



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

**Reference: Poverty and financial hardship**

WEDNESDAY, 2 JULY 2003

WOLLONGONG

BY AUTHORITY OF THE SENATE



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

**Wednesday, 2 July 2003**

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

**Substitute members:**

Senator Murray to replace Senator Lees for the committee's inquiry into children in institutional care

**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

Senator Greig for matters relating to the Family and Community Services portfolio

Senator Allison for matters relating to the Health and Ageing portfolio

**Senators in attendance:** Senators Forshaw, Humphries, 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 10.42 a.m.**

**CHAIR**—I declare open this public hearing and welcome everybody who is present today. The Community Affairs References Committee is continuing its inquiry into poverty and financial hardship. The committee is pleased to be visiting Wollongong 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 poverty and financial hardship are having in local regions. The committee is particularly interested in hearing about the different issues and difficulties that regional areas face in comparison with the metropolitan capital cities.

The format for this hearing will be fairly informal as we are here to listen to your 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 to the committee. I welcome the federal member for Throsby, Ms Jennie George, who is here today.

[10.43 a.m.]

**GRAHAM, Ms Maxyne, Coordinator/Community Worker, Warrawong Community Development Project**

**WHILEY, Mr William, Secretary, Combined Pensioners and Superannuants Association; and Secretary, Australian Pensioners and Superannuants Federation**

**CHAIR**—I welcome our first witnesses today, Ms Graham and Mr Whiley. Do you have any comments to make on the capacity in which you appear?

**Mr Whiley**—I represent the Combined Pensioners and Superannuants Association and the Australian Pensioners and Superannuants Federation, which is the national body. One is a state body; one is a federal body.

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

**Ms Graham**—I would first like to read a few words that one of my clients, who accesses my service regularly, has written on her personal experience. I have copies for committee members.

**CHAIR**—Thank you.

**Ms Graham**—It is called ‘Disillusionment—(but there is always a tomorrow)’. My client writes:

Some days I wake up and I ask myself, WHY? Why do I bother to wake up at all?” The answer comes from within, “because I do.”

It’s pay day today. My Centrelink payment is in my bank account. It’s good to know I have some money available. The phone bill and electricity bill are on the counter, both stamped overdue and one threatening disconnection. I’m hungry from two days ago when the cupboards became uninhabited from food but not the cockroaches. I’ve been living on coffee. The last ten cups without milk. Food is so unattainable at times anything with nutritional value at least. Scrimping and saving at the supermarket searching desperately for value. No luxuries because that chocolate bar I have in my hand could very well mean the sacrifice of washing powder to keep my sparse wardrobe of Salvation Army donations clean and therefore my pride in myself slightly intact. I think to myself, nothing seems to last anyway. I know from experience that I will be hungry again before the next pay day comes around. I begin to struggle with Hopelessness. Yet still I continue to try.

The checkout holds a surprise almost every week. Not necessarily a good one. It seems to cost more and more even though I’m buying less and less. I open my wallet to pay. Already I am \$4.00 down because of bank fees.

I leave the supermarket. I pass a new shop that’s just opened. “SPECIAL. 50% OFF” the sign says. I look at the jumper for sale. “Only \$10” the sign reads. It looks so warm. Winters coming, it will be cold soon. That would feel so nice. I look at the shirt I’m wearing. A T-shirt that is faded, loose in places from the body contours of its original owner. My arms



suddenly feel cold. I look around at the other shoppers passing by. Nameless, Faceless people going about their own everyday lives. Their clothes look nice on them. They look clean, warm, almost brand new. I become acutely aware of how I must appear to them. I feel ashamed of my appearance. I leave the jumper on the specials rack and try to slink past other shoppers trying to be unnoticeable but feeling like I stick out like a sore thumb. I just want to get out of there. Away. Anywhere.

