that we need to re-look at the poverty situation on a regular basis, taking into consideration the different areas where different problems occur. I will touch on that a little bit later.

As a matter of interest, in respect of conferences—and you asked that question—although we hold these roles, and there are a few vice presidents here, we also are all in different conferences. For instance, I am in Brunswick Heads, Gwen is in Lismore, Norm is in Kingscliff and so on. So we actually do cover that area you were talking about. We have 480 actual conference members. We have probably 2,000 volunteers altogether, counting all of our centres where the people work. There are 41 conferences spread throughout the diocese, including our youth conferences, where we give assistance running kids camps and family camps for people who cannot afford to get that respite. We also run buddies days on a bimonthly basis, depending on the number of youth we have to run them. This gives, once again, a day out for people who cannot afford it.

In general, I believe that the cost of housing means that the poorer of our community can virtually say they have no hope of ever owning their own home. On the other side of the coin we have spiralling rent. One particular area where my conference works—there are several towns there—is a little town called South Golden Beach. We used to make visits to anywhere from six to 10 families per month in that little beachside place. Now we would be lucky to make one. They simply cannot afford to live there any more so they have to move, and that costs. I have heard that this morning too.

It is obvious to everyone that unemployment is a major problem. We have globalisation, mergers, takeovers and technology all producing fewer jobs. We in the bush have suffered very badly in this area. Whatever happened to the regionalisation of large country towns? I refer to Orange, Albury Wodonga and so on, where jobs were created. We talk of unemployment, it is even worse for the Aboriginal community everywhere in the diocese, particularly in the Kempsey, Nambucca Heads, Macksville and Bowraville areas. Unemployment simply stresses out everyone. Many of our young men and women simply give up.

In the late sixties we had the Richmond report—I think that is what it was called—in respect of mental health. It is considered a failure by most people that I know, including medicos. I am

not saying we should lock up people with mental health conditions, but we must have a system in place to help them manage their lives. The various forms of mental health eventually lead to aggression. We have seen many instances up and down the coast. As an example, at present, we have a lovely 70-year-old lady who was assaulted in one of our shops. This is currently the subject of a court case.

We have one very aggressive person who goes to different St Vincent de Paul centres every day for money or food. He too served time for assaulting an 80-year-old. There are many similar problems. A few years ago, one person with mental problems had petrol thrown over him and he was set alight after a conman had taken him for \$50,000. I spoke with his mother last week, as he was back in mental care again following another breakdown.

There are insufficient case managers to undertake the care of those who suffer mental illnesses and who need constant and consistent help with their daily lives. Most importantly, they need correct administration of medications, hygiene, monetary matters and general housekeeping—that is, they need someone to assist them with their most basic requirements for their own dignity and stability.

The medical profession is unfortunately lacking enough psychiatrists, therapists and counsellors who can greatly improve and enhance the opportunities for mental health patients to gain a better quality of life. The hospital system is totally inadequate, understaffed and unable to cope with the growing numbers of mentally ill, their families and the communities who need their help. Without the assistance of charities or volunteers, many suffer daily without sufficient medication, food and accommodation. They are discriminated against, especially when seeking affordable housing. All avenues utilised are extremely strained or do not exist. Due to the dramatically increased cost of living and abhorrent situations faced daily, urgent attention needs to be paid immediately to those ongoing and frustrating problems.

In Port Macquarie there is a soup kitchen which can only be run with the joint efforts of our society and other church groups. It can only afford money-wise, or through lack of volunteers, to open one day a week. They serve a three-course meal and around 130 people turn up on a Monday. The Anglican Church has recently started a soup kitchen on a Thursday.

As we move into the future, we will need more aged care facilities because many people move to the coast to retire yet governments do not fund capital works; rather they leave it to the community. The result is that very little is being done and it will be a big problem unless someone does something. I know I will get the answer, 'But we have ageing strategies in place and we will pay to look after the elderly in their homes. It is better for them and that is what they want.' I, for one, do not believe that is true. They are frightened as hell at night and, until you and the law can come to grips and solve the home invasion crisis, the problem and condition will remain the same.

In closing, on a sad note, last September while I was on holidays, two people from a very small community at Brunswick Heads, which we help, died in separate incidents, both in fights. One person had become very close, as we had helped him through his ups and downs over a 10-year period. Another mental health client and friend in his 30s also died around the same time. About two years ago a little girl who we had been helping since she was 12 died of an overdose at 15. More importantly, we need assistance to cope with the ever increasing problems, we need

guidance, we need action and funding now otherwise the gap between the rich and poor will only widen. Thank you for listening to me.

**CHAIR**—Thank you, Mr Denehy.

**Mrs King**—In northern New South Wales unemployment is very high. Many people who we see through the society have been on Newstart payments for many years because there are not enough job vacancies. Many of these people have applied for jobs on numerous occasions, and quite often they do not even get an interview. Therefore, they lose their sense of self-worth; they become despondent and depressed; they have nothing to look forward to; they have no incentive to get out of bed in the mornings—they are in the poverty cycle.

Families on unemployment benefits make up a large number of people who seek assistance from the society. They can exist—not live as they would like to live—on unemployment benefits, as long as there are no unexpected expenses. Unemployment benefits allow only living from pay to pay. There is no opportunity to save for anything unexpected, such as sickness in the family or the replacement of school uniforms. Two pairs of children's shoes wearing out in one pay period means there will not be enough money for food. Fees for school excursions or special subjects can throw the budget right out and means that there will be less to spend on food or the bills will not get paid. Children's health is a real worry. Quite often, fruit and vegetables will be cut out if there is not enough money. Children's health really worries us when we visit them.

A family which I visited recently needed assistance to buy food because the refrigerator had broken down and money was needed to pay for the expense of fixing it. There were three children in the family, and the mother was very upset because that morning was the final day that her daughter could buy her school photos, but there was no money to buy them.

Families on unemployment benefits live in rented premises which, in this area, are very expensive. A family I visited recently—the parents and four children—had been forced to move house because the house they were living in had been sold. They had incurred the expense of removalist's fees and the only home they could find which was large enough to house them cost them \$260 a week in rent. It was horrible. The carpet was dirty, the window frames were falling off, but at least they had a roof over their heads. They had been there for only six weeks, and in the couple of days before we visited they were told that that home had recently been put on the market. Again, they were facing removalist's fees or, perhaps, if the home were sold to a person in the investment market, they would be able to rent again. But most certainly, the rent would be increased.

One success story we have had in this area is about the homes which the society manages in conjunction with the housing department. These homes are rented to a needy family at a low rental for approximately 12 months. The society assists the family with budgeting and other skills development. Success has been attained in quite a few instances when families have been able to set themselves up to take care of their own destiny at the end of that period because the rent is so low and the help is ongoing. They have been able to get other rental accommodation, and I heard recently that one family had saved enough to buy a small home and had paid the deposit on it. We need more of that kind of arrangement because it is a great help to the very poor.

Families on unemployment benefits lack the funds to pay for their children to join sporting clubs or to buy the equipment needed for sport. Someone was telling me recently that it costs about \$30 to get a child into playing soccer on Saturday mornings—perhaps that is without the shoes and the uniform. If you have two or three children, that just does not work. When children of these low-income families have outstanding skills in sport, the arts or academia, the cost to pursue these skills puts doing that quite out of reach. One only has to ask the price of special classes in art, music or dance to realise that poor families cannot afford this. We are producing a system where there are haves and have-nots and that breeds discontent, especially among young people. They see their peers having all the things that they would love to have but cannot have, and I firmly believe that this causes children to join gangs and become delinquents—and that is an old word, but I think it still expresses what a lot of them have become.

Families on unemployment benefits are being discriminated against. What they need is jobs. They need to be able to feel that they are important in the scheme of things, and while ever they are just receiving unemployment benefits I do not think they feel that—from what I can gather from the people I see in my work with the society. They feel that they are second-rate citizens, that they are not worth much at all. The St Vincent de Paul Society is being asked to assist second and third generations of persons who are on unemployment benefits—that is, we knew the grandparents, we knew the parents and now we are getting to know the teenagers and 20-year-olds. It is rather depressing when this happens.

The society aims to assist these people to break free from the poverty cycle, but we cannot do it without a proactive, creative approach from a perceptive and just government. I would just like to reiterate what the gentleman before us said about the drain of jobs out of this area. The fact that the department of education have just announced that they are going to close their office in this area is a great disappointment to us and a great worry, because of the flow-on. We cannot afford to have a flow-on to more unemployed people in this area. Thank you.

**Mr Kelly**—One of the other volunteers from the society who was going to address the committee this morning is my wife, but unfortunately she is unable to attend because of illness. I have a statement from her. Do I have the option of presenting it to the committee or shall I deliver it for her?

**CHAIR**—You can present it to the committee, and if you would like to make your own comments you are most welcome to do so.

**Mr Kelly**—I think any comments will probably be generated by the other speakers here this morning.

**Senator MOORE**—I wouldn't think you would want to change your wife's presentation!

**Mr Kelly**—Under fear of God knows what!

**CHAIR**—Mr Humphery will get that presentation from you.

**Mr Kelly**—Thank you. I, like most of the other people here, am a volunteer for the society. I would like to start my few words by saying that in May 2001 our society published the report *Two Australias: Addressing Inequality and Poverty*, which expressed deep concern about the

growing gap between the rich and the poor. That report and the society's national council submission to this committee of February this year show a wealth of statistics which support our main thrust in being here before this committee. What those submissions did not detail was what we, the volunteers working for the society, experience in our visits to the poor and underprivileged in their homes.

Mr Denehy spoke earlier of the conferences. The role of the conference in our society is to visit the poor, needy and underprivileged in their own homes. I say homes but, from my experience in the last 10 years, the description is very loose—but it is also expansive. It has ranged from the back seat of a barely roadworthy Holden to tents to caravans to—dare I say—derelict wooden houses and to modest brick homes. With respect to the latter, somewhere decent was being purchased by a couple. However, when that family broke up, the wife was required to take her four children and provide them with alternative accommodation. This she did but at a large cost to herself. She is a lady who is a sole parent. In such cases they can pay up to 50 per cent of their income in rent to live in what is of course regarded as a tourist area. That is where they had bought a home and tried to make a life.

The other problem with rent, as Mr Denehy indicated, is that they have doubled and are on their way to trebling. In the last three years they have doubled and in the next three years they will probably go up another 100 per cent. In this area we refer to rent as being 'holiday time variable'. The speaker from Lifeline talked about people getting a place to rent for three months and then at the end of the term, somehow or other, the place no longer being available for them to rent. Exactly the same thing happens during holiday time. It is the curse of the coast, it is the curse of living in paradise, but it does give people a serious problem.

An interesting aspect of the 2001-02 state report was that not more than five per cent of people assisted by the society in that 12 months were on wages. This means, as you readily know, that the people we assist and the people we visit are on government assistance. But affordable housing—which will be spoken about later—is only one piece of the mosaic of poverty in this area. Other people will talk about other aspects, but I want to give you practical knowledge of people I have dealt with. We heard about the problems with doctors: the problems of getting to a doctor, the problems with doctors bulk-billing, the problems of getting to specialists. This is a serious difficulty.

In the area of dental assistance, quite often you need money up front or it does not happen. Paula is a lady I have seen over the years. She is currently being treated with antibiotics for the condition of osteomyelitis in her lower jaw. That started with an infected tooth which she could not afford to have either extracted or repaired. Poverty does that to people. Are they lesser people than those in the rest of society? It seems to me that that is the way they are treated. A dear old soul who suffers badly from asthma had to have money up front and organise to travel to go to a specialist. From where she is, in Brunswick Heads, the specialists are practically an hour away in any one of three directions—north, south and west. She asked us if we could help her pay the cost of the community transport, which was \$20. She did not have the \$20, so she had to pinch it from her rent money and then ask us to help her. This is the nasty little circle in which these people live. That is their lives. I will not go on about where she lives—which is with her brother, who is also a disability support pensioner—but we see these people face to face.



Another person—a young mother—contracted Q fever. If you do not know what Q fever is, may I tell you? It is a spirochaetal disease, which is a very debilitating disease. You would all be familiar with chronic fatigue syndrome; this condition is pretty much the same. The point is that the disease is transmitted by rats. This lady and her three children were at one stage living in a house on a cane farm that was infested with rats. She has struggled for the last five years to overcome this disease and provide for her three daughters, who are all teenagers at high school. She does it tough.

We heard earlier from Lifeline about homelessness. We have a great deal of interest in that as well and, in particular, in the disability support pensioners who suffer from either mental illness or HIV-AIDS. They do exist, they are in the population and, if anything tips them over that knife edge on which they are balanced to maintain themselves from payday to payday, we have to help. We talked about transport. I mentioned Shirley, and her brother, who needed \$150 in cold, hard cash to see the specialist and \$20 for community transport. Another problem we find quite often is that we are requested to provide people with petrol money for a range of travel, from attending extramural activities at school, to visiting specialists, visiting dentists and visiting solicitors.

We heard earlier about the number of marriage break-ups and the legal problems associated with that. Every time they have to go and see someone they have to either borrow money from their friends or get a friend to drive them, but getting a friend to drive is not a simple, straightforward matter of asking someone to be nice to you. It costs. If Shirley, for example, got driven to Lismore by a friend, she would have to contribute to the petrol money.

Education costs, and you know the system, but we have to supplement it. We are asked about the soccer uniforms and the art classes; all of these are add-ons and people just cannot do it on government assistance. They try their darnedest, but they cannot do it. Gwen made mention of what I call generational poverty. I have personally visited, over a period of 10 years, a young lady who was eight or nine when I first visited; she is now a sole parent of two babies. It goes from generation to generation. Thank you for listening.

**Mr N. Moore**—Thank you for giving me the opportunity to address the committee. I have a couple of case studies. The region I am pertaining to is the area that goes from Tweed Heads in the north to Byron Bay in the south and extends out to Mullumbimby; it is a broad arc around. So you would think it would be a fairly affluent place to live.

My memory of one instance of real poverty, which I guess is why we are all here today, relates to a call for assistance we had from a client. We got a phone call from this fellow and I said, 'Before we come and see you, what's your problem?' He said, 'I'm hungry.' 'To save me the time, could you tell us what your basic requirements are?' This will stagger you. His answer was, 'Seven loaves of bread, some pasta, some vegemite, some cereal, three litres of milk, some meat sauce and a couple of incidentals.' We went and bought it. It cost \$39.71.

So we went around to this chap's place in Pottsville, which is a pretty nice area to live, but it was a run-down place. It was I guess earmarked for redevelopment. We went inside with the client—and let us call him Trevor—and he was there with his two young boys. These kids were perhaps 10 and 12. We walked in with the bags of food and their eyes just lit up. We sat down at a battered camp table with four chairs—you know the fold-out gear—put the bags of food on the

table and then started to talk. The kids straightaway got the bags of food, looked inside them and started to put the food away.

We talked to Trevor for awhile and ascertained that he had bedding and whatever. It turned out that this chap was by himself. He had been trying to bring up these two boys and a 17-year-old, who had been bashed in Murwillumbah, of all places, where it is pretty rife. He had to move from Murwillumbah because he was frightened of the older boy getting into more serious trouble and, hence, he finished up on these premises. Trevor told us he had been a bit of a naughty lad in times gone by but he had since reformed, and clearly this was the case.

So we were there and we were asking what else we could do for him. 'You've done absolutely more than enough,' he told us. 'I'll be right. There are more deserving people.' My companion on that day was the mayor of a well-known inland town in central New South Wales. He had an Order of Australia medal and he came away, like me, thinking that that was real poverty, just to see the way those kids operated. That guy had pride. He did not want any further help. He reckoned that was his help and that was going to get him over the line. They got all those loaves of bread, and you can imagine what they were going to do.

The second half of my presentation is probably just a generalisation. Our region is full of people who are on single incomes, and they have been thrown into that single income situation by a marriage break-up. They are not all young people. Some have teenage kids, and we all know—because it has all been explained before—just how much it costs to bring up teenagers, with school excursions and all the necessary things.

These people have not been in the welfare system all their life. They have been thrown into this poverty cycle and they are trying their hardest to get out of it. Really, you can just see them going further and further down the mine. If their rent goes up, and they are trying to bring their kids up in the best possible place, all of a sudden they are into this cycle that they have no hope of getting out of, even though they have paid their taxes all their lives.

I guess it comes back to this issue: can we get more housing? I think the bottom line in all of these situations is stopping the problem occurring in the first place. If we can do something on the poverty line to restore the family relationship—that is, if the family does not break up in the first place—we are not going to have this single-income household, which clearly is a huge problem in our region. I will not hold you up any more, but I thank you very much for your time and your attention.

**Mrs Crawford**—Senator Moore asked a question of the previous lady from Lifeline, Jan Gates, as to the representation of homeless people. I have statistics here from two services which are the only two generalist services in this northern region—that is, our own in Port Macquarie, McCosker House, and the Byron Emergency Accommodation Program. They are both showing in their statistics that there is a significant increase—quite an alarming increase—in women with children. I will leave those with you.

**Senator MOORE**—Thank you.

**Mrs Crawford**—I have been involved with homelessness issues for 20 years, so you could say that it is my passion. I have been the chairperson and president of the society's National

Homeless Persons Committee for the last five years, and I have also been adviser for the New South Wales Homeless Advisory Committee. I am back for the second time as vice-president to this diocese as homelessness adviser and support person for all issues that we address.

My responsibilities include ensuring policies, procedures, evaluations and financial matters are in order and I report advice to the above councils. I can assure you that over the last 20 years that has become quite a heavy load—as you could imagine—with legislation and accountability, and that is good. We would all agree that one of the major causes of homelessness is poverty, which in turn has contributing factors, such as poor health, gambling to give hope of wealth, drugs to eliminate despair and insufficient income to sustain increasing rent costs. We have all crossed that issue and we know that it is going to get worse.

You would have to agree that one of the major impacts of poverty is the risk of people becoming homeless. Without appropriate intervention, they do actually become homeless. There are also statistics to prove that. In the 1996 census, which is an Australia-wide census, 105,300 people were listed officially as homeless in Australia, and this has been quoted many, many times by Mission Australia, the Salvation Army, us et cetera.

I was quite seriously alarmed to hear one figure that was quoted at a national conference in Brisbane in April this year from data collected from the Supported Accommodation Assistance Program, which is the funding package distributed by government bodies, such as DOCS in New South Wales. It reported that 145,000 people were supported in 2002 alone. The next figure is even more disturbing: 300 people accompanied by 190 children were turned away from SAAP services every day. As we speak, this number of people is actually homeless today with no place to go. We are only talking about services funded by the government. I would ask you to take a moment to think about that figure, because the actual number of people who have no place to go would have to be double that.

Last year, 474 adults plus 300 children were turned away from the only St Vincent de Paul Society family service which remains in this diocese of Tweed Heads and Port Macquarie. There were seven in the early nineties, but owing to things that Mr Denehy talked about—occupational health and safety, issues of finance, lack of support and recognition from the government and community—there is now only one. There were 15 people a week turned away from that one service alone. The other generalist crises service that I talked about earlier—BEAP in Byron Bay—turns away an average of 12 people a week.

As Jan from Lifeline said, and I would have to repeat it as it is absolutely true because it has been observed and reported, people in our area are sleeping under bridges, under church awnings and at the back of sheds trying to keep warm while we talk about poverty. That is terribly sad and terribly wrong. Just as an aside, in my discussions with national committee members so that we are not out of step, I know that all states and territories are experiencing the same difficulties. There are too many people being turned away that they cannot assist.

I apologise for my next statement: I think this is a national disgrace. It is an appalling sight to see men setting up a tent city in Talbot Place in Sydney, outside the Matthew Talbot Hostel, which is the largest men's hostel in the Southern Hemisphere. Men from our area go to Sydney to get accommodation because they cannot find it in our area. They also cannot find it in Sydney. We are at risk of mirroring cities in India where people sleeping on the street is almost the norm

and is accepted. Worse still, in our area and in other areas that are very nice places to live, people are being moved on by the police to clean up the streets. I ask you, with all the stats that we have got, where do they go? I would hope that this inquiry recognises the urgent need for recommending strengthening the human rights of people who for any reason become homeless.

Since preparing this several days ago—and you are very welcome to keep it—I spoke to a gentleman in our area, Darcy Goodwin. I do not know if you have heard of him, but he is a very charitable man who works seven days a week with a food van service that he runs himself from Nimbin to Lismore because he recognises the great need. He has received many community awards, as well as state awards, for his service. But he does not do it for that. I asked him what he thought about the homelessness and poverty in our area, and he said, ‘June, feeding the people is only one issue. That’s the presenting issue. But what we need is to get to the underlying issues of why this has to be.’ And I totally agree.

We need cost-free education. Darcy spoke about education for all people and that we recognise the rights of people to have a place of dignity in their lives. We need to increase resources to this region. As we are all saying here today, resources are being withdrawn so unemployment is likely to increase severely. We need support from governments—all governments. We need housing, employment, rehab programs for those now who are in despair in their addictions—because where else do they go for any peace in their minds? We need initiatives in program planning to create opportunities for many disadvantaged people to become included rather than excluded. We need to maximise participation of people who are homeless and being supported in the economic, social and cultural life of each community. I will end there. As you can see, I feel very passionate about this because in my 20 years of experience in working with the St Vincent de Paul Society, things cannot get much worse.

**CHAIR**—Mrs McMullen, would you like to say anything?

**Mrs McMullen**—Most of the things have been covered, especially in the area of mental health, which I intended to speak on. I think a lot of the problems with health stem from the closing of places like Rozelle Psychiatric Hospital. People were firstly put into community housing which has not worked, and then they are out on the street. They have no-one to guide them if they are schizophrenic—we have two people with schizophrenia in our Coffs Harbour centre. They forget to take their medication which exacerbates the situation.

I would like to tell you about a case in Macksville about 12 months ago. I arrived at the centre and it was in chaos. The ladies working on that particular day were in the age group of between 70 and 80. They are lovely ladies. A lady had arrived in a taxi—it was raining. The taxi driver assisted her to get out of the taxi and she had lots of bags—the typical mental health striped bags which we have all seen. There were about nine of them. Our ladies rushed out and thought that she was donating all these things to us. But her entire worldly possessions were in those bags. She had come on the train from Sydney. She knew who she was but she did not know where she came from.

The bags were all brought into the centre, and I arrived just as this was happening. The bags were put in the middle of the back room where the sorting area is and they were covered over with a sheet. We had no idea what to do with her. We got in touch with the Macksville Hospital, put her in a taxi and one of our ladies from the pregnancy support area went with her. They kept

her in for 24 hours. They sorted out some medication for her and she arrived back at the centre the way she had come. She wanted to stay in Macksville. We got in touch with a motel which takes people on a one-night or two-nights basis. So we had her in accommodation for two nights.

She was not going anywhere. The neighbourhood centre is opposite us. It took over from there and she got a couple more nights accommodation. We spoke to doctors and different groups to see what we could do and in the end she got back on the train and went back to Sydney, and we do not know what happened to her. There was no shelter for her. There was no crisis centre. That is just one incident, but that sort of thing is happening all the time.

I would like to mention the group of children in the 12- to 15-years age group who are on the streets for whatever reason. In my area, not very far from where I live—about five kilometres—there is a big Aboriginal population. There is a whole estate of housing commission homes there. The children, black and white, roam the streets and occasionally they come up where I live, and on two occasions I have needed to get in touch with the police at two o'clock in the morning to take 12-year-olds home. The next morning I was speaking to the constable—it was the same constable each time—and he said, 'Well, for my trouble I got the door shut in my face and the child was told, "Get to bed!"'

That is appalling. Why is it allowed to happen? Why are 12- to 15-year-olds roaming the streets late at night? I think a lot of the problem is caused by the breakdown of marriages, lack of accountability and the fact that the parents are shirking their responsibilities. It is all too hard. Peer pressure is another cause, but family breakdown is the biggest scourge on society today. We have to look at getting back to basics. Perhaps governments and the media can help by promoting the family more than they do. We have Mother's Day and Father's Day but we do not have a family day. Instead of Labour Day, perhaps we could have a family day.

**Senator FORSHAW**—We could have both.

**Mrs McMullen**—Very good! It is a true saying and I am sure you have all heard it: when the family breaks down, nations fall. Religion has gone out the window in a lot of cases. I am not speaking parsimoniously. I am just saying that the values that Christian religions bring are our basic everyday values, when you think about it.

Also, I have a great concern about the group of dads—you have all heard of that expression. They are in the 30 and 40 age group. Recently I had the opportunity and privilege to speak at one of their meetings. It would really make you cry to hear what is happening with these dads who are divorced, who do not have proper access to their children, who have been literally taken to the cleaners by their wife or partner and who have something like \$50 or \$60 a week for their basic needs themselves. The suicide statistics in this group are really quite high.

In our area we have a group of dads run by Tony Miller. He belonged to our conference at Toormina-Sawtell at one time. He is a lovely young man. He is trying to provide a place where these people can go and be counselled and get a little bit of help. They are often referred back to us, but really all they are looking for is the basic dignity which we all deserve to manage their own affairs and have just that little bit more in their pocket. I really feel that the heart of this problem of poverty is the breakdown in marriages and in the family.

**CHAIR**—Thank you. Are there any further contributors?

**Mr L. Moore**—Thanks very much for the opportunity to speak. I represent the Ballina conference and I would like to speak particularly of our situation there. We have a population of about 18,750. We have an official unemployment rate of 8.4 per cent. The Ballina district care community services, which we work very closely with because we are both in the same type of accommodation provision, gave some figures in their last quarterly report saying that it represented 1.67 housing units each day for that quarter. We would be lower than that, but we certainly see quite a bit of that.

The two big problems in our area are the mentally ill and housing. Some of the mentally ill people are heavily exploited. They may be living in a caravan park and they get conned by some of the smarter people in the area. They often come to us because they have lent people money and that money never gets repaid.

The cost of housing in the area is going up, as everybody has said. I can give you one current example. We have a lady with two children who is paying \$215 a week. There is no way that she can exist paying that money. The children are about 10 and 14. We decided to give her long-term care. We have two types of decisions to make in our care at Ballina—whether it is going to be crisis care, where we may put someone in accommodation for a night or two, or whether we think we might be able to manage that case and assist the person in a longer-term situation. We have been dealing with that lady now for about nine months, and she really is not making any progress at all because of the high rent that she is paying. We have said to her that she must get out of that situation.

We mentioned TICA before. Her name is on the TICA list. She has paid rent during the last nine months at that high rate without a default. We have suggested to her that she try to get her name taken off TICA, and I am not too sure of the procedure that is adopted there. There is a rumour that you can apply to get taken off but you need the support of the real estate agent you have been dealing with.

I can give you very current situations. As late as last week, we had a mentally disturbed fellow arrive on our doorstep. It was the day we had the big rain here. He had slept rough the night before; he was totally drenched. He arrived some time before 10 o'clock. We took him in, we gave him a hot shower, we gave him a clean set of clothes, we gave him a hot meal and a cup of coffee. During that time, it became apparent that the man was a self-mutilation person. He had a rather severe gash in his neck which he had stitches in. We asked him when he was going to get the stitches out and he said, 'I've got to get to a hospital to get that done.'

We took him to the hospital and left him there; he had to wait a couple of hours. He needed medication also, because he had not had any medication for some time. We ascertained that he had come down from Brisbane. We said, 'Why did you come down?' He said, 'I don't really know.' That was not the first occasion where a person did not know why they had come. One fellow told us that the message from his head told him that he should go to Ballina, where he had never been before in his life. He came and we finished up sending him back home again to Brisbane.

We provided this fellow with a bus ticket. The bus was leaving about 7.15 that night. One of the members went around at about quarter to seven to see if he had actually arrived at the depot where he would catch the bus, and there he was. Obviously he had had to walk from the hospital to the bus depot. He had got wet again and he was freezing cold. We provided him with a meal, a cup of coffee and a packet of cigarettes and he got on the bus. He would get back to Brisbane at about 11.15 that night. What he did then, I have not the faintest idea. He did not have any money. He was not due to be paid until the Friday after we saw him.

We have another lady who is mentally disturbed. She has been in Ballina for about six months. She is currently occupying a small unit in a group of units, some form of housing assisted domicile. She has great panic attacks. The first time I met her was when she was in hospital with a panic attack. She has AVOs against the neighbours and they have AVOs against her, so you can imagine that the situation there is quite untenable.

We endeavour to try to get as much experience as we can. We invite people from such places as the acute care service to give us information and to talk to our conference. We meet once a week so we have the opportunity to bring these people in. We have had people from the Aboriginal side speak to us. The whole idea is to try to teach our volunteers how to handle this. We know how to hand out a parcel, we know how to hand out a voucher, but we do not know how to treat the mentally disturbed. To my way of thinking, that is a major problem.

The other problem we have in the community is education, and we have again tried to help people with their education, be it through TAFE or through schools for the children who are of school age. I think once you have given a child education you cannot take that away from them. You can take away their housing, you can take away all sorts of things, but if you educate them you cannot take that away from them.

We have a hot food centre in Ballina which is run by the local parish plus other people, and that is open two days a week. A two-course, sit down meal is provided. We ask for a gold coin contribution; we get very few. We supply a ticket to the people who come through St Vincent de Paul to go to that. The Salvation Army had a soup kitchen running one day a week. They closed that down in the last month simply because the funding could not be found for it. They tried the gold coin thing and they got \$27.50 one day in the tin, so you can see that their return was not that great—except that they had the satisfaction of feeding somebody.

In Ballina we have contact with a group called Interagency, where most of the groups in the area meet once a quarter and update who is in charge of what, phone numbers and things like that. A problem which the society is addressing is the education of our own members—because it is great to be a volunteer if you have been a banker, a dairy farmer or whatever, but you might not know too much about the mentally disturbed or how people are coping with the small amount of money that they get. Obviously some people are coping, but those that we see are not coping and that is what we are here for—to try to give those people help in their life, to give them the dignity that we have spoken of before. Thank you very much.

**Mr Sutton**—One of my roles with the society is first and foremost as a conference member. I am also a budget counsellor in one of our special works. I work in partnership with Terry Harvey and Steve Snellgrove on the focus of money maintenance, expense schedules and educating people to try to get them to take control of their money—telling their money where to go rather

than just sitting down and wondering where it went. We do not set up special works that are already happening in the community and are very labour intensive complex financial counselling. We refer people to Steve for that and can usually get clients in pretty quickly to do some maintenance once people have taken some steps.

We see the face of poverty every day. We feel for the face of poverty and we cry with the face of poverty—and then we deal with the face of poverty. Material hardship is part of it. Social hardship is a big part of it, and being disenfranchised—having no voice—is a very large part of it. Money talks; the poor are silenced. I have a friend called Midas I think I ought to mention who is so flaming poor, he can't even pay attention. That is the reality. That is the by-product of poverty—low self-esteem, devalued feelings, shame and the adoption of the 'poor bugger, me' syndrome. People adopt a 'who cares, I give in' attitude. These are the statements that we hear.

As John said, the last inquiry into poverty was 30 years ago. There is a slide to growing inequality. Big divisions are coming—they are on their way; there is no two ways about it—between the haves and the have-nots. Then will come the crime, which is increasing as we sit here. Reflecting on the States, two million people are locked up in the USA, which is a very wealthy country. Two million people are in prison there. Are we going to end up like that?

It seems as though we keep bleeding housing, health, employment and education and do not underpin them with strong public funding and support. The only thing the markets supply us and the poor with are choices. These are certainly reduced for a low-income earner. Poverty is having no choice.

Let me talk about Centrelink breaches. Your first breach with Centrelink leads to an 18 per cent reduction in your allowance for 26 weeks. If you are unlucky enough to have a second breach, it is a 24 per cent reduction for 26 weeks. A third breach can lead to eight weeks of non-payment. How can this be fair? Where is the equality here?