I begin my journey home. My shopping in my hands. It's not far home but I feel so tired from disillusionment. I suddenly remember the script in my pocket for my medication. My medication. A daily routine for the past eight years of my life and I have been informed by well meaning psychiatrists, "for the rest of my life". A life sentence. My life sentence. I turn the corner heading for the pharmacy. Not much money left. As I walk I begin to think about my life. I'm 33 years old. I have no job, not through lack of trying. I have no one to return home to. To discuss how I feel, to dream with, to share with. I have tried to obtain help from various organisations. The waiting lists are so long. So much need, not just for myself, and so little supply. Help when it does come in whatever form is so little and simply a bandaid fix to a gaping wound in the bare fabric of life and daily living. The problems of daily living begin to mount. I come across a bottle shop on my way to the pharmacy. I'm feeling quite depressed right now. Hopeless almost. Everything always seems just beyond my reach.

There's a "Special" at the bottle shop as well. Escapism, in the form of a bottle. I can drink and perhaps forget for a short time about everything. Everything I desperately want to change in my life but am unable to for many reasons. Here in this bottle is control. Control of a life I am unable to control in so many other ways. I open my wallet. I have not enough money for both the bottle of freedom and the medication I need. I must make a decision.

I walk home with the brown paper bag tucked under my arm.

I drink myself into oblivion. I'm tired. I need to go to bed.

I fall into bed. One thought goes through my head before I pass over into sleep.

"There's always tomorrow. Perhaps it will be better. Somehow."

That is from a client who accesses my service on a regular basis and who has a mental illness. I want to talk about people today, not about stats or whatever. I am talking about people who visit my centre who need assistance. They include homeless people who have been living on the streets for between a few days and years. They are looking for accommodation; they do not know where to go for accommodation and they might accidentally come into my centre. I usually speak to them to see what is happening in their lives and then I will refer them either on to the Department of Housing or to a homeless line that you can ring. The homeless line is quite often busy and it takes ages to get through, and more often than not they have not got any beds for people anyway.

Also, people who are looking for food come in. They have not eaten for days, maybe due to their alcohol or drug taking—but they are still hungry. We do not supply material aid as a community centre but we do have a breakfast program that we run for young people. We get yoghurts cheaper and we sometimes get day-old bread from the hot bake shops—they give it to us for free. If I have that, I hand it out to whoever needs it; so if they come in they can get yoghurts and bread if I have got it.

Also, people who may use drugs or are alcoholics come in and want to change their lives. They might be down and out and decide, 'I want to change my life.' They come in but they do not know where or how to access the services that are available. They can use my phone and have an assessment over the phone through the local contact. More often than not these people cannot get in straightaway. It is easier to go around the corner and pick up than it is to get into drug rehabilitation or detox. After their assessment on the phone, they have to ring every day until they get a bed. That may take a week, 10 days, two weeks or whatever. They also have to fit criteria. Even when some people who are living in poverty and are using drugs and alcohol want help they cannot necessarily get it straightaway. In a week they could be dead in the gutter from an overdose.

Also people who might want to access Centrelink come in; they have had trouble accessing the centre. At Warrawong we only have a shopfront, which means they cannot see a social worker; they just see the admin staff. Quite often the admin staff look down on them and judge them because they are scruffily dressed, have no money, are on the dole and have not got a job. Some of the staff have said, 'There are jobs out there; you should go out and get one.' So they feel like they do not want to go into Centrelink, because they are judged every time they do. They sometimes get angry; therefore they get thrown out and do not access the service.

They quite often come to me and I ring on their behalf. Usually I am listened to on the phone. Because I am a community worker they will listen to me—that sort of stuff. People get breached quite often because they have no fixed address. Letters are sent out but the people have moved; they are transient. Quite often people are moving from one place to another. They have no family; they have no support. Therefore, they go into the bank one payday to pick up their pay and it is not there, and they wonder why. Then they come in and see me and we ring up and find out what has happened: letters have gone out to various addresses, they have not answered the letters and their payments are stopped.

Quite often people living in poverty come in because their dole payment or disability pension is not quite enough to pay for their electricity bill. Part of my job is advocating for people because they do not feel confident ringing government departments, such as the Department of Housing, electricity authorities or whatever. So I will ring on their behalf to get an extension on their bill and mention to them that they can pay it off instead of having a big lump sum—which is a lot of money—coming out of their dole every three months.