I refer to an incident this morning. Senator Moore, for reasons probably beyond your control, you were a little bit late. For a person with a baby who is sick and has just done a nappy job and missed the bus to get to a Centrelink appointment, that would result in an 18 per cent payment reduction. How would that affect you, Senator, if this morning someone had said, 'Sorry, you were late. We are just docking you 18 per cent of your pay'? Please do not take that personally, but we have to think about it in that reality—18 per cent of your pay gone by missing the bus.

Certainly, we can appeal it. We actually inform people of the appeal process through Centrelink. Invariably, there is no reinstating of the 18 per cent while the appeal is going through. We are trying to work on that—welfare rights advocates are certainly trying to work on that. People may wait quite some time before it goes to an authorised review officer, a social security appeals tribunal or even further. But then they say, 'Why were you late?' The answer may be 'I was sick,' which is then met with 'Can you go to the doctor and get a certificate?' They then have to bundle the child in the stroller and go and get the bus down to the doctor who will not bulk-bill and wants \$35 upfront. It is just never ending.

People have found the Centrelink process to be quite time-consuming with their forms, appointments and obligations—the obligation to apply for six jobs, for example. We have talked about the local transport issues. It is hard for them. In terms of transport there are great



implications here. And then there is TICA—Senator, I know this is one of your favourites. I am personally working with a young lady who is a victim of domestic violence—her partner suffered from substance abuse and had damaged the property and then used up their money. This lady was then given the advice by the real estate to just pay up what was owed and that everything would be all right. She paid it. She dug in hard and did the right thing and went the hard yards. Is she still on the TICA? Yes. She cannot get her name off the TICA.

Len said there may be some hope—I do not know where that hope is yet. It seems that once people are on the TICA, that is it. We cannot get the names off the TICA list. Coupled with the fact that they cannot get their own house, they are quoting 12 years as the waiting time for public housing. It has got to the stage of a two-year waiting period for priority housing. Some people prefer the train to Newcastle. That is a good option in Sydney. They get the last train out of Sydney for the night. It is about three hours to Newcastle. There are no inspectors around at that time of the night checking tickets. Then they get the first train back in the morning and they are back in Sydney and have had accommodation all night—somewhere to lie down. That is the reality.

Steve and Terry referred to credit cards and loans. I am not going to go into that; it has already been said. Certainly, there are high interest creditors who come into play when people get themselves into debt. These creditors are happy to secure a loan with everything that people own. They are happy to lend the money at higher percentages, 21 per cent, 28 per cent, 32 per cent—up to 48 per cent under the credit code. They are playing the game.

Then there are the payday lenders. When it gets too much for the creditors charging higher interest rates under the credit code, there are the payday lenders that are charging 240 and 300 per cent. It is predatory behaviour by creditors; there is no two ways about it. You have only got to look at where it is advertised. You can pick up a *Daily Telegraph* and what does it say? Not in one area, but in many areas: ‘Don’t worry about bankruptcy. If you’ve got a bad credit report, don’t worry about that. If you’re a bad debtor, you’re unemployed, don’t worry about that; come to us.’ You have only got to look at the *Daily Telegraph*. I think I counted six or seven of these ads the other morning.

I work with an 18-year-old gentleman with a disability. He has autism, Prader-Willi syndrome. He has a developed mental disability. He is 18, living independently and his income is \$403 a fortnight—\$201.50 a week. His rent is \$50, and that is in accordance with public housing rates. His power is \$15 a week, telephone is \$15 a week, food—he is on a special diet with Prader-Willi—is around \$75 a week. Personal spending is \$5 a day. It used to be \$30 a week. He is over the moon because he has got \$35 a week now; he has just had a pay rise in his own budget. It is an unreality; he just cannot afford it. The society just supported him on a holiday in one of our holiday accommodation lodges down in North Haven. To see this fellow—the first holiday in a long, long time—was just amazing but that is as good as it gets for one particular person, and there are many of them.

I want to talk about mobility aids for people with a disability. I do not know whether you are aware of the costs associated with mobility aids, shower chairs, commodes and wheelchairs. Certainly PADP are there to provide these, but the list is getting longer and we are now looking at 12 to 18 months from PADP for wheelchairs, walking frames and different things. Can you imagine those plastic chairs that we all know basically sitting on a frame? We are talking \$600. I

have just been working with somebody looking at the costs of a shower chair on castors. For a very basic chair, the minimum is \$600. This person is 110 kilos. They suggested going a little bit more upmarket to get some stainless steel ones with some heavy duty castors—around \$1,500. Wheelchair maintenance is very costly; sometimes it is dearer than getting a grease and oil change in your motor vehicle. These people are not looking for handouts; they are looking for justice.

I think back to my Air Force days and for some reason in the forces there used to be lots of time to do what we used to call 'foreigners'. I can remember a six-month stint with the 486 squadron doing foreigners: making our own barbecues and bringing our own car in, pulling the motor out and revamping it. These are the places that could be pumping out these shower chairs and stuff with the high quality knowledge and skills that they have instead of doing the foreigners. I do not know whether that still happens these days.

**Mr N. Moore**—It did not happen in the Army, of course.

**Mr Sutton**—No. I guess we can think outside the square with all that sort of stuff. I also want to talk very briefly about mental health as I know we are running out of time. I supported a chap who was stable with his mental illness, but he was homeless. We went to the Department of Housing; there was not a lot happening there and we came across a bit of a barrier. We certainly went through priority housing and, after talking to this person's case manager, we became aware of the JGOS agreement—joint guarantee of service—between mental health and the Department of Housing. We found a flat in Goonellabah. Unfortunately in this flat—and there were many of them; you could nearly say a rabbit warren—most people had schizophrenia. He rang me after a couple of days and he said to me that he was starting to episode; there were some things happening that he was not happy with.

I went to visit him and the first thing I noticed were the rituals—the way the sticks were lying on the paths and where they were pointing to. There were people there complaining about the smoke detectors. They were convinced that they were listening devices hooked up to the Richmond clinic—our local community mental health clinic. Marijuana and theft were rife. He had just had his door kicked in and someone had stolen his blanket. That was the priority housing for this person who was stable. Consequently, he episodised and did a stint in the Richmond clinic. He is now stable and, with some help from the society, he has found accommodation elsewhere.

There is no radiation therapy in Lismore. I know a couple—a 74-year-old woman and her 76-year-old husband. The lady had a lump removed from her breast and the lymph glands were also removed. She and her husband were both asked to travel to the Gold Coast on a daily basis for six weeks. The husband was 76. They were both pensioners with no money. They had to put out \$1,500 for the service. Certainly there was Medicare, and there was a gap and then, after a while, the money started to roll back in. While they were up there they found that these services were available at Newcastle and you did not have to spend any money up front, but the doctor had not told them about that. They never received the advice that there were other options for them.

There is no IPTAS funding. You could come from Grafton, which is 200 kilometres away from John Flynn Private Hospital, and do an overnigher and you would certainly get assistance with your kilometres and some overnight funding. But for travelling 200 kilometres return every

day for six weeks there was absolutely nothing. I found out about that recently. That happened to my mother—that is my mum I am talking about. Poverty is everywhere.

I will finish with gambling. There are two lines of thought. One is that people are getting themselves into debt through gambling and that sort of thing, and the other line of thought is that it is systemic. It was put to me not so long ago that we are at the bottom of the cliff catching the people who are falling through the cracks. That is where we are as a society. We plug along, we do what we can with the resources we have, but we are asking the question: why are these people falling? Are they being pushed? There is a strong feeling that it is the process, that it is the system that is pushing these people through the cracks. I think we have to look at that.

There are some statistics from the welfare rights people in Sydney. In this table there are two lines of people—people with chronic gambling problems and people who have gone broke after receiving compensation payouts. They say that 95.5 per cent of problem gamblers are single and live alone. One hundred per cent gambled on electronic gambling machines. Some 99 per cent had never gambled before and only started gambling after receiving their compensation payout. The money just happened to be there. Some 86.4 per cent said that they had started gambling as a result of going into a hotel for company. This is the hidden face of poverty.

A further 76 per cent were suffering depression at the time of their decision to embark upon gambling and 81 per cent said that their depression became worse as a result of having no income. I believe that certainly gambling is there but all it is doing is putting people further into debt—it is not making them poor; they are already poor. They are poor people reaching out for some joy in their life—a quick fix—and gambling is just one of the many that happen to be there. Thank you for your time.

**CHAIR**—Thank you very much, Mr Sutton, and to all of you who have made a contribution today. It has been quite valuable. We will now ask you some questions. A number of people appearing before us have mentioned mentally ill people. I want to ask two questions about that. In the opinion of Mr John Stone, who is from the Mount Druitt conference, the majority of homeless people are mentally ill. Would you agree with that?

**Mrs Crawford**—I would agree with that. That has been fairly proven with proper research in that area. At one stage it was 75 per cent.

**CHAIR**—I have a second question on the mentally ill—and this is not a value judgement. The Richmond report deinstitutionalised people in New South Wales in the eighties. Are we talking about people from that period? Mr Sutton, you mentioned schizophrenia and that you smelled marijuana as you went into the complex. Are we talking about both groups of people or is there an increase in mental illness because of drug use? Is that a wrong conclusion to come to?

**Mrs Crawford**—There has been an increase. When the Richmond report was presented and various strategies were put in place, my research into our homeless services in the Lismore diocese showed that the figure was about 35 per cent in the late eighties. That was a direct result of people falling through the gaps. At this point in time, I would say that it is the poverty of the present generation who have perhaps worked very hard at their studies but have had no hope of employment. Let us face it, a lot of companies go offshore now; I have just heard of two in the last week that will be putting off people. There is despondency. I live fairly close to Nimbin and

I am quite familiar with the youth who have suddenly grown old in the last 20 years. They feel the same as they did in their youth—that drugs are the only thing they can turn to as a relief from the pain.

**CHAIR**—My final question once again draws on evidence given at the Holroyd hearing. There were examples of people drifting into crime because they could not pay their bills. At the Sydney hearing, the Wollongong diocese described how a young woman with children tried to make ends meet and ended up working for an escort agency. Do you have other examples of people turning to crime, with their names appearing in the court section of the *Lismore Daily*, the *Ballina Star* or whatever?

**Mrs McMullen**—I see it in my area. Young people in the 18-year-old age group who are perhaps from a dysfunctional family, who are on a low income or no income and who are living in housing commission circumstances, first appear in the paper for petty crime. There is one recent incident of a young man sentenced to jail for theft for 12 months. He was not actually in jail, although it was the same thing; it was more of a rehabilitation thing because of his circumstances. They did find that he had a problem with relating to people and to different situations. They were very good and gave him every opportunity, and he was released. His father works for the society on a voluntary basis.

Six months down the track he seemed to be doing well and he left home. They were obliged to keep him for six months and then he got out into the community. He is now in Grafton jail for three hold-ups. One was with violence—he had two weapons as well, a knife and a gun. That is how it goes. It starts off small. There is no backup in the community or help for them. His father said, ‘I have just washed my hands of him. He was given every opportunity.’ I think that is rather harsh because his mental state could not cope with being out in the community again with no hope of getting any sort of job.

**CHAIR**—Would anybody else like to comment before I hand over to Senator Moore?

**Mr N. Moore**—On the other side of the coin pertaining to crime, sometimes we get requests for assistance for non-payment of fines, which seems to be an ongoing problem. I know it is the reverse of the question. In our particular case, I only know of one young lady who put herself out on the streets to pay for things. You could not say it is a huge problem.

**Mr Sutton**—Not so much pertaining to crime, but in line with what Norm just said, the State Debt Recovery Office has served up some writs of execution. No doubt you would be well aware of the situation with it all at present. Our local sheriff could probably share something about that with you. I heard from the sheriff that there are something like 600 or 700 writs being prepared to be issued in our community for fines which range from two- to three-years old to 10- to 12-years old. That is hitting people in the face pretty hard, especially with the ads on TV that are saying, ‘You will lose your TV; you will lose your furniture. You have to pay; you have to pay.’ That has had a great impact on people—that stating of that recovery office procedure. I thought I would mention that. With regard to the stats on crime—and no doubt the police can give you the answers on this—home invasions are on the up and will continue to go up and out of sight in this community. That is my own personal opinion—not so much an opinion from the St Vincent de Paul Society.

**Mrs McMullen**—On schizophrenia, there was a survey done by a panel of doctors and they found that marijuana had contributed to the incidence of schizophrenia.

**Mrs Crawford**—I have a point to make on the new jail to be opened in February next year at Kempsey. I have had a request from the regional president in that area to look into how the society can obtain extra funds to service the huge demand that will come from all sides—families visiting, people in the jail and people coming out of the jail. I have had a brief look into what funding can be obtained from government sources and it seems most unlikely that we can get any. I am looking at our society needs now. There is going to be despair in that area if the demands placed on it from crime per se in the community increase.

**Senator MOORE**—Mrs Crawford, that is absolutely true in terms of what happens when a prison is located somewhere in terms of the demands on the community around it, including the process of sentencing. If you talk to your conferences in Rockhampton and also Townsville, they will be able to help you out in terms of the impact.

**Mrs Crawford**—It is not so much the impact; it is how we get assistance from other areas to boost our very limited resources in order to service that need.

**Senator MOORE**—Good luck.

**Mrs Crawford**—Thank you.

**Senator MOORE**—Mr Moore, you mentioned that in Ballina you have an interagency group that meets and looks at the cooperative approach which is so essential in anything like that. Is that model working in the other areas? You may have heard the question I asked Lifeline in terms of the Centrelink-linked agency group that operate and the impact that has on the overall support.

**Mr Sutton**—I can speak for the regional president, who is not here. Certainly in Lismore there is a regular interagency meeting at the Lismore centre of St Vincent de Paul looking at different ways of helping our poor.

**Senator MOORE**—Does that involve the Centrelink office?

**Mr Sutton**—That involves the social worker from Centrelink, Julie Rhodes, and social workers from the hospital—all and sundry. Invitations go right out. I think Janet identified how busy we are. Usually the people that are attending these meetings are the busiest of the busy. It is getting more and more difficult timewise, because some of us do work as well.

**Mr N. Moore**—We definitely have interagency meetings with Centrelink, usually on a six- to eight-week basis. We are quite heavily involved with the social worker there, and we get extremely good cooperation.

**Mr Kelly**—Is that in Tweed?

**Mr N. Moore**—Yes.

**Mr Kelly**—The same situation applies in the Byron shire itself. For a number of years, I represented St Vincent de Paul at that interagency meeting. But unfortunately, since I got ill a couple of years back, I do not know what has happened to it, to be honest. I presume it is still going, but I have not had any input into it for at least three years.

**Senator MOORE**—It is the concept of the community working together in terms of looking at the issue. We have received submissions from your chapters across most places we have been, plus a national one. I will ask you the same question that I asked the national group. There are two parts. The first part concerns the proposal, which has been put up by a number of agencies, that what could come out of this committee is a national approach to the issue of poverty and a summit involving government and non-government people working towards some kind of planned response across the community. I would like to hear your response to that and also how you would stop that becoming just another talkfest full of academic definitions of poverty.

The second part is that there is a perception that there is great exaggeration in the community from some sources about how much poverty and how much damage there is in the community. There is almost an inference that it is in some people's interests to exaggerate the issue. I would like to hear your comments on how you feel about that comment and whether in fact it is in St Vincent de Paul's best interests to exaggerate poverty in the community.

**Mr Denehy**—I have forgotten the first question already.

**Senator MOORE**—It is to do with the idea of the summit that has been put forward by your national organisation, the Smith Family, ACOSS et cetera.

**Mr Denehy**—I think that would be a great idea, as long as what you are referring to is that we have directives as to an action plan so that we do not just come out with a talk but we come out and say, 'This is the plan, this is what we intend to do and this is how we are going to do it.' In respect of the second part of your question, Robert Fitzgerald spoke to us at a congress we had in Coffs Harbour probably two years ago. Robert was talking about the poor or the needy, whatever you want to call them—a lot of them become our friends, by the way—having to go to so many different places. They go to Centrelink and the people there ask, 'What's your story?' They go to Vinnies and the question is, 'What's your story?' They go somewhere else and again the question is, 'What's your story?' They get all these 'What's your story?' questions and so, in the end, to protect their own dignity, they try and make it sound a little bit better. I can understand that, having come from a poor family. I have no problems with that at all. There is still a problem.