I also refer people to counselling, but quite often as community workers we are accidental counsellors in that people come in and chat to us. They tell us their problems. Sometimes they will sit down for hours if they are really distressed, and you have to work out what their immediate need is. Sometimes it is just giving them a cup of tea and a biscuit. If I have biscuits I can give them one, but if I do not I cannot. Being a community centre we are a non-profit organisation and we depend on government grants. We are not always sure when we will get the next grant. We are not funded on an ongoing basis. So we just sit down and have a chat to these people and find out how we can help them. Sometimes they need counselling, sometimes they need rehab, sometimes they just need to see a social worker at Centrelink. I will make all those appointments for them and refer them on.

Also, they do not know about services that are available out there. They are very limited in the Warrawong-Berkeley area, and they usually have to come into town. If they cannot come into

town because they have no money to get on a bus they have to wait perhaps a week for their next payment. If they need to access food from the Salvation Army or other charities, they have to wait perhaps a week until payday before they can afford to get on a bus. We do not have cash. We are accountable to our funding body for every cent we get, so we cannot just hand out money without a receipt. So that is a difficult situation.

I would like to give you another example of a person—I will call him Harry. He came into my centre three years ago. He had just been allocated a bed-sitter at Warrawong. In Warrawong there is a huge multicultural society—lots of NESB people, Indigenous people, transient people going in and out of jail. They are put in a big Department of Housing complex of bed-sitters. They stay for only a little while; sometimes they move on. This man Harry had been sleeping on the streets for three years. He slept on the beach, and in rainy weather he slept at Stuart Park, which is that beautiful park over there that has huts for barbecues and lunches. At night-time when it was raining and in winter he used to sleep in there.

One night when he was asleep in his sleeping bag some youths thought it would be a bit of a thrill to bash him senseless and kick the crap out of him, which they did and he was hospitalised. He had head injuries and injuries to his leg. He still was not well when he came out of hospital a week later. He was put in a bed-sitter in the Department of Housing complex at Warrawong, but it had no furniture. It was great that he had a roof over his head so that he could recuperate, but he did not have a bed.

He came into my centre and asked for help. I immediately said, ‘Do you know about the Salvos, St Vincent de Paul and other places where you can get furniture from?’ He said ‘no’. Because he did not have any money and he was ill as well, I took him into the Salvos and we went shopping there. We bought a mattress, a knife and fork—he did not have a knife and fork, he did not have a saucepan, he did not have a cup, he did not have a plate, he did not have food. So we went in there and that is what we bought for him. That was when I first started working at the centre, and it was so fulfilling for me that at least I could help someone at that stage.

Once he got back the stuff was organised, and he lived there for quite a while. But there is a high crime level out there and, because he is a bit of a drinker, he would get bashed on a regular basis. After a couple of years he could not take it any more. He said it was safer on the streets of Sydney. So he moved back to Kings Cross, and I have not seen him since. That is just one example.

There is another example of a man who was murdered on the street only a few months ago. The two people bashed him for small change for their drug addiction and a bottle of milk. That man was a bit of a loner. He was not a drug user or an alcoholic, not that it would matter anyway if he was. But he was vulnerable. We have 11- to 18-year-olds who access our centre. We provide a breakfast program, which we started last week, so that these kids can have food before they go to school. It has been proven by research that, if you do not have breakfast, your concentration levels will be down. We provide food for them, breakfast, cereal, and we give them a cut lunch—sandwiches, fruit, muesli bars and poppers—to take to school. Quite often these children would not have had food at lunchtime either.

I want to give a brief overview of employment. Employment is essential to reduce poverty. But, if you are unemployed, you are quite often discriminated by society. People ask you, ‘What

do you do for a job?' If you say, 'I do not work,' their attitude changes completely straightaway. Your success is measured by how much you earn—big house, expensive car. There are jobs out there. There is only one job for every six people. If you are an unskilled person and you have a drug or alcohol problem or a mental illness, you are way behind the eight ball already because you have no skills. If you are lucky to get an interview, you do not have the appropriate clothing to wear to the interview. Someone will look at you and if you look not necessarily unclean but a little bit scruffy then they will think, 'You will not get the job.' So it is a really scary place out there for people who are unemployed. Even if they want to change their environment, it is very hard for them to do so. They need skills. They need confidence and self-esteem. They need to be taught social skills, living skills and budgeting skills. There is no community spirit and community awareness anymore. People do not help each other. If somebody is on the street being bashed, people just walk past.

There are some services out there, but we need an extension of these services and more resources put into the services that are available—not necessarily to give out more money, but support services are essential. There needs to be ongoing support for people so that they can start from the beginning and work their way through a step at a time. Instead of their being helped for a minute and then that help stopping, they need continuous support for quite awhile to get them off that welfare cycle.

Also, some people are born into poverty, but others are changed because of their circumstances. Harry, for example, used to own a house and two cars in Sydney. But his relationship broke down and he could not handle it. So he started drinking and he lost everything. That happens quite often with relationship breakdowns. Even divorce changes people's circumstances. A woman has no money; she does not have a job. She had a husband to support her; now she does not. She has nowhere to live. She has no-one to support her—no family, no friends. What does she do? She lives on the street, unless she can get accommodation. There is a six-month waiting list for emergency accommodation. I would like to finish off by saying that, if you give a person a fish, he can eat for a day; if you teach him how to fish, he can eat forever. Thank you.

**CHAIR**—Thank you, Ms Graham.

**Mr Whiley**—I do not know how to proceed after that. It is really rough and it is a bloody disgrace for anybody who calls themselves an Australian anyway that we have great pockets of poverty like that yet we have a fabulously rich country. But we do not own it—that in turn is not to our credit either—because foreign companies have moved in. If you want to pay to get those things, we better start looking at who does own Australia so we can eliminate that poverty. My situation is nowhere near as bad as your situation, cobber, friend, mate. I suppose my situation is a middle-class example, but it is really basically working class. I will use my own example in and out of the contribution.

For pensioners, whether they are national or state, we are looking at Medicare as is. If it goes, what happens not only to those people but to the pensioners who have a little bit of pride and a little bit of dignity left? We are not going to be bottom of the bloody heap, let me tell you; not without a fight anyway. The decline in Medicare has been brought about since 1996. Up to then the previous government—a Labor government—gave the doctors, for the Medicare fee, the CPI plus a smidgin. Since 1996 Howard and Co. have given the GPs less than the CPI. Of course,

doctors can count money just like anybody else, and it has been getting less and less. So now they have jacked up and they are putting the co-payment on it. This is a deliberate policy of the present coalition government to destroy Medicare—to get rid of it. Why? It is the greatest thing that pensioners have ever had. At least when we walk through the door to see a doctor, we go through as a proud person. We do not have to prove whether we have money or we haven't. We go through with a great degree of dignity and we do not have to depend on telling a hard luck story to some hard luck doctor. It is not the doctor's job to ascertain whether the people we represent have got to have a co-payment. That co-payment is a pension reduction.

If you like to think that the pension is generous, mine is \$223 a week. I work as a volunteer and, if I work all day, I would get well paid. Yes: I get a tuna roll and, if I do a good job for the pensioners for that day, they put a bit of onion on it and maybe something else. We are built on volunteers. All the pensioner movement is volunteers—I said how generous the payment was. Some years ago, 80 per cent of GPs bulk-billed. Today, nationally it is 64 per cent and it is in free fall. So we, and those people in that situation, face a pretty grim future. You cannot help but be there. I worked 37 years as a contract miner and I retired 16 years ago. What money you have put aside, you have gradually touched into to pay for things. I had a good funeral fund. I thought I would get buried at least the way I wanted to—that is a funny one too. But you touch the money because you cannot keep up your own standard of living from day to day.

Many of us, including myself, are very lucky in that we do not have to pay rent. When I get behind, like last week, to pay for surgery I have three good kids who have to come to the party and it is quite expensive, believe it or not. You get to the stage where you have to have surgery because you cannot exist on a day-to-day basis. That has happened to me three times in a row and three times in a row they have bailed me out. With Medicare being in free fall, what is the future? Forget about the technicalities of flipping your Medicare card and the doctor being able to get paid the next day and so on; that is only the updating of technology. What we are concerned about is that he or she has got to make the assessment of how much you pay. Some of them are hard-hearted and some of them are very generous people. They have got to assess whether you are going to be paying \$5 or \$25, and that is a pension reduction whether we like it or not. That is what we really are facing.