We have to get to know them. What I have always found—and what I think my brothers and sisters in the society have found as well—is that, the first time you meet the person, you do not really get the story at all. You are getting what they are trying to tell you because they need that help. Because we visit and we try to bring them into our family, we go again and again. Eventually, when they learn to trust us, that is when we get the full story and that is when we can help better. Because of that, we know exactly what problems we have to solve to get them out of the poverty cycle. That is the only way we can do it.

**Mr Sutton**—This shows up in our budget counselling services where we have more time to do a bit of caring and sharing with people. You find that what may seem like poverty is in fact chronic poverty. The hardest thing for people to talk about sometimes is the shame of being poor.

I am becoming aware of situations that you would not dream were happening to people. It can take a period of weeks and sometimes months before the relationship develops to such an extent that people reach a point where they can say, 'I trust this bloke. Righto, this is it.' That is when the real story comes out. Let me tell you: we are talking about just the tip of the iceberg of poverty. It is so systemic; it is so out there. We do not even know about a lot of it, and it is going to take a long time working with people and developing relationships to get into the chronicity of it and the reasons behind that.

**Mr Kelly**—Senator Moore, as I understand it, your second question was: is our society exaggerating?

**Senator MOORE**—Yes. The inference is that for various purposes people are either exaggerating or negating the problem in the various debates. Certainly your organisation has been a very strong advocate for many years on these issues. My question is: is there any advantage to the society in exaggerating the issue of poverty?

**Mr Kelly**—I may be an ingénue, but I could not in my wildest dreams want more work for the society. I do not see how it possibly could in any way exaggerate. In fact, as Mike said, it is probably understating the real extent of the core of poverty.

**Mrs Crawford**—I would confirm that. I refer to what we all know as our value philosophy statement, which is that we are looking to help people with a hand up not a handout. I can say that if we helped them all with handouts we would have closed shop a long time ago.

**Mr Denehy**—Senator Moore, I understood that question differently. I thought you meant that our clients were exaggerating their stories, and that is what I was talking about.

**Senator MOORE**—That's fine.

**Mr L. Moore**—I attended a meeting up in Mullumbimby with the Centrelink people who were looking after employment and promoting their CPN program. I think St Vincent de Paul are trying to do something similar in that we are reviewing our situation the same as they are—and I think it was their fourth or fifth review that they were promoting—in order to get to these people and really get their story. They were looking at a two-year relationship with the long-term unemployed in order to try to help them right through. St Vincent de Paul are looking strongly at that, with training to get to the people so that we can help to manage their situation rather than have a crisis handout scene.

**Mr N. Moore**—Back to you, Senator Moore, about the overexaggeration. I have a figure from our little neck of the woods: from Tweed Heads down to Byron Bay, 9,200 people sought our assistance in that 12-month period. There is a need and it is backed up by figures, which we keep.

**CHAIR**—The Centre for Independent Studies is claiming that poverty is not as bad as it is made out—it is exaggerated.

**Mr N. Moore**—There must be a few pretty good actors, then.

**Mr Sutton**—I am just starting to realise the complexity of poverty.

**Senator FORSHAW**—I thank you for your presentations. What I have heard has been valuable. We are getting real situations described to us, which is one of the things our committee wanted to get—we didn't want to just sit in Sydney or Canberra and listen to the academic debate.

I do not want to get too political at this stage, but there is clearly an attitude that the current government—and I would imagine that it is not confined to just the current federal government—should be less involved in assisting people in financial hardship or even seeking employment. As we have seen, it has effectively been handed over to the private sector. And it has been argued that the welfare organisations, organisations like Vinnies, do it the best. Are you finding that this is coming through? Are you getting more and more demands upon your services from groups like Centrelink or departments of housing or other government bodies who may have helped in the past or should be in there doing the sorts of things that people would expect governments to do? Do you find that these things are now being more and more put down for charitable organisations and volunteers to do?

**Mr Kelly**—One point immediately comes to mind, Senator.

**Senator FORSHAW**—I thought your answer would be yes, but I would like you to comment on it. Our own Prime Minister has said: you do it the best.

**Mr Kelly**—This is exactly what we are talking about. When I first became involved 10 years ago, the role of the social worker at Centrelink—a delightful lady, overworked—essentially was to be a financial social worker. Social workers today seem to filter the clients back to us to go into our budget counselling. That would suggest to me that the financial social workers in Centrelinks around Australia are overworked and only too glad to transfer the workload, wherever possible, to someone else. That is not decrying what Centrelink does at all; it is just a cold, hard fact.

**Senator FORSHAW**—Which is why I think that more and more groups, such as what has been termed the working poor, are seeking support from organisations like Vinnies, as distinct from what may have been traditionally the absolute desperate and homeless. The other point that then raises—and I do not want to take this too much further—is the whole question of resourcing. How does the funding work in terms of your various conferences?

**Mr Denehy**—Our dioceses fund themselves from all the work that is done by the volunteers and from our centres and from donations and from bequests and that is all. We do get some emergency relief funding, which is about \$330,000 and that is from there, so that is on that side of it. With regard to Centrelink, in all of our centres we have people sent daily from Centrelink to us and the feeling of the people coming to us is that, 'It was the government that told us it's here. I've got to have this.'

**Mrs McMullen**—They have great expectations and they are disappointed half the time.

**Mr Denehy**—That is right, because we cannot help everybody. We do not have the funds. We have to monitor what we are doing and be careful with the funds.



**Senator FORSHAW**—This is what I hear increasingly from speaking to people in areas where I live. As you have said about the mentally ill, organisations like Vinnies are now dealing more and more with people in those situations.

**Mrs McMullen**—And we are not equipped deal with it; we have had no training in that area to support them.

**Mr Sutton**—We have started up a special work principally in Sydney called COMPEER, which is a program to work with people with mental illnesses: to be their friends, to walk with them and to help them develop their life skills. We have got to start thinking of our volunteer base. How much can a volunteer do?

**Mr Denehy**—A volunteer base is a crucial thing for our organisation and for other organisations doing the same sort of work as us. What I want to know is: where are all the baby boomers? They must be driving in their motor homes around Australia or something. They have got their super and they have sold the big house in Sydney or Melbourne and moved up here and we do not see them. We see very few of them and yet there should be plenty of people with time on their hands to do volunteering. We are trying desperately to get them in but in respect of the numbers that are retiring, it is very minor.

**Mrs Crawford**—I will say one small thing. I would like to speak on behalf of the hidden poor. As a society, we know how many people we service. We have all our statistics. But I and my husband personally know several very poor families in our community who never seek assistance. I am sure that each one of us knows people in that group of hidden poor who are not listed in statistics.

**Senator MOORE**—They never will be.

**CHAIR**—Thank you very much for the effort you have made in coming today and the valuable contribution you have all made.

[12.41 p.m.]

**ROCHE, Ms Sharyn, General Support Worker, Lismore Women's and Children's Refuge**

**CHAIR**—Welcome. The committee has before it your submission. I invite you to make a presentation, which can take the form of a statement summarising your views or highlighting the issues you would like to emphasise to the committee.

**Ms Roche**—If it is okay, I will read from the paper and to it. I am not a good public speaker and have not done—

**CHAIR**—We have read your paper. There may be some issues in there you might want to highlight but we have read it.

**Ms Roche**—Okay.

**CHAIR**—I have marks in it.

**Ms Roche**—Good. In regard to income security for our client base, the fact is that our clients are there because of violence not because of poverty. Poverty, however, exacerbates every aspect of how violence affects their lives and the lives of their children. We do not believe that income security adequately reflects the real costs women—and their children—and particularly sole parents face trying to support their families and gain access to a whole range of social participation. Poverty reduces participation, it reduces their opportunities. Violence is why we deal with these people but poverty creates great hurdles for us in assisting them to change their lives.

We come across many cases where the legislation Centrelink is working within harms our clients. We really appreciate the expertise of the Centrelink workers but they are working with some legislation that is pretty hard on and damning against our clients. There is a crisis payment that is applicable if you meet certain criteria, one of the criteria being that you are setting up a new home because of circumstances of domestic violence. That payment is \$180. I want to know who can set up a new home on that. It takes two or three hours to get through the paperwork to gain that payment, and probably a good dose of your self-esteem—all that for the princely sum of \$180, which probably will not even get you the motel room that you had to pay for last night if you could not get into a crisis service.

Many of our clients come into our service with enormous debts, a lot of them relating to the violence that has occurred in their lives. We have found financial counselling services are very helpful to these women but you cannot get blood out of a stone. Even when you are starting to play with how you might be able to deal with the financial burdens you have come in with, those services are hard to get into. Steve Snellgrove is the local counsellor that we use. He works wonderfully with our clients but his service is limited; they are underresourced. We find that difficult to deal with. Sometimes we only have a small window of opportunity with our clients. If we are unable to hook them up with services that may be able to help them with their futures,

that is a difficulty. The services they are able to offer are limited by the resources they have as well.

In our submission we made comment about the effects of taxes such as the GST being reported as minimal. We think that is not true. We think that women and children find it particularly difficult to meet their day to day needs and that has been greatly affected by things such as the GST. Housing for us is a big issue. As other speakers have observed, it is also our experience that you cannot get off TICA. We have written to various bodies asking that that be questioned. It is just one man that runs that service. He has been able to virtually shut down the rental market to a great portion of the population. We think access to adequate and safe housing is unreliable. Governments do need to recognise and meet the needs of clients who are either unable to participate in private markets or unable to purchase and become owners of their housing.

A basic tenet of life is that you have a roof over your head and food in your mouth. A lot of our clients do not have the security of either of those things. That reduces their participation and opportunity on so many fronts. You have children who do not have secure housing. Scholastically, they are being moved from education centre to education centre. In respect of any support systems that they set up and feel comfortable with, they may not have them for longer than a week or two weeks. That is how long it takes me to start to feel comfortable in a really small part of my life. A lot of our clients' children have no other security. If they are given security of tenure and housing, that has the potential—that is not to say that it would fix everything—to make other areas of their lives more satisfactory.

We question our responses in terms of legal support for women and children. Financially speaking, if they do not have money it is often hard to get good legal advice. We have a legal aid system. It is our experience that it does not adequately address a lot of people's needs. We have a legal justice system that has no response for people having to walk away from their possessions. Financially that has an enormous impact on people. It is a simplistic response to say, 'Move on with your life.' They have to recognise that this behaviour is occurring. They are probably not in charge of it. It is damn near impossible to move on when your whole life is sitting locked in a house somewhere and you have no legal recourse to get it without having the finances to pick up a lawyer or solicitor who will chase that for you.

It is about access, participation, opportunity and choice. Finances have affected our client base greatly in those areas. Anything that I have said is not comprehensive. I think we could spend hours and hours gaining information about it and it would not go to any great length to address what the real issues are or how complex the issues are. Every speaker I have heard speak—and I came in late—had pertinent points.

One of the issues with housing is that we have a lot of what we would term homeless or mental health clients approach our service for housing. There is nothing else. They do not fit our criteria, and we do have to turn them away. That impacts broadly even on our client base. We have clients with mental health issues or drug and alcohol issues. We attempt to hook them into underresourced services so that, when they move on into independent community living—rather than supported accommodation—they can be successful. We often know that that will not be successful if they do not have access to good and adequate services.

We do not think a simplistic response does exist; we think it is going to take time and money. Moira Rayner, at a conference I was at a long, long time ago, said, 'You will pay at one end or the other.' Somehow we have to look at how we can pay now. I forget the name of the guy who said that he feels like he is catching things. It is like that. We need to accept the responsibility of building the fence. As a service, we are more than happy to put what we can into that. It is a small contribution, but it is a small contribution we see from an already stretched community base of resources.

**CHAIR**—Thank you very much, Ms Roche. I wonder if you can explain this to us. In your submission, under 'Legal responses', you talk about:

A criminal justice system which allows police to hold perpetrators of domestic violence for up to seven days (as legislated in Canada) ...

Could you explain that to us, if you wouldn't mind?

**Ms Roche**—I am not fully aware of the exact wording of the legislation or of how it was brought about; I do know that they are able to hold them for seven days. It gives a window of opportunity for someone, a woman or a woman and children escaping DV, to collect their possessions—and sometimes we are talking about such basic possessions as your birth certificate. You are a non-person until you have those items of ID. In that time there is an opportunity to do those things. We are talking about criminal behaviour; it is not that someone made an offensive comment to someone. Domestic violence is a crime. I think our legal system has overlooked that. It would appear that Canada's legal system has gone some way towards addressing that.

**CHAIR**—So, when the situation at home blows up and if there is a violent situation, the police can detain the man for up to seven days while they clear the home out.

**Ms Roche**—It would be a refusal of bail—

**CHAIR**—I see.

**Ms Roche**—which we had the capacity to do, but which was so infrequently exercised that probably the paper it was written on could have been used for better purposes.

**CHAIR**—Fair enough. Is it a radical proposition for a women's refuge to advocate a refuge for male perpetrators?

**Ms Roche**—When we talked about it, and when we compiled this, yes, it was. Many of our feminist based workers would say, 'Why on earth would we direct our public resources into that area?' The police have often said to us—and to me as a worker at the refuge—'But we don't have anywhere to put him. That's why we want you to take her and the children.' My response is, 'She hasn't committed a crime. The children have committed no crime. There is no criminal behaviour here, yet you want her removed from her home.' If there were a refuge for male perpetrators, it would be fraught with difficulties. There would be no mandate to keep those people there; they could walk out at any point in time. It got into the submission, but it was not without—

**CHAIR**—Debate.

**Ms Roche**—Yes, much debate.

**Senator MOORE**—It caught my eye! What kind of client base do you have? I have worked in your area: what kind of numbers does your service work with?

**Ms Roche**—Lismore Women's and Children's Refuge?

**Senator MOORE**—Yes.

**Ms Roche**—Last year we housed approximately 365 families.

**Senator MOORE**—Over a 12-month period?

**Ms Roche**—Yes. We operate on a 'crisis short term' basis. That is wonderful to say, but where do you move women and children once you have dealt with their crisis needs? We find that extremely difficult. There is nowhere for them to go. Housing is a big issue. We have put people in what we consider really inappropriate places—local hotels, for instance.

**Senator MOORE**—Caravan parks.

**Ms Roche**—Caravan parks, where there is no security.

**Senator MOORE**—What kind of region do you service?

**Ms Roche**—We do not have a stated service area.

**Senator MOORE**—Anyone who shows up?

**Ms Roche**—Anyone who shows up. Generally that would mean people from anywhere from Grafton, to Moree, to Tweed in the north, depending on what other refuges are full or if their needs cannot be met within their own areas.

**Senator MOORE**—How many other refuges are there in this immediate area?

**Ms Roche**—One.

**Senator FORSHAW**—One in Lismore?

**Ms Roche**—One other in Lismore: a Koori women's refuge.

**Senator MOORE**—That is through the Aboriginal network, isn't it? It has been there for a while. But there is still crossover between the refuges as needed?

**Ms Roche**—Yes.

**Senator MOORE**—Do you have many clients who are travelling through; who are running away from Sydney or Brisbane and end up on your doorstep?

**Ms Roche**—Yes. One of our screening criteria is that there is a risk. Often we will put women and children in hotels or motels if they are travelling and we believe that there is a risk which is not directly related to domestic violence or to being in the area. We are a fairly secure refuge. There are other refuges that do not work with the type of security we do.

**Senator MOORE**—You are one of the secure ones in terms of police contact and protection?

**Ms Roche**—Yes.

**Senator MOORE**—I read with interest your recommendations. I think there could be some interesting debate in your recommendations about a restraining refuge for male perpetrators. Also, keeping the family in the home and removing the perpetrator—I think that needs some consideration.