So it is the introduction of the gap payment that we are concerned about. People who are working and well-off will be paying three times. They will be paying the Medicare levy, paying the tax again and then they are going to pay the gap. They are going to start saying, 'Why should I pay three times? I'll pay once.' People who are well-heeled by having a job, in our opinion, are going to start querying it too. It means the demise of Medicare as is. If you talk about an egalitarian Australia—Australia being an egalitarian society—that proposal by the federal government destroys it again and again. You introduce the individualism again and you are dealing with it every day on a basis like that.

I would rather see our community, our society, our egalitarianism left as is. With Medicare, a miner and a millionaire are treated equally. With Medicare as is, you go through the same door and are treated in the same way whether you are male or female, black or white or whomever. That is part of Australian society, but it is being destroyed by the action of the present federal government—or it will be if they keep going the way they are. We have to stop it. It will be a two-tiered system in essence, and that is not what we want. We certainly do not want that.

The Pharmaceutical Benefits Scheme comes into it. We can, or have to, afford \$3.70 for a script. But, if the present federal government again has its way, under a free trade agreement the PBS will go and Medicare will go—the PBS certainly because drug companies will want a completely free rein to charge what they like for any drug whatsoever. The PBS is a real hindrance to their being able to make profits at our expense, and we just could not afford some of the drugs. So what do you do? Yesterday I spoke for some time to a likeable Tory in the Liberal Party—I could give her the rounds of the kitchen table as far as I was concerned—and she said she could see that going. She was all for a free trade agreement when I talked to her about it. I am not—I had better forget about ‘I’; pensioners are not for it because of what it will do to Medicare and the PBS. It will destroy them. So on that score I just do not know where we are going to go.

The coalition seems to be so obsessed with supporting America, even if it means going to a war that was not declared, without consulting parliament, which I thought was a bloody disgrace. It should not have happened. Under the Westminster system shouldn't the Prime Minister have at least consulted our elected representatives, whom we could have told whether or not we supported going to war? But he went it alone, which he is doing a lot of. If the American system is so good, why do 42 million Americans have no health coverage? We reckon Australia's health coverage is, or was, one of the best in the world, if not the best in the world. Why can't we keep it that way? The Medicare levy is egalitarian; it covers everybody. Why try and destroy it? The Prime Minister is being so pro-American. I am prepared to ask: are they un-Australian; are they anti-Australian? I will pull them into gear on that question. Do they really care about Australians in their attitude to at least those two things?

Then there is the question: why in the name of goodness was dental not included in Medicare? How you can divorce your mouth from the rest of your body, I am blowed if I know. There are a lot of people who are far better equipped to speak on this issue than me and have been advocating it for many years. I am only a new convert to the oral health committee but, by jingo, when I saw the facts I found out that bad oral health is so detrimental to the rest of the body. Anything that goes wrong in your mouth can adversely affect the rest of your body. That is enough for me on health.

In the submission—and it is there—I have raised another issue: how the actions of the government, whether Labor or Liberal on this score, are pushing us further into poverty. Poverty traps vary from area to area and so on. Many people are being breached. Years ago 23,000 people were employed in the steelworks on the basis of three to one. In other words, for every job there were three outside. I would be surprised if there were 7,000 now. There used to be 27 pits in this area. Today you would be lucky to have five working ones. Thousands of jobs in the pits have been lost.

Why in the name of goodness, if someone is looking for a job, do they get breached? Where are the jobs? Put the jobs there, give them jobs; do not kick them in the guts with breaches. That is not on. That is what they are doing; they are breaching them. We are getting letters about our people being breached. They certainly kick a person when they are down, and I reckon that is a real cruel act—and there are stronger words to say than that. One other thing as far as we are concerned is that the GST has really hit us hard and is pushing us further and further behind. I would like to read something to you—I am having a bit of trouble reading because I see too much with my eyes! I can give you the bawdy version if you like!