**Ms Roche**—We feel it needs consideration. It recognises that that behaviour is criminal. If I were assaulted in my home by someone who did not have a domestic relationship with me, they would remove that person. There would be no questions asked about whether I should just move on until they get over their heated moment.

**Senator MOORE**—If there were one message you could give to the committee, what would it be?

**Ms Roche**—That the importance of addressing poverty in people's lives will be paid back in terms of what communities get out of it.

**Senator MOORE**—The Rayner message?

**Ms Roche**—It is the Rayner message. It is just that she put it particularly eloquently on the day that I heard her: the public purse is offended no matter what happens. Surely we should offend it with good outcomes. I do not think it is simple; it is a horrendously large task. Our service certainly wishes the committee the best in addressing it well.

**Senator MOORE**—And your key point in terms of the lack in the area is the housing issue? You share the same despair—

**Ms Roche**—Housing has an enormous impact. Shelter is a prime need of people.

**Senator MOORE**—Thank you.

**Senator FORSHAW**—Firstly, I want to clarify the number of refuges. There is yours here in Lismore, there is a Koori one. What about the rest of the region?

**Ms Roche**—One in Grafton, one in Tweed. There are none in the west that I am aware of, in Tamworth or Armidale.

**Senator FORSHAW**—So you are covering a pretty wide area with limited resources.

**Ms Roche**—Our catchment area is large.

**Senator FORSHAW**—With the women and children coming to the refuge seeking assistance, are you able to say what the family situation is that they are coming from in terms of, say, income? Is it mainly situations where there are actual problems of financial insecurity in the family?

**Ms Roche**—Very few of our clients come from—

**Senator FORSHAW**—Where there are no income worries.

**Ms Roche**—From where income would not be an issue. We have no doubt that it exacerbates problems. The other thing we have to say is that maybe people who do not have an issue of finances are actually able to pick up other options.

**Senator FORSHAW**—That is what I was getting to, because domestic violence is clearly not directly correlated to lack of income, though there is obviously association and it can make it worse.

**CHAIR**—Are they mainly families on some sort of social security benefit?

**Ms Roche**—The families we deal with are, but I am not saying that is domestic violence per se.

**CHAIR**—No, I am not asking you that, but not many working families.

**Ms Roche**—Very few. I do not have statistics on it, but the SAAP data would show income levels.

**Senator FORSHAW**—The point you make is that it may well be that in other circumstances there are other options available, such as other family members or friends.

**Ms Roche**—I have no doubt about that whatsoever.

**CHAIR**—Thank you very much, Ms Roche. Thanks for your patience and thanks to your colleagues for coming along with you.

**Proceedings suspended from 1.02 p.m. to 1.46 p.m.**

**CLARKE, Miss Margaret (Private capacity)**

**CHAIR**—Welcome. The committee has before it your submission. I invite you to make a presentation, which can take the form of a statement summarising your views or highlighting the issues you would like to emphasise to the committee.

**Miss Clarke**—Thank you. I am not representing an organisation as such. I am here because I am one of the people Mrs Crawford called the invisible, hidden poor. I am not one of the 2.4 million who have gone to charity for help. I am here today, firstly, to personally thank the Senate committee for undertaking this inquiry. It is so important that we deal with this issue. It is the biggest threat to our national security. I am very thankful that you are doing this work.

My written submission is focused on the big picture policy issues that contribute to poverty. Today I want to tell you a little about what it is like to live on the front line amongst all those statistics and case studies. I also want to tell you what we in the community are doing about this crisis and how you can help us to improve our welfare. As I said, I am not one of the 2.4 million Australians who have gone to charity in the last 12 months—thank God. Like millions of other low-income Australians, I am one of the hidden poor, just keeping afloat. We are flat out treading water out here. We are making very little headway towards our aspirations, and we are one crisis or catastrophe away from the poor box. We are living on the edge.

We live in the shadows of the dismal statistics. We are not mad, bad, sad or totally dysfunctionally overwhelmed by our life circumstances. Many of us are highly skilled and well educated. We are all doing what we can to contribute to society with the resources we have. Our poverty is poverty of resources, services and opportunities. In my neighbourhood and community, around half the local people are low-income earners—either on welfare or in insecure, casual or part-time employment. We know life wasn't meant to be easy; but it is getting too hard to make ends meet, let alone work towards our dreams. Even people with full-time, low-paid work are struggling just to make ends meet, let alone get ahead anywhere. The lack of services in regional areas is appalling. Housing, health, transport, education, child care and crisis support services—you name it—are underresourced. Our informal neighbourhood and community networks are also stretched.

You have heard from the charitable organisations about all the organised voluntary work that they do. I am going to talk for a moment about the social support work that is done at kitchen tables in our homes. It is not counted in the official statistics. It does not count as charity. It does not count as social participation for Centrelink purposes. It is informal, and it is invisible. Yet friends and family are too often the only safety net available, other than drug and alcohol oblivion, crime or suicide.

In the last year, my home has provided 30 nights of emergency accommodation for various people. My garden and larder have fed dozens of people who would otherwise have gone hungry. I physically prevented two suicides. I have wrestled a knife out of someone's hand, and that sort of thing. I have talked through a dozen or more cases of utter despair. I have had to explain to a 76-year-old woman why her son fell through all the safety net holes on the end of a rope. I have stayed up all night nursing an elderly neighbour when her carer suddenly took ill



and we could not get emergency care for her. I have found people jobs. I have found people somewhere to stay, counsellors and other services when they were available. They are very hard for people to access, especially when someone has not even got 40c to make a phone call. My kitchen table is one of many that have been stretched to help others.

Like official charities, we too are overwhelmed by the level of unmet need and we can only do so much. I am living on a disability support pension; I have not got a lot left over. By the same token, I cannot let a six-year-old child sleep on the streets and go hungry. I just will not. I will go hungry before I will let a six-year-old child do that. I am finding myself reluctantly being a charity even when I cannot afford to be.

The human face of poverty is not a happy visage. Poverty is driving people to despair. It is driving them to sickness and disease. It is driving them to drugs, alcohol, gambling, disaster and death. There is no other way to describe it: what is happening in this country is killing people.

Beyond the kitchen table, in Byron shire, our community groups and local philanthropists do a lot of work to find ways to create sustainable employment, to increase affordable housing and to provide community services, especially for our young and elderly. There are Uncle projects, Auntie programs, the BAT bus for youth activities, parent support groups, regular AA and NA meetings, home visitors, hospices, Landcare groups, council community committees and a whole list of art and sporting groups that voluntarily raise funds and resources to meet our community needs. But there are a lot of things that community groups cannot do without both in principle and practical support from all levels of government. Without government support we cannot build affordable housing, hospitals, dental clinics or mental health clinics and we cannot create all the jobs we need to give ourselves and our children a decent future.

What we need from government is a hand up rather than a handout. As it stands, our welfare safety net is a one-way valve. It catches you as you fall down, but it is not a trampoline—you cannot get back up again. Too many people are falling through and not being able to climb back into a decent life. The two most important lifelines that the government can throw us are adequate and secure income—whether through welfare, work or whatever combination of those with appropriate tax arrangements between the two—and adequate, secure, affordable housing. I cannot stress how important housing is. Some 40 per cent going on 60 per cent—depending on whose figures you read—of the money that the government pays out in welfare ends up in some landlord's pocket. You can pay the rent but there is not a lot left over afterwards. And you keep paying the rent.

I will be 45 next week. I have been living in rented accommodation and share houses for 25 years. I want to be able to go home. I am not asking for a penthouse with jacuzzis and helipads or anything; I just want somewhere basic that is secure and safe where I can hang a picture on the wall without losing my bond. We are not asking for ridiculous things. If you have not got somewhere secure to live, you cannot get and hold a job, you cannot look after your health and you cannot form or hold together a family. It is even more important in some ways than health and education in terms of government expenditure. There is no point in having a fabulous education system if you have nowhere to do your homework. There is no point in having a fabulous health system if you walk out of hospital after a hip replacement with nowhere to go.

Both federal and state governments have reduced public housing support dramatically in the last five or 10 years, despite the fact that they have been making a fortune out of the housing boom. I think it is only fair that we ask that some of that is invested in affordable public and community housing. I could talk about that particular topic for ages but I will not go into that.

At the community level we are doing a lot of work and we do need help to do the things that the government cannot do. We know what our community needs, whereas it takes you 16 consultants and studies to find out what we could tell you across the kitchen table. I am amazed at the amount of effort that is put in by people in our community. Not just me but hundreds and hundreds of other people put in countless time, energy and resources. We cannot do it all on our own.

There are hundreds of people in Byron shire who are well-educated and highly skilled and who could make a business if the rules actually allowed them to build one up. But between the Centrelink rules, the tax office rules and this, that and t'other thing, that talent is just being wasted. That is as individuals. At a community level, there are many projects that could become self-sustaining, but they need seed funding. There are about five or six groups that want to create and sustain a viable arts industry up here. Some of them get a little bit of funding here and there but we have not yet got the level of impetus that would put that industry on the map in economic terms.

One of the projects I have been involved in over the last few years is the Island Quarry project. Fortunately, I am pleased to report, the federal government has provided us with some seed funding to do a pilot community employment project. I have been one of the people who have actually managed to create four jobs in our shire for 12 months. Through those four jobs we hope to create many more. As a pilot project, we do not know whether it is going to work or not, but we do need government help to have a go. If it does work, then it will become a formula that can be used in other places.

It has taken two years of unpaid voluntary work just to secure \$150,000. It is going to take a lot more unpaid work in addition to the paid work that that money funds to make this work. Our future and the future of our whole community is at stake here. If we do not have a go and try to do something, we are not going to get anywhere. We are just going to be waiting for the next cheque from Centrelink.

The business community and the local, state and federal governments have all given us support for this project. It actually commenced yesterday, so it is very early days. It is impossible to tell how it will go. It is one example of things that have been community generated and have community support. With a little bit of help from our government we may be able to turn things around and create not just four jobs for a minute but 40 or 400 jobs over the next few years. One of the principles that that project is working on is that we are not trying to create the sorts of jobs that people do not want or that are not worth doing. We are not trying to create \$7.50 an hour jobs cleaning out toilets; we are trying to create sustainable employment for people and foster and seed small businesses and so on, so that people can actually do what they are good at and what their community needs. Like Sharyn, I am one of those people who write better than they speak. I do not want to trawl over all these big picture issues in detail. It is very hard to squeeze this whole issue into 10 minutes.

**Interjector**—Finish up by telling them that there are plenty of jobs out there, but we are all doing them for nothing.

**Miss Clarke**—That is pretty much how it has been going.

**Interjector**—There is so much work to be done environmentally and socially.

**CHAIR**—Excuse me. You are most welcome to come up to the front if you want to.

**Miss Clarke**—Michelle Grant is dead right—thank you for the prompt, Michelle. It is very true; there is a hell of a lot of work that needs to be done. Whether that is social work, environmental work, economic development work et cetera, it does not seem that the work that is really worth doing and that really needs to be done is worth being paid for. And yet there are ways that we could make that happen if we have the political will to do so. I find it terrible that in Byron shire there is an awful lot of shonky cash employment. I can get a \$10-an-hour cash job tomorrow like that, but I cannot declare it with Centrelink and I have got no insurance or workers compensation—none of those things happen. You cannot pay tax on it. I will not go there. To me that is not a job, it is something else.

A lot of people feel a little bit the same way about Work for the Dole. If it really is work, if it really is worth being paid for, where is your pay slip at the end of the fortnight, where is your two weeks recreation leave for your six months and where is your super? It is not a proper job, and people doing the work and people in the community—especially employers—do not regard it as a real job. So it is not really serving any purpose except to make the government look popular. There is a lot of work that needs doing. We are prepared to do it, but we need the funds and the resources to get on with it.

**CHAIR**—Thank you very much, Miss Clarke. I want to compliment you for the very thorough paper that you have presented to the committee.

**Miss Clarke**—Thank you.

**CHAIR**—You have emphasised employment and housing, and I am sure some of my colleagues will question you on employment. We have had plenty of evidence come before us about housing and the rental assistance program—and that as soon as it is increased so are the rents in private accommodation. Not only that, it seems that housing commission rents might even go up at the same time as well. Do you have a view on the amount of money being spent on the rental assistance program? Do you have a view about it being diverted from something like that to help people either increase investments in housing commissions or public housing, or to be able to buy their own public housing? Do you have a view at all? Or do you think that if the Commonwealth did not involve itself in the rental assistance program then that would lead to people being put into more financial difficulties?

**Miss Clarke**—If the Commonwealth abolished the rent assistance scheme tomorrow, it would be an immediate catastrophe in the short term because there is nothing to fill that void. I suspect that the correlation between rises in housing commission and rent assistance have got something to do with how often governments adjust things to CPI rather than anything else.

**CHAIR**—We have even had evidence of this in caravan parks and of different sides of the track in caravan parks. Those people who are getting rental assistance have much higher rents in that caravan park than tourists or transitory people.

**Miss Clarke**—I have heard anecdotal evidence along those lines. I suspect that some private landlords are taking advantage of the fact that rent assistance goes up on a regular basis. I also know that some private landlords actually set their rents, where they can afford to, at a point where the tenant gets maximum rent assistance without having to pay too much more on top. They actually set it at an affordable level and do not increase it the moment rent assistance increases. But philanthropic landlords like that, unfortunately, are not very common. The last figures that I saw said that the rent assistance budget was something like \$1.7 billion. It is only going to get bigger as a consequence of this housing boom and the prices going, as they have, through the roof.

Byron shire has got the highest median rental prices in New South Wales outside Sydney. That is an average. The prices that are now advertised in the papers are astonishing. A lot of people are leaving. They are having to move away or they are moving into overcrowded circumstances, with all the perils that that entails. I think we need to actually invest in more public housing and/or helping people to gain equity in their own homes. I have watched too many marriages break up where she gets left in the home but she cannot afford to pay the mortgage on her supporting parent's benefit so she has to sell it. Then they give her rent assistance for her new rental house but, if they had given her mortgage assistance in the first place, she would not have had to move and disrupt the kids from school and so on.

I think there is a valid argument for supporting people to get their own homes. Most people on welfare have not been able to take advantage of the first home owners grants that have been available in the last couple of years because they just cannot get housing finance. If the government is happy to hand out \$7,000 or \$14,000 to anybody regardless of income, why isn't it happy to hand out a few thousand dollars to somebody to have equity in their home?

**CHAIR**—When we had the Country Women's Association—I do not want to be a defender of Country Women's Association, but—

**Senator MOORE**—Why not?

**CHAIR**—I do not.

**Senator FORSHAW**—It would be a first.

**CHAIR**—It might be the last. When you quote in your paper their definition of what you say is 'the neo-liberal fundamentalist line that poverty is ...', I seem to recall that the ladies that came along were probably as bolshie as you about rural poverty and how people had been abandoned out there, so maybe that was a tongue-in-cheek statement by them in their paper.

**Miss Clarke**—I am waiting to be old enough to join the Country Women's Association.

**Senator MOORE**—You are.

**CHAIR**—Senator Moore is a member.

**Senator MOORE**—I am a member, thank you very much!

**CHAIR**—And she lives in the centre of Brisbane, don't you?

**Senator MOORE**—That is right.

**Miss Clarke**—I was told years ago I had to be a certain age before I could do that. I think they were quoting somebody else's view.

**Senator MOORE**—Yes, they were.

**CHAIR**—It is not their view.

**Miss Clarke**—I guess what I am trying to say in that comment is that we get a lot of bad publicity from certain politicians whom I will not name—we are all mad, bad or sad; we are all wasteful job snobs, drug addicts and that type of thing. When you look across the whole spectrum of who is poor, yes, there is a fringe out there that is like that, but the majority among our distribution are not. I think both the CWA ladies and I recognise that we are talking about the fact that most people are ordinary people just trying to get on with their lives. Yes, everybody has their moments, but we are not living in despair and we are not living in desperation—we are struggling above that.