**CHAIR**—Later!

**Mr Whiley**—Not today! The GST component of third-party motor insurance is \$30; of comprehensive motor insurance—this is for me—\$75; and of house contents insurance, \$70. I was hoping that somebody would be here from the coalition, because last time I addressed a Senate inquiry on the GST coalition senators were much up in arms about what I had to say. I knew the adverse effects from scouting among our members—state and national—so I put it to them. They really burred up and got nasty. I was hoping for that to happen today, but it is not going to, so I am disappointed to say the least.

**Senator MOORE**—Maybe we can burr up for you.

**Mr Whiley**—If you do, if I get a slap in the face, I perform better! Those adverse effects of the GST are only one component. Compensation is another. You would have been there when the GST came in. When it did, we got \$3.72 a week compensation—miserable to say the least. Of course, the propaganda machine went into action, and we could not get support from the unions because they were promised tax concessions. If you think that governments will react because you have a logical case, do not rely on that. They only react to a lot of pressure and a lot of action.

Where I am, the council rates are \$1,200 a year. Since the pits have closed, the noise has gone, the trucks have gone and the dust has gone. People want to live there, whereas before nobody wanted to live there, except for a few miners. Now it is a much sought after living area and the valuations have escalated along with the rates. Some nasty councillor suggested that, because some of our members—in this case it was retired miners—could not pay the rate of \$1,200, they should shift out. After a deputation to the council and on the floor of the council, he pulled his ugly head in, because we threatened to bring back a busload of irate miners' widows who would scratch his eyes out for putting forward such a suggestion. Their lifestyle was in that area. Why should they move because of a resolution of council and an uncaring councillor? He will not be there next time, if I or the retired miners have anything to say about it.

The pensioner rate rebate to help you pay your rates is \$250. The nation or the state might think that Bob Carr is God's gift to New South Wales but I do not, because that pensioner rate rebate has been frozen at the 1988 level. We have deputations to them to at least put it in line with the CPI. I notice that all parliamentary salaries, federal or state—and I am not going to miss you, no way in the world—have been well and truly indexed or whatever. Having the pensioner rate rebate frozen at the 1988 level of \$250 is not the best for the state government's attitude towards, and treatment of, pensioners. That is about all I have to say.

**CHAIR**—This gives us an opportunity to ask some questions.

**Mr Whiley**—You can ask all you like. The more you ask the better, I feel, because I can respond better.

**CHAIR**—Ms Graham, I did an interview on Lismore ABC radio this morning, and before I came on a person rang in and said—and I would like see how you respond to this comment—if homeless people were homeless it was their own fault because they drink, take drugs and smoke. How do you react to that?

**Ms Graham**—Not all homeless people drink, smoke or take drugs. For example, if you are a woman and a victim of domestic violence, you have to flee that situation and you have no family or support, where do you go? You have to live on the streets if you do not have friends. I was in that situation—not of domestic violence but I left a long-term marriage—and it was only luck that I had friends and family to go to. If I did not have them, where would I have gone? I had a job so, okay, I could have paid for accommodation but if I had been on the dole or did not have a job I would not have had any money. Quite often the husband has all the access to services, to banking and all that sort of stuff so when the woman has to leave he might even take ID off her. She does not have a purse, she does not have a Medicare card, she does not have anything. If she has to flee in the middle of the night when he has gone out or whatever and she has to flee with children, where does she go? The refuges are full. You can ring the police—even the police ring us.

**CHAIR**—How many refuges are there around here? Are there male refuges as well?

**Ms Graham**—There are refuges in the Illawarra; for how big the Illawarra is, I think there are two or three. They are for women and some do not take children. For men, there is only one and that is St Vincent de Paul's men's shelter. So for how big the Illawarra is, there is nowhere for people to go. It is not just that, other people who are homeless may want share accommodation. What if a young person, for instance, is abused by their parents and they have to leave?

**Mr Whiley**—Where do they go?

**Ms Graham**—Where do they go? They come into our centre if they know about it—if they live nearby—and talk to a youth worker, who will try to get them into a refuge. The youth worker will try to get onto DOCS, but you are on the line for hours. If it is an emergency—if that child has been severely abused—it still takes them ages to come and talk to the kid. It is hard to get even those kids into foster care. It is not just that, there are also children who are homeless on the street. There are young people living on the streets in Wollongong. There are women and men who live on the streets in Wollongong and they do not necessarily drink, take drugs or smoke; it is just that they do not have that family network which can support them.

**CHAIR**—Why would someone like Harry think he is safer in Kings Cross than in Wollongong?

**Ms Graham**—It is true, maybe because of the familiarity because he used to live up there or maybe he has a few friends who live on the street who might protect him. Down here it was a new environment.

**CHAIR**—You talked about a loner who did not drink, smoke or take drugs.

**Ms Graham**—He lived in a bed-sitter and minded his own business. He just lived there by himself. He would go down the street, do his thing and come back.

**CHAIR**—Did you come into contact with him at all?

**Ms Graham**—No, we did not.



**CHAIR**—You just knew of him?

**Ms Graham**—Yes. Quite often the people who live in departmental housing, especially around Warrawong-Berkeley and Port Kembla, live alone. So they are in that place. They might be lucky if they have a TV so they can sit and watch TV but they keep to themselves because they are quite often discriminated against. If they are a bit scruffy and they go over to Westfield, the security guards follow them around because they think they are going to shoplift. They cannot even go over and do their shopping. It is okay if they are doing their shopping but not if they are just walking around the shops. I do not even think you are allowed in Westfield without shoes or with a bare top, are you? Kids who hang around together and are just sitting there are not allowed to stay for too long; they are moved along.

**CHAIR**—Is the breakfast program you run, where you give them not only breakfast but also lunch, at Warrawong?

**Ms Graham**—It is in the Warrawong community centre.

**CHAIR**—How many children are there a day?

**Ms Graham**—We started it only last week. On our first day we had three children and now we are up to eight; yesterday eight kids came. We also have an afternoon program where they come after school. Last Friday we had 29 kids. We are funded for only two youth workers. You have to have one worker for 10 children. So we have to get some volunteers in now because we have too many kids. We cannot turn those kids away, because that is a safe environment for them to hang out, to play pool, to have something to eat in the afternoon, to stay off the streets—they are not getting into any trouble—and, if need be, to talk to a youth worker if there are issues at home that they need to talk about.

**CHAIR**—Do you know whether these children's parents are at work? If they are a single-parent family, is mum or dad leaving at six or seven in the morning?

**Ms Graham**—A minority would work. Most of the parents do not work.

**CHAIR**—How old would their children be, or the youngest?

**Ms Graham**—Ten-year-olds are trying to come, but our insurance covers only 11- to 18-year-olds. So we cannot let the younger kids in because, if something happens to them, they will not be covered. The age level was lowered to 11. It was 12, but we now let 11-year-olds in. The average age of the kids who come is around 14 or 15.

**CHAIR**—What is pre- and after-school care for children in that region like?

**Ms Graham**—Do you mean for the younger ones?

**CHAIR**—Yes. Is it available?

**Ms Graham**—Yes, it is.

**CHAIR**—How reasonable is the rate for it?

**Ms Graham**—I do not know.

**CHAIR**—Mr Whiley, your president, Mr Mifsud, and the policy officer, Mr Skidmore, appeared before the committee in Sydney on 26 May. Mr Skidmore talked about a phenomenon that is starting to occur: where people have been living in caravan parks which are on the fringe and—like miners' homes, which we were talking about, where trucks would go past, dust would get in and all that—those caravan parks are now valuable property. Is that occurring down here on the coast?

**Mr Whiley**—I am not aware of that because, even though I am the secretary of the CPSA and the secretary of the APSF, the CPSA has a lot more staff, who are funded by the state government, on parks and village service and they handle the caravan parks issue and report to the executive. I have been out of action for the last week because of surgery and I could not sit down with Morrie and David and/or Denise and go through it.

**CHAIR**—I know that. I just wondered whether, say, in Kiama, where the caravan park is probably used as long-term accommodation, people want to redevelop it and put a big hotel there or something.

**Mr Whiley**—That happens state wide, but particularly on the coast where the caravans are, and it is from the north right through. In the main, we put it through to the staff to handle. They are equipped to handle it and do it all day, every day.

**CHAIR**—One of our Liberal colleagues, Senator Knowles, who is not here, put the issue of gambling to Mr Mifsud and Mr Skidmore. I hope I do not misquote her. I will use my words, not hers. Part of the problems for pensioners is that they are spending their money on gambling. How do you respond to that? I am using my words to put her issue, and that might be unfair.