**Senator MOORE**—Miss Clarke, what was the project that you just got seeding funding for? Is it a job development project?

**Miss Clarke**—Community employment.

**Senator MOORE**—Is that focusing on this immediate area or Byron Bay?

**Miss Clarke**—That is focusing on Byron Bay or people in that catchment, which includes the shire.

**Senator MOORE**—Is that federal funding from one of their schemes for 12 months, or is that state funding?

**Miss Clarke**—It is from Family and Community Services, from Stronger Families and Communities, I think.

**Senator MOORE**—That is good. So you have got some money out of that. Is it for 12 months?

**Miss Clarke**—Yes.

**Senator MOORE**—And is there, at that stage, any likelihood of you being able to keep it going?

**Miss Clarke**—We are not sure. Because it is a pilot—

**Senator MOORE**—They are all pilots!

**Miss Clarke**—We have never tried to do this before.

**Senator MOORE**—It is really positive.

**Miss Clarke**—We are going up a scale from what we have been doing at the community level. We do not know whether or not we can make it self-funding in 12 months or less. We understand from FaCS that, if it is looking good, we can probably get some top-up funding until we get it to that point—but, of course, it could fail.

**Senator MOORE**—But it is really positive and it is putting into practice some of the statements you have made in your paper about using that local knowledge and making those things accessible. It sounds good. We will keep an eye on that. I know that your original paper was directed specifically towards the welfare reform process but it all flows across. You make the statement, which I have used in other places, about the mutual obligation. You refer to the mutual distrust factor that can develop. Would you mind giving a few comments on that? The system we have is based on mutual obligation and development and responsibilities. You have identified that there could well be a mutual distrust that has come into the relationship and the impact that could have.

**Miss Clarke**—When you look at the breaching figures over the last few years, fully a third of them have been overturned on review. There are a lot of people who are dependent upon Centrelink who are not happy about this. They are not happy that the hand that feeds them also bites them. There are two responses to when the government stuffs you round: one is, 'It is my fault; I am not worth anything. I might as well go and slit my wrists'; and the other is, 'The bastards! Who can I kill?' Most people go into that former category and you end up suicide counselling. But three times in the last 12 months I have had to talk three people out of going down to the Centrelink office or down to Canberra with a shotgun. We risk serious social unrest if we do not deal with the fact that the government is not treating people fairly, openly and transparently. The fact that you can be breached even though you did not do anything wrong is not trustworthy behaviour. It does not create trust; it creates distrust.

**Senator MOORE**—And then they fulfil the label 'sad and bad'—that sort of thing.

**Miss Clarke**—Yes.

**Senator MOORE**—Did you hear my question this morning about the proposal of having a summit?

**Miss Clarke**—Yes.

**Senator MOORE**—Considering the amount of work you have done in this area, what would be your view of a proposal to have a summit on the issue of poverty—a coordinated approach to the issue, involving governments and non-government organisations over a period of time?

**Miss Clarke**—Our own Southern Cross University here in Lismore—

**Senator MOORE**—Your very own!

**Miss Clarke**—Our own; we all own it. There was a conference set for September 2001.

**Interjector**—It was the same weekend that Ansett died.

**CHAIR**—You are most welcome to come to the table if you like.

**Interjector**—I am just the chauffeur. Margaret does not have a car.

**Senator MOORE**—You are a consultant.

**Miss Clarke**—They organised a conference about unemployment and poverty and all the rest of it. The pin was pulled on it because it was just before Ansett crashed. They had intended that to be such a forum. They had academics, government people, unemployed people—

**Senator MOORE**—I remember that format. It was very positive.

**Miss Clarke**—Now it is two years on and it still has not happened. I do not know whether it is going to tell us anything we do not already know. I guess the value of having a forum like that would be to ensure that there is public debate. That has been sorely lacking. A forum would be good but it is only one thing to do. If we stop at a forum, we have done nothing.

**Senator MOORE**—Sure. We have maybe assuaged consciences but done nothing more.

**Miss Clarke**—Yes. And if that forum does not include the people who are affected by these things then it is just a bunch of experts—

**Interjector**—That relates to the cost of the forum.

**Miss Clarke**—Yes, there is that, too.

**Senator MOORE**—The concept would be a government forum, as a result of the input. The ACOSS, Smith Family and St Vincent de Paul submissions talked about where to go next and this was their concept. It would be a government initiated summit involving government and non-government organisations and people who were there looking for a process for the future.

**Miss Clarke**—Yes.

**Senator MOORE**—Your concern would be to ensure that people who were actually living in this way were not just talked about but involved?

**Miss Clarke**—Yes, I think it is very important. I forget the official title of it, but I know that Larry Anthony and the youth services people have some kind of youth forum.

**Senator MOORE**—Each year.

**Miss Clarke**—Yes, each year. That involves young people sitting down and talking together and talking with the experts. I think we need to do something like that across the age spectrum because poverty is affecting everybody; it does not matter whether you are young, old or anywhere in between.

**Senator MOORE**—Good luck with your pilot.

**Miss Clarke**—Thank you.

**Senator FORSHAW**—I found your submission very comprehensive. Thank you for putting the time into it; it was good.

**CHAIR**—Thank you, Miss Clarke, and your driver.

**Proceedings suspended from 2.16 p.m. to 2.26 p.m.**

**KLAASSEN, Mr Steve, Organiser, Liquor, Hospitality and Miscellaneous Workers Union**

**O'REILLY, Mr Bradly John, Union Delegate, Liquor, Hospitality and Miscellaneous Workers Union**

**CHAIR**—Welcome. I invite you to make a presentation, which can take the form of a statement summarising your views or highlighting any issues you would like to emphasise to the committee.

**Mr O'Reilly**—I am 32 and I work for Tempo Cleaning Service, which has the government school cleaning contract. I left year 12 and went to uni and ever since I left uni after a short stay I have been a cleaner, so it has been a period of about 10 years. I am married with three children. I come today basically to say what it is like to be a low wage earner and get by on a low wage with all the costs and pressures on a normal family, being a normal person on a low income and how difficult it is to get by.

I am on \$14.85 an hour during the week. After tax, I clear around \$430-450 per week. To make ends meet I work every second Saturday, which gives me about an extra \$80 on top of the \$430 per week. My wife is a stay at home mum and carer and receives the family tax A and family tax B supplements, which comes to around \$210 per week. That brings us to a total income of \$710 per week. When I was asked to come here and speak today, I thought, 'That wage does sound like a fairly good wage,' but when you take into consideration what comes out of that wage week by week in our household it really cuts it back. My wife and I stayed up last night doing a special budget for this and we worked out that nearly every week our budgeted costs, paying back credit card debts and the usual household expenditure, comes to around \$662 a week, which leaves us about \$49 a week in our pockets. That might sound all right but we have got to try and save and you have to hope no emergency comes up like the car breaking down, kids hurting themselves and so on.



I own my own car. It is 10 years old and not worth much, but it goes. I purchased a house 2½ years ago and have got a mortgage for \$91,000. About \$130 week is the minimum payment for that. As I said, we do have a small credit card debt. When you are living week by week like we do, if something goes wrong in a big way, if your freezer blows up, the car blows up—and you need a car to get around and somewhere to put your food—if at that time of the year you do not have that money spare, the only way you can really get those things fixed, especially if it costs over \$1,000 for a new freezer or something like that, is to put on the credit card; that is the easiest way to do it for people like us. That is all well and good but you have to pay that back and it has got a horrible habit of creeping up on you where you have got a \$4,500 debt and you are paying \$75 week trying to get it down and that ends up only paying off the interest half the time. It really makes life hard.

Up until last year, I was paying a HECS debt for the 2½ years I spent at university doing a bachelor of education degree which I never finished. That also came out. That was \$36 a fortnight, which pretty much takes away what we had left over. I have finished paying that now and we put that money aside to try to save some money—that is the only way we can save.

I mentioned the household costs. Like anyone else, we try to put aside some money each week: \$30 for rates, \$10 for water, \$30 for Telstra, \$25 for electricity. Then there are the house insurance which you have to have when you have a home loan, and that is \$25 a week. We spend about \$150 a week on groceries on a good week when we have that much money to spend on them. I buy a carton or half a carton of beer a week when we can afford it and maybe a packet of cigarettes, but some weeks you cannot afford to buy them, and so if you cannot afford them, you do not get them. That is fair enough. That adds up to \$662 a week—that is with house payments and everything else.

We have \$49 left over and we hope that nothing goes wrong. One of my biggest problems with our family is medical expenses. We have three kids and kids hurt themselves and have medical problems. My children are aged three, five and eight. My eight-year-old has just been diagnosed with chronic migraine problems. It cost me \$160 for him to see a specialist. We get about \$95 back. In Lismore there is no bulk-billing. I do not think anyone bulk-bills in Lismore now, so if your child gets sick you have to have that money or the doctor will not see you. You can go to the outpatients at the hospital and they do a great job there, but if you have a really sick kid you do not want to spend hours there at night with him. We are not in dire need and we still want the best care for our children that we can get, and for me that means making sure that we have enough money to see a doctor.

As I said, the specialist cost \$165 and we got \$95 back. There were two visits to the doctor either side of that. It cost \$204 for both those visits and we got \$101 back. My five-year-old has been diagnosed with asthma this year—this has all happened in one year. Again, it costs \$105 for a visit to the doctor and we got \$25 back because medication was given to us by the doctor at the visit. That has to come out of the \$49 a week we have left after paying everything else. So if we have to take the child to the specialist in one week, we are taking \$95 out of that \$49, and so we put it on the credit card and the credit card bill gets higher, but we have to do that to survive.

My wife and I, with a combined family income of \$700 a week, are not entitled to the free dental service. I do not have a pensioner card or whatever. There is a government school dental program and I think the children are seen in kindergarten, year two and year four. If your child is

not in one of those years and therefore seen by the government dentist and given a bit of paper to say that they can use the government dental service, it is very hard to get a child in to see a dentist. My five-year-old has very bad front teeth. His four front teeth are very bad. We looked after his teeth, did everything right, but they actually rotted from the inside out—it was a genetic thing that went wrong.

We saw our private dentist to get the best care for him and that dentist quoted us around \$800 to get them fixed, and he had to have that money up front before he would start work on him. He suggested that I go to the government dentist and see what they could do because they were my son's first teeth—his baby teeth. When I went to the government dentist the lady at the front counter asked, 'Is your child in a lot of pain right now?' and I said, 'No, he's not in a lot of pain but his teeth need fixing.' She said, 'We can't really take your child in unless he is in a lot of pain.' I said, 'We know his teeth are bad, so why can't I make an appointment and get him fixed?' And she said, 'No, he has to be in pain before we can take him straightaway.' I sat there and argued with the lady and went red in the face and asked her if that was her bottom line, if that was the way they worked.

I only got him in to be seen a week later. I nearly got thrown out by a security guard trying to get my child to see a dentist because his teeth were bad. The only other option was to pay \$800 for them to get fixed by a private dentist and at the time I just didn't have \$800. It is not a nice thing to do and it makes you feel awful that you have to do it, but that is the way it is working at the moment. My wife and I both really do need dental treatment but it is out of the question: we cannot afford it. So you just do not get it done. We cannot go to the government dentist—maybe we could if we waited 12 months or so, but we definitely cannot afford to go to a private dentist. If you do that, you are taking food from the table. This is all on an income of \$710 a week. These things are additional to our other expenses and we just cannot afford it.

To keep working you need a good car. I will just talk about the cost of the upkeep on a car these days. I am going through the process of having my car registered at the moment. This year I had to buy four tyres, which cost me \$440. Replacing the back and front brakes cost me \$400. This is not every year, but this is just what happened this financial year. A clutch cost me \$500 and the CV boot was \$85, and we have a really good mechanic who is a nice bloke and has helped us out along the way too. Then you have your rego each year—we try and put aside \$10 a week for rego but some weeks you just do not have the money. It all adds up. That has got to come out of somewhere. Before, it would have gone on a credit card. If you did not have the money you would just go and put it on your credit card. The morning before my car was due to be registered it was broken into. They smashed the back window and ransacked the car, and I had to have it down for rego an hour later. I was lucky it still got passed but we still have to fix the damage. It is just an added cost.

Anyone from Lismore and this area has to put up with the cost of crime and the fact that it is going to come back to them. Again, for someone who is scraping to get by and is a low wage earner, that can just put you over the limit and sometimes take food from the table. At my last address, my house was broken into three times over a period of 18 months. They take wallets and personal effects; it all costs money.

Another thing I would like to point out, as a normal working class bloke with three kids, is that you have got to keep your kids in sport around this area. If your kids are not playing sport

they are hanging around the streets and they end up getting into trouble. No-one can deny that there is a bit of crime in Lismore. You want to keep your kids busy, so you keep them in sport. Unfortunately, sport these days costs a lot of money too. You have your soccer fees—\$120 a year, and the uniforms can cost up to \$85. Cricket fees cost \$50 a year and uniforms \$45. My three-year-old daughter would love to start dancing now but if anyone has tried to get their daughter into a dancing school, they would know it can cost over \$300 a year. She will not be doing it. Hopefully she can do it next year or the year after when things are a bit easier financially. I cannot allow her to do it because we just cannot afford it. I am working six days a week some weeks and I still cannot afford it.

Then there is the matter of education. Education is important and is an essential. I do not think it is a luxury that your child gets an education. You pay for uniforms, fees, excursions and fundraising. My five-year-old was diagnosed with a speech disability and therefore he goes to two schools. He should have had private speech therapy but, again, we could not afford to give him that. The government speech therapist was brilliant and he was lucky enough to get into a special languages program at a local government school which is excellent. He goes to two different schools, which means double the cost of everything.

Another area of concern is child care in Lismore. A lot of people can see we are doing it hard and they say, 'Why doesn't your wife go back to work full-time?' If she goes back to work full-time until our youngest child is at school, I earn too much to be eligible for much child-care allowance and we would be paying nearly full fees for child care. When coupled with losing the \$210 a week she gets from the family tax supplements, the wage that she would be earning would be almost gobbled up by the costs of child care and the loss she would get with that wage. We cannot afford for her to go back to work. I would love for her to be able to go back to work and have a full-time wage and go that way so I can go back and finish my university degree. That is not going to happen until the three-year-old goes to school and then we could probably afford to do that.

We budget so that we can have \$30 or \$40 a week for entertainment when we can afford it. Our idea of entertainment is going to the raffles at the bowlo with the whole family. Anyone who has ever taken three kids out for dinner and had \$40 to spend would know that they do not get much. It is a quick visit, then home. That is our entertainment. It has been like that for two years. We cannot afford to do anything else. Everything I have mentioned about medical and dental expenses is all on top of the initial budget I gave you that comes to around \$652 a week. That is for the normal household expenses. For everything on top of that, we try and make do with our \$49 that we have left over. It is really hard and, in my view, it is going to get more difficult. Everything we pay for is going up in price. I think we got a \$4 rise in our wage this morning. That is good—it is coming but it is not going to help me out a great deal straightaway.

The reason I came to speak today was to give another point of view—the point of view of someone who does work. I have worked ever since I left school in year 12. Even when I was at university I worked. I work six days a week; I work hard. I am a cleaner in a government school. It is not an easy job. That too is getting harder. The company I work for is a large, reputable company that I find is mostly fair in its dealings. They pay the award wage, yet at the end of the week I am still left struggling and trying to find ways to pay for everything. I find it is getting harder. Maybe when all my children are at school and my wife goes back to work and we have two full-time wages coming in, we could go into a whole different category as regards how

much we can clear each week and whatever else, and we will not be looking for help to get by each week. But, until then, we have just got to struggle on.

I think there are a lot of other people who are in the same boat as us. Sure, we probably were not wise in all the financial decisions we have made—like using a credit card to pay for things when we maybe should have looked elsewhere—but I think, either way, it is still a struggle. Anyone in my boat earning this much money a week with three kids and a mortgage is really having a tough struggle at the moment.

**Senator FORSHAW**—Could I ask: do you have health insurance?

**Mr O'Reilly**—No, I have no private health insurance.

**Senator FORSHAW**—Do you pay for any other form of insurance to cover you in the event of a tragedy or unexpected sickness?