**Mr Whiley**—It is a furphy that all the problems and so on of a pensioner come from that individual. That idea certainly would come from people such as Senator Knowles. She could not even take what I had to say against the GST. She burred up and got quite obnoxious about it. But I was not giving in, because I was representing the pensioners and I knew what I was doing. She can blame them, just as some people are trying to say that people on the bottom of the heap who smoke, drink and so on are to blame. Society is to blame, and society does not care. But you could not say that to Knowles; she would probably burr up. She would not understand it.

**Senator FORSHAW**—People on the top of the heap smoke, drink—

**Mr Whiley**—And she kicks hard, too. Of course I did not like it. I did not like her attitude more than anything, because she does not care for people who are on the bottom of the heap. She would blame them or people in the caravan park—

**CHAIR**—She is not here to defend herself.

**Mr Whiley**—I will give her a serve anyway!

**CHAIR**—She will defend herself to you—do not worry. I am just saying that the view on gambling and pensioners about which we have had statistics put to us—I cannot remember on which day it was; Mr Humphrey might remember—states that loneliness is one of the reasons people gamble later in life.

**Ms Graham**—That is right.

**Mr Whiley**—There are many volunteers, who answer the phone, who do the mail and so on. They come because they are lonely—unless they are a strong kind of individual or somebody who has a bit of experience. Then they come again and again to be volunteers or drive for Meals on Wheels. You name it, our people are there. But they are people who are a bit more aware. When you get down, by jingo it is hard for you to come back up. Your tail is dragging on the ground and wherever you go you seem to get a knock-back and no encouragement. That lacks compassion, I reckon.

**Senator MOORE**—I would like to follow up on the issue of Centrelink. We have had evidence that a lot of people who are trapped in the cycle receive most of their income support from Centrelink at some stage. You have both mentioned them in your statement. We have had evidence from the department, and one of the things they are very proud of is their community consultations and their work with the community to try and improve their services and their awareness of what it is like. Is your organisation involved in those consultations and have you had that kind of discussion with Centrelink?

**Ms Graham**—I have had consultation with Centrelink only through the multicultural section—that is all. The first time was only a few months ago. I let them know heaps of stuff but not about multicultural issues. That is all they wanted to know about—the multicultural and language problems and all that sort of stuff. To me, you need to talk about the staff at Centrelink and how they treat people on the dole or on the disability support pension, especially people with mental illnesses. Say you have schizophrenia and you are frustrated and they are not helping or assisting you in any way. You lose your temper and you go off the deep end. Those people just get turfed out or whatever happens. What does the person do then? They are back on the streets. There needs to be some compassion from some of these Centrelink people. Centrelink need to look at their breaches with regard to their letter writing and all that sort of stuff.

**Mr Whiley**—I brought a letter with me because I was talking to the Liberal MHR for Sutherland in that area: Danna Vale. She is a likeable Tory; that is what I would put her down to. I said, ‘Here, deal with this’—

**Senator MOORE**—Is that the same one you mentioned earlier, Mr Whiley?

**Mr Whiley**—Yes.

**Senator MOORE**—I just wanted to make sure there was not more than one or something!

**Mr Whiley**—I can only handle one at a time.

**Senator FORSHAW**—I live in her electorate, Mr Whiley.

**Mr Whiley**—Do you? Well, I will give her a bigger serve! The letter stated that—and we get them all the time, so we take them up and write to Vanstone—they were pensioners and their circumstances had changed. They went to Centrelink to do the right thing. They filled in the application to change whatever it was. It was perused by Centelink and, okay, away they went. Then they got a letter to come back again. They got two of those even though the staff had endorsed it when they presented themselves. And they were treated not nicely. Having a bit of spirit in them, they wrote to us. We get these letters about the attitude of Centrelink staff coming to us continually. The turnover of Centrelink staff is great because they just cannot handle it. Some of them are all right; I think some of them could have a swastika on them by the way they deal with our people. They are at the bottom of the heap and they push them further. That is not what we like. Certainly, when we can get to the minister