**Mr O'Reilly**—No. In your superannuation you have your life insurance wrapped up with that sort of thing.

**Senator FORSHAW**—Are you working full-time hours?

**Mr O'Reilly**—Yes. During the week I work full-time as a school cleaner on a government cleaning service contract, which is a 38-hour-a-week job.

**Senator FORSHAW**—In terms of superannuation, you would be getting the productivity superannuation component, but do you pay into any super fund yourself?

**Mr O'Reilly**—At the moment I am not paying extra into a super fund. Hopefully, next year we should be a little further in front and I can start doing that. The \$46-a-week HECS repayment I was making will hopefully go straight into a super contribution scheme.

**Senator FORSHAW**—Your eight-year-old is at school. Is your five-year-old also at school?

**Mr O'Reilly**—He is in kindergarten. He is currently in a special languages program, so he is in another school for that.

**Senator FORSHAW**—Some of those costs are likely to keep increasing as the children get older.

**Mr O'Reilly**—Definitely. As they get older they are going to cost more.

**Senator FORSHAW**—Anyone who has got young kids knows that just shoes, for a start, are very expensive.

**Mr O'Reilly**—And they grow like nothing else! There are school clothes to buy, and if they do representative sport at school it costs more. There was an article in the paper about a local boy who was a good rugby player. It cost the family of this young guy \$16,000 a year just to keep up with his representative honours. I think, what if Connor, who is my oldest child, wants

to play representative sport? It would be a shame to see him not being able to do it because I cannot afford to pay for him to do it. But realistically I could not afford for him to do that—not now, anyway.

**CHAIR**—There would not be much overtime in your full-time job, would there?

**Mr O'Reilly**—No, there is no overtime in the full-time job, the government cleaning service contract. You basically do your 38 or 40 hours and that is it. There is no provision for overtime in that. However, with my Saturday work, and I think I have worked hard enough to earn the right to do it, I can do every second Saturday at the local shopping centre. It is a different contract with the same firm and it is counted as a second start. You can basically call that my overtime but it is a second start. It is a good rate of pay, but if I did not do that extra Saturday we would not get by; we would be going further into debt. That is why I do it. Working that Saturday I am missing out on my kids' sports. Even though I am a low wage earner, I should not be made to miss out on seeing your kid's first goal or things like that. But every second Saturday I have to work to make ends meet. I am lucky that I can do it, though.

**CHAIR**—With insurance, some organisations have income protection schemes and all that that they pay into. Is that one you have at all that you know of?

**Mr O'Reilly**—I am not aware of an income protection scheme with my company.

**CHAIR**—Mr Klaassen may have heard of them.

**Mr Klaassen**—There are some industries our union looks after that have income protection insurance, but to do that employees would have to sacrifice part of their percentage pay increase. Unfortunately with cleaners we could not get them to sacrifice a percentage pay increase to have income protection insurance.

**CHAIR**—If you get injured or anything, you are straight on 38 hours a week and that is it.

**Mr O'Reilly**—Yes, basically.

**CHAIR**—Or if you get sick or whatever else.

**Mr O'Reilly**—I do not know that I should be saying this, but being the union delegate in the Lismore area for all the cleaners I know that a lot of the cleaners, especially the older ladies, who have worked in the government cleaning service for years and years do not get to save money; they basically live from week to week. A lot of the older ladies are getting injured because it is a heavier workload now and it is really desperate times for some of them when they are injured or when their bodies just wear out. There does not seem to be a safety net at the moment for them. Theoretically there probably is, but you see time and time again that the hardship they go through is incredible. For example, their knee wears out. The lady I work with has an 18-month wait to get a total knee replacement. Because of her sickness allowance, she has been trying to work with a leg that she can hardly walk on.

**CHAIR**—Mr O'Reilly, with the people you work with, you said you have got a small credit card debt—

**Mr O'Reilly**—Reasonably small compared to some people.

**CHAIR**—We have heard evidence about these payday lenders. Have you come across them through your workmates at all, people who are always trying to catch up?

**Mr O'Reilly**—The dark side of the lending industry.

**CHAIR**—Yes. Maybe Mr Klaassen has, from the union perspective.

**Mr Klaassen**—We have come across a number of circumstances where we have union members who have called us to get some free financial advice we can hook them up with. When I talk to them, it is usually your perfect example of the cycle of poverty. They will encounter an unexpected cost during the week; it might be that their hot-water system has broken down or something has happened with their car. Their credit card is now getting to the point where they are at their limit. The repayments they have budgeted for each week now only meet the interest of the credit card and do not decrease the principle. What they look to for that shortfall is to go to somebody who can give them a cash advance before they actually get their pay cheque each week. I think this is a prime example of the cycle of poverty. Once that happens you are in a bit of trouble. The banks usually get a bad rap, but they are often pretty reasonable to talk to people about their credit card debts or rolling their debts into one loan and it gives them a lower interest rate. But unless you can sit down and explain financially to someone or someone can afford financial expertise, they are not going to know about it. They see someone can lend their pay a couple of days in advance, and it is only a couple of days but I can guarantee they will be back in a couple of weeks and a couple of weeks again and again and their financial situation will spiral downwards.

**CHAIR**—I imagine it would not matter if it is a cleaning service or anything else, that there is not a lot of overtime up here in any of the full-time jobs.

**Mr O'Reilly**—Our company has virtually cut out overtime; it is called a second start. There is a small crew of us who work at the shopping centre at weekends—and stuff like that—who have full-time jobs during the week as well. But it is a second start; it is a second job; it is a second lot of tax. It has disadvantages as well as advantages but you get that small bit which helps at the end of the week.

**Senator FORSHAW**—If you don't mind my asking, Mr O'Reilly, what is your accommodation arrangement? Do you have a home that you are paying off or are you renting?

**Mr O'Reilly**—For years I was a casual worker and I definitely could not get a home loan. I am lucky. When I was put on full-time—this happens a lot—a family member was willing to give us a gift to help us get the deposit for a home loan.

**Senator FORSHAW**—I think you mentioned earlier how much you paid.

**Mr O'Reilly**—I paid \$98,000 for my house, which would not happen in Sydney. I could not buy a house in Sydney. I am lucky; I bought in the right place and the value of my house has gone up. I have a bit of equity in it but we do not want to use that yet. We were lucky that a family member gave us a gift. I think a lot of 'gifts' have been given out by family members.

They are being paid back; they are not supposed to be paid back but they are. It is the only way a lot of people up here—especially people in my situation—can afford to buy a house. I feel very lucky that I can buy a house. There are a lot of people worse off than me. I have a house I can pay off; I just have to make sure I can pay it off week by week.

**Senator FORSHAW**—I guess the message is that it is okay as long as nothing goes wrong. It is probably not okay in the sense that there is no margin for error.

**Mr O'Reilly**—If something goes wrong you are scraping. I admit that I am a lot better off than a lot of other people who are in my situation. But there are a lot of people who are a lot better off than me too. I am a low wage earner: \$710 a week does not sound low, but if you take out all the costs it is not much for someone like me who is living in the Lismore region. I dare say someone living in the city would be destitute on that much. I cannot see how someone in the city could survive with three kids.

It seems that earning that much can sometimes be worse than earning little or nothing, because I pay for services and everything. I earn too much to get a lot of help. There is some help for us: my wife gets the family tax A and B supplements, and that helps us survive. It does its job; we survive on that. We are almost in a forgotten little area because we work hard full-time but do not make enough—as some other people do—and we are struggling even though working six days a week.

**CHAIR**—You said that you are the regional delegate for the cleaners.

**Mr O'Reilly**—I am the Lismore area delegate.

**CHAIR**—Would most of the cleaners that you know have a second or third job?

**Mr O'Reilly**—No.

**CHAIR**—Is that because the jobs are not there?

**Mr O'Reilly**—Yes. There is not a great deal of work. There is a drive now—this is just my opinion—to go for casual positions instead of full-time positions in the area. My company is pretty good; I cannot complain about them too much. But that is a trend in the economy that is making things worse. Instead of having a full-time person being able to get a second job somewhere, you have a few more people getting two or three hours at different sites. That is making things worse.

**CHAIR**—We have heard evidence about cash in hand payments. The students union submission talks about how students are competing for low-paid casual jobs. Mr O'Reilly or Mr Klaassen, have you any evidence of that?

**Mr Klaassen**—It is my experience that there are probably more firms out there that do not do the right thing than do the right thing. There is a sea of cash in hand, flat hourly rate payments. We have a lot of contract firms that will pay a flat \$14 an hour, which will include Monday to Friday, evenings, nights and weekends. If you are on a low income where \$14 per hour is what you are hoping to budget on, it is very hard for us to say to somebody, 'You need to knock that

back to stand on your principles,' when that would mean they do not eat for a week. So they do take the \$14 per hour cash in hand. It is not until we can find them and give them the strength to say something that they raise that issue. But, until then, companies prey on it. They are low-income earners, and they are not going to say anything because the worst thing is that there are 10 other people outside the door that would do that job at the flat rate, cash in hand, so they have just got to do it.

**Mr O'Reilly**—That would be rampant in the security industry, especially in this area.

**CHAIR**—I think we saw in the figures somewhere that the level of unemployment in this region was in double digits—20-odd per cent or something. I imagine it makes it difficult for students and people on low incomes competing for few jobs.

**Mr Klaassen**—If our members were paid \$1 every time they got told, 'There's other people that want to do your job,' they probably would not be sitting here talking to you senators about being in poverty. They get it every day.

**Senator FORSHAW**—Mr Klaassen, what has been your experience in terms of the job market up here in recent years and also in terms of the accessibility to employment services? We had some evidence earlier that the CES that used to be here closed down and there is no Employment National. From an organisation's point of view, looking at job opportunities and employment all the time, what is your observation about this area?

**Mr Klaassen**—I moved up from Western Sydney 15 months ago. For somebody who was born in a country town, it was an awakening as to how the job market actually works. It is a pretty easy equation from the union's position: if you want to increase your wages, it is about your strength in the workplace. You cannot build any strength in the workplace if the unemployment is so high, because people genuinely believe that, if they want their job, they will need to do what they are told. That might be to accept cash in hand or lower pay than what they should be earning. The job market will, therefore, reflect that. There will be a sea of companies that will come down from the other side of the border, exploit the job market and quite openly and honestly admit that there are only a couple of jobs here in town for you.

I was dealing with a firm that closed down and made 40 workers redundant this morning. In the city it is quite easy—there is probably another factory down the road or there is another school down the road that you could go to clean—to transfer your skills. But up here, 'down the road' might be the next town—half an hour to an hour away. My concern is that that is a pretty common fact and employers know it. It is a power they will hold over the workers here for a very long time, until there is infrastructure or there are changes in circumstances where there are either a lot more jobs coming into the area or a lot more regulations that help out the lower paid income earners in the area. Unfortunately the job market reflects that the employees here do not have a lot of power.

**CHAIR**—So it must be very important to have a strong award system.

**Mr Klaassen**—I agree. The legislation definitely helps. At the end of the day, it is fantastic to have laws—



**CHAIR**—That is New South Wales legislation, is it? You would be covered by New South Wales awards.

**Mr Klaassen**—It makes it easier being under a state award in New South Wales. Our concern is the third part, which is the most important part: the ability for people to actually speak up if something has gone wrong or to put forward a case to earn more money per week without feeling victimised or losing their job for that. The concern we have locally in Lismore is that jobs are going from full-time and part-time to casual. It is a bigger concern for us, because it weakens the power of those people to raise their concerns. They could—they could be quite brave and say, ‘Look, I think this is wrong and I shouldn’t be paid \$14 per hour’—but the employer’s response is always, ‘I don’t have any work for you, then.’ The employees know it and the employers know that, and that is a concern.

My concern is: what if you are Brad O’Reilly—and Brad O’Reilly is probably a success story; he has got a full-time job and he works a bit extra on Saturday—and you are casual? You do not have a budget each week, because you are not quite sure what that weekly budget will be. How can you be Brad O’Reilly if you are on workers compensation when your statutory rate is \$306 per week because you are injured? How do you do that if you are from a split family? Brad is lucky that he already has a wife and three kids. He can rely on his wife. How do you do that if you are from a split family? It makes it a little bit harder.

That is our concern. Brad is probably a success story; he is probably very lucky to be where he is. How do I explain to Brad, though, how to get out of that cycle? Poverty is not something you meet on a once off basis one week. You are not in poverty for one week, you are in a cycle and you do not get out of it. That is probably our concern: how do we advise people from our union or from any union how to raise themselves out of that cycle? How does St Vincent de Paul or any charitable organisation explain this to people? Brad O’Reilly will do whatever he can to get his family out of that cycle, but how do we give him that advice to get there?

**Senator FORSHAW**—You are finding more and more as an organisation that you are having to focus on these issues. I am an ex-union official; the three of us are. I am hearing more and more the requirements on trade unions to broaden their scope of advice. You have alluded to that. They are required to look not just at the actual workplace and the issues that might arise there.

**Mr Klaassen**—It is a funny kind of paradigm we work in. I am a reasonably young official and people say, ‘Steve, back in my day there used to be a lot of permanent jobs. It was much easier because we had that reliance on permanent work and doing a fair day’s work for a fair day’s pay.’ I think that is true but people say, ‘Steve, you have to be flexible now. We have a flexible workplace where we have casuals.’ I have never spoken to any member that said, ‘I choose to be casual because I like to be casual.’ You can maintain that flexibility and still have a permanent job. You can quite easily legislate for part-timers and full-timers, and for women in the workplace to go off to have children and return to their workplace on flexible hours and still hold a permanent job.

I am still yet to be convinced why people need to be casual. I know the one reason why you make them casual: it decreases their power in the workplace. I know why they are casual; I am still yet to be convinced of how we have got there. Brad is your perfect example of a wife and

three kids. A wife and three kids is exactly what the living wage was based on. Here is Brad in 2003 and he is probably worse off than he would have been in 1909, when we first went down this path. It is tough as a union official to explain that to people. I am probably going to pass on a generation that is going to be worse off than when I started at the union. I have trouble with that. I do not want to be known as the union official that did that, but I am pretty much looking at that.

**CHAIR**—Do you have the labour hire agencies up here yet, like they have in Sydney and most of the capital cities?

**Mr Klaassen**—It is nowhere near as chronic as it is down in Sydney. They are pretty fractured up here. It would be harder for a labour hire firm, but it is probably just around the corner. We deal with it slightly in some of the manufacturing industries. We come into contact when they have made people redundant and they need to hire them back. They will put them through a labour hire company and have them come on. Because of the redundancy implications you cannot employ somebody directly. It is nowhere near as bad as in cities like Sydney.

**Senator MOORE**—I do not think you are personally responsible, Mr Klaassen, so you can hold onto that. Mr O'Reilly, you have been very open with us about your circumstances. What is the message you want to give to us? You have told us exactly what you and your family are doing each week to get by. What is the message you want us to take away from that?

**Mr O'Reilly**—The reason I came today and agreed to do this was to let the Senate know how hard it is for a group like mine. You probably know we are out there but I wanted to give the details of how hard it is to get by week by week. We are just surviving week by week on a wage that is called a low wage but is deemed not low enough to get all the help that some other groups may get from the government. Those groups rightfully need that help; that is true. But there are still problems with my group: low wage earners that work six days a week in full-time jobs. I do not know whether you would call it poverty but there is still definitely hardship.

Wherever you have that hardship it causes stress in the family group. Any argument my wife and I have at home is usually about money. As I said, I am fairly lucky. There are a lot of people in the same group as I am that are worse off. So many times you see those families split up. As you said, it is like a vicious circle: they split up, they have troubles, that circles down to their kids and things like that. I see a lot of pressure on people that do my sort of work and are on my sort of wage. They are under pressure just to make ends meet week by week.

A lot of people higher up may think that we should just spend less but we cannot. These are essentials that we are buying each week. That is really the overall reason I came here, to tell you my story—what it is like living in Lismore earning this much and how I get by each week—and to say that there are a lot more people like me here in this area. I cannot speak for Sydney—I do not live in Sydney—but I can speak for this area.

**Senator MOORE**—Do you have any suggestions?

**Mr O'Reilly**—I am not here to make suggestions. I am not that politically minded.

**Senator FORSHAW**—A reasonable increase in the living wage would probably be a good start.

**Senator MOORE**—I thought it could be heading that way.

**Mr O'Reilly**—Yes, increasing the award. As I said, I am not here to speak against my company. They give me the award wage.

**Senator MOORE**—Which is good; in your industry that is very good.

**Mr O'Reilly**—They play by the rules, they give me the award wage. Is that award wage high enough? I do not think so. Can we structure other government services or the tax system to help? I am only speaking for my group of people. It is a pretty narrow area. Can we structure things to make it easier for my group of people in that area? I think there are a lot of people like me; I do not think I am the only one who is in this situation. You see people in my situation that want to keep up with the Joneses and they do go a lot further into debt that I have. I have not touched the equity in my house. I do have a small credit card debt, but it is not over \$10,000. There are a lot of people who do have that. The way prices are increasing, our wage is not increasing at the same rate as those prices. It would be nice to say that it is going to get easier next year. It is not, it is going to harder. If it gets much harder, we will be living in poverty. There will be people working five days a week on a full-time wage living in absolute poverty, not just doing it hard. Again, this is just my experience. I cannot give you all the facts and figures across the board of a huge group across New South Wales.

**Senator MOORE**—You have given us your facts and figures, and that is what is important.

**Mr O'Reilly**—My facts and figures are all that I can give you. If you could understand the hardship that my family goes through because of those facts and figures, my job is done. Hopefully it can make a difference when everyone goes back down there and gets into it. That is why I came here.

**CHAIR**—Thank you very much, Mr O'Reilly. You have been very frank us today. And Mr Klaassen, keep up the fight.

**Mr Klaassen**—Thank you.

**Mr O'Reilly**—Thank you for listening.

[3.08 p.m.]

**FREDMAN, Mr Nicholas John, Student Rights Advocate, Southern Cross University Student Representative Council**

**CHAIR**—Welcome. The committee has before it your submission. I invite you to make a presentation, which can take the form of a statement summarising your views or highlighting the issues you would like to emphasise to the committee.

**Mr Fredman**—Thanks, Senator. I appreciate the opportunity to address the committee as a researcher and welfare officer of a student organisation, from which capacity I bring my knowledge of the higher education sector and direct experience of the problems many students face. I would like to reinforce a few points made in my written submission and raise some others which have come to light since then.

The major element relating to student poverty is the lack of income support for full-time students. ACOSS figures show that those receiving maximum youth allowance subsist at 20 per cent below the poverty line and those receiving maximum Austudy subsist at 39 per cent below the poverty line. However, as I noted in my submission, students are deemed to be not in the work force for poverty line purposes despite the fact that they have particular and significant costs in studying. The real figures are, I believe, that maximum youth allowance recipients live at 35 per cent below the poverty line and maximum Austudy recipients are a scandalous 50 per cent below the poverty line. The tight eligibility criteria for independent youth allowance status, the need for Centrelink advance payments to cover association fees and textbooks et cetera, and the increasing blanket use of punitive breaches by Centrelink mean that many full-time students exist on even less than these quite miserable incomes.

My submission also noted that students in regional areas such as this often face higher costs for food and transport, although they may face lower housing costs. Since making this submission, it has become increasingly clear that there is a housing crisis in the northern rivers area, with spiralling costs pricing lower income people out of the market. I have no data as yet besides the anecdotal evidence I have received, but I would estimate that median rents are much closer to the national average than the figure of around \$50 a week below this average that was reported in the 2001 census and which I quoted in my submission. Students in a regional area that is undergoing development such as this may find in the middle of their three- or four-year course that their cost of living dramatically increases when they have little opportunity to increase their income through work, due to both their study load and the high unemployment rate in the area.

Also since my submission was made, the proposed changes to the higher education system have highlighted the funding crisis that universities face. Many universities have pointed out that they will be no better off or even worse off, but perhaps most significant in the longer term is that, in a more highly marketised environment, small and regional universities are at an inherent disadvantage in competing for the private funds available in the sector. One way this could immediately impact on students is the increased use of ancillary fees and charges by universities as well as higher costs for photocopying et cetera. Despite the fact that the Higher Education

Funding Act prohibits charging for the cost of material that is compulsory, universities increasingly charge around \$20 or \$30 per subject for books of readings et cetera and get around the law by placing a copy or two in the library, although they may have hundreds of students in that subject.

As an example, consider a Southern Cross University student who is from a poor enough background to receive the maximum youth allowance—implying that their family is not in any position to help them out financially—and who also receives maximum rent assistance. That means about \$190 per week in total. At the beginning of each semester, they face around \$180 for student association fees and perhaps over \$100 for course readings et cetera. Also, for many courses, they will find study very difficult without several hundred dollars worth of textbooks. The landlords of many will take advantage of the current housing boom by selling the house they are renting out, forcing students to find new accommodation at significant immediate cost and likely greatly increased rent. Each semester, many students will need to take out both the \$500 Centrelink loan and the \$500 loan available through the university, decreasing their weekly income by around \$38. That leaves scarcely \$150 to cover weekly rent, food, ongoing educational costs and possibly running a car—which is a cost they are much more likely to have than students in the city. Austudy recipients over 25 are even worse off. Some are able to supplement their income through casual work, but usually to the detriment of their studies.

What has also occurred since my submission was made is the scrapping of the Student Financial Supplement Scheme. While highly flawed, this loan in a way recognised the inadequacy of student income support. In the speech to parliament moving the bill to close this scheme—I cannot remember who actually made it—it was noted:

The ... Scheme is a costly, poorly targeted and inefficient way to reduce financial barriers to education.

This is very true, but it has not been replaced by any way to reduce these barriers. The federal government have simply saved some money by scrapping this scheme while refusing to increase real income support—support that the use of the scheme showed was inadequate. I will finish by repeating the recommendations in my submission:

1. A minimum level of income support for all recipients at least at the poverty line figure for an adult in the workforce should be set.
2. Austudy and full time student Youth Allowance recipients should receive the same rate as Newstart recipients, and Austudy recipients should be eligible for Rent Assistance.
3. The breach system for penalising social security recipients should be severely overhauled if not abolished.

I will add a fourth one, which is: a fully funded public higher education system is essential in avoiding student poverty.

**Senator MOORE**—You snuck that one in.

**Mr Fredman**—Yes.

**Senator MOORE**—Does the student union at Southern Cross offer financial advocacy or support to students who get into financial difficulties?

**Mr Fredman**—No, but we are looking at that at the moment because we are getting increasing numbers of requests for that and increasing numbers of people being referred to us by the university, even though they know we do not actually offer it.

**Senator MOORE**—You see that there is a need. What kinds of issues are students presenting with?

**Mr Fredman**—There are immediate issues like simply running out of money before their fortnightly payment is received or needing emergency funding to get home or to do some photocopying and so on. That is why we are looking at some kind of loans scheme of our own. The eligibility for income support is the big issue. Also, there is the fact that many people who may have been unemployed previously and receiving Newstart do not necessarily realise they will lose quite a lot of money by studying. It is quite a big shock for people who might be losing \$80 a week or a fortnight.

**CHAIR**—Are there other Southern Cross University campuses, or is this the only one?

**Mr Fredman**—There are two others: Coffs Harbour is the main campus; there is a small study centre at Grafton; and a campus at Tweed which is mainly made up of postgrad business students. There are around 10,000 students altogether. Most of the on-campus students are here—around 5,000. I cannot remember figures for the other on-campus students, but most of the remainder are external students.

**CHAIR**—So there are about 5,000 here in Lismore?

**Mr Fredman**—Yes. They make up a significant part of the community and the economy of the area.

**CHAIR**—In your submission you mention students missing classes to go to work. Then you mention—and you may have heard me ask Mr Klaassen and Mr O'Reilly about it—competing for casual work or cash in hand work. How prevalent is that?

**Mr Fredman**—I can say anecdotally that that is fairly prevalent. In fact, I am reminded of some cleaning work that people did for a cash in hand payment of \$10 an hour, not \$14. People are quite desperate to get any sort of work.

**CHAIR**—When you talk about them missing classes, does that mean that most of the 5,000 are from outside this area? Do you have any idea?

**Mr Fredman**—I do not recall the figures at the moment. I think there is a considerable number who are from outside the area. I really cannot recall the figures but I do have some experience in that I have done some teaching at the university. For classes that were compulsory, like tutorials, 'I had to work,' was quite a common excuse. It is not meant to be a form of excuse; you are meant to have medical evidence and so on. But you could not really say no to things like that.

**CHAIR**—You talk about the result of the higher debt levels in New Zealand. You mentioned six points. Would you go through them for us again? Is there anything in particular that you want to emphasise?

**Mr Fredman**—This is research that CAPA—the Council of Australian Postgraduate Associations—has published. I suppose my submission extrapolates points about the situation here from the user pays situation that has existed for somewhat longer in New Zealand or, I suppose, has worsened in terms of higher up-front fees and larger amounts of debt. The point is that they show that there are longer term social and economic impacts of the debt, which are becoming more prevalent now in New Zealand, that we will probably see here—it maybe has not become so obvious in Australia yet. One of the most striking points is the level of emigration in New Zealand, which obviously has always been fairly high. The figures showed that something like four per cent of the entire professional work force were emigrating in one year, I think it was.

**CHAIR**—In New Zealand?

**Mr Fredman**—Yes. It was extremely striking. The brain drain is quite a big issue in discussions of higher education in Australia—graduates seeking work in Europe and North America because the level of debt makes it not worth their while to work here. This applies even to professional income earners here.

**Senator MOORE**—We have had significant evidence today about a housing crisis in this part of the world. When you have such a significant student enrolment in the area, finding safe, suitable housing would have to be one of the issues for the students as well, would it not?

**Mr Fredman**—Students, inevitably, with their lifestyle, do need to move a lot. They move into town a lot and their households break up. That is not a lifestyle choice—that is just the situation that they are in. Increasingly, they are finding that the rent for another house is fifty per cent or more higher than the rent they paid previously. It is a significant crisis for students. Finding housing that is near the university as well is quite difficult. Then there is the lack of public transport and the necessity for many people to use private transport, which is a huge burden for people on income support.

**Senator MOORE**—One of the things we hear from NUS from time to time is the issue of people making choices to leave study because they just cannot afford to continue. There were also media releases earlier this year about students who were forced into crime because of their poverty and making lifestyle choices that were put before them. Have you got any evidence in your own area of people who have had to make the choice to end their student year because they cannot afford to go on?

**Mr Fredman**—Not very much. Other choices are less available. With unemployment being around 14 per cent as compared to four per cent in Sydney, the choice of getting a job is not there so people tend to stick it out just because it is some income support and hopefully they can finish their course. I do have some anecdotal evidence that particular types of crime in this area—I am sure you can imagine what they might be—in terms of supplementing incomes can be very tempting. It is obviously a very dangerous situation to be in.

**Senator FORSHAW**—The government has announced some proposed changes to higher education arrangements which have yet to be passed by the parliament. With a bit of luck they will not be passed, but that is another issue. What would be the impact of those changes on the Southern Cross University campus here in Lismore? There have been suggestions for instance—I am sure you have heard—that the funding base of a university like Western Sydney would be seriously affected whereas the bigger sandstone universities would do well out of the proposed new arrangements. Have you had time to have a think about what impact that will have up here?

**Mr Fredman**—The university's view is that they will be on a fairly even keel in terms of funding. I would say it is unlikely that there will be an increase there with the flexibility of increasing HECS. I do not think that they would do that too much, simply because of competition. I mentioned before that the longer-term effect will be that they will be priced out of the education market. All the smaller universities will find over time that they will be getting less funding. It will probably have more impact in terms of poor teaching quality with fewer staff and resources. I think one way they may try and claw back some of the funds is to increase some of the funding they get around the edges by charging ancillary fees for course books and so on. They are technically not meant to do that but they can get around it. Those are the kinds of extra costs that students face at the beginning of each term—having to buy increasing numbers of course books, readings, textbooks and so on.

**Senator FORSHAW**—Another matter that was raised in evidence in other states is access to getting the independent allowance rate. I must confess that there are some complexities in this, but one way of accessing that is to earn \$15,000 over an 18-month period as income from a job which would then qualify a student to get that allowance. Are you aware of that?

**Mr Fredman**—No. It is quite difficult to keep up with all the complexities of the income support system. That is one of the major problems.

**Senator FORSHAW**—It is. What I was leading to was: what proportion of students at Southern Cross are accessing an independent rate student allowance?

**Mr Fredman**—We do not have any data of that sort. We are hoping to do more studies on this topic in terms of surveys and closer studies as well as global figures. The university does not have any kind of data. We have got some data from the ABS that has the total number of Centrelink recipients in the area and so on, which is much higher than in metropolitan areas. I could not really tell. I would say that on average it would be higher because incomes are lower in this area.

**Senator FORSHAW**—The reason I ask that is that it relates to the necessity, for instance, for students to have to find employment. We have heard that in an area such as this there is a lot of competition for casual jobs. Your submission refers to the Lismore campus. I think there is a campus at Coffs Harbour as well. Would it be fair to say that your submission reflects student concerns similar to those at the other Southern Cross campuses—without your speaking for them?

**Mr Fredman**—I would say that the socioeconomic make-up would be similar. Some factors of the area are slightly different. I think unemployment is a bit lower there. There are probably more opportunities and so on.



**Senator FORSHAW**—And transport would be a bit cheaper too.

**Mr Fredman**—I could not say. There is simply not enough time to get that to you.

**Senator FORSHAW**—So this is strictly on behalf of Lismore.

**Senator MOORE**—Does Southern Cross University offer social work as a course?

**Mr Fredman**—The Coffs Harbour campus does.

**Senator MOORE**—One of the things we are also looking at is the professionals in the area. A number of social work organisations have presented to us about the industry need and the need to have people in the field with the knowledge.

**Mr Fredman**—It is probably the growth area.

**Senator MOORE**—We also had evidence this morning from Lifeline about their volunteer counsellors. The indication was that a number of students were volunteer counsellors for a number of reasons, and there was some interest in social welfare issues. I was not sure whether or not your university offered that course.

**CHAIR**—Thank you very much, Mr Fredman.

[3.28 p.m.]

**HARVEY, Mr Terrance Eric, Business Manager, Lifeline Northern Rivers**

**CHAIR**—Welcome again.

**Mr Harvey**—I want to refer to a matter that was raised this morning. I have a letter from the Commonwealth Bank. It applies to me personally, so everything personal has been blacked out. It says:

Like to increase your credit limit to \$9,000. We'll make it happen for you.

You're invited to accept a credit card limit increase from \$6,000 to \$9,000 on your Visa ... By increasing your credit limit you can enjoy the extra freedom that comes with greater spending power.

To take advantage of this offer simply sign and date the request form below and return it to us within 21 days from 27 June ... You can either fax it to ... or cut along the dotted line and mail it to the address ... (no stamp required). Once it's been processed, we'll send you a letter confirming your new credit limit.

If you're happy with your current arrangement, that's great, you don't have to do a thing.

Yours sincerely, Grahame Carney

General Manager, Retail Sales and Service

Personal Customers.

\*Applications are subject to the Bank's normal credit approval.

Last year the bank sent a similar letter and increased my credit limit from \$3,000 to \$6,000. I signed it and sent it in to see what would happen. Two days after I sent in the application, I went to the bank teller. My credit limit was automatically increased from \$3,000 to \$6,000—no phone call, no confirmation until after that was granted, and no credit assessment on my ability to repay or anything like that. I think this is what Steve was getting at: desperate people will jump on this and take it up. That is what I have to say.

**CHAIR**—Thank you, Mr Harvey. The committee stands adjourned until tomorrow morning in Wollongong.

**Subcommittee adjourned at 3.30 p.m.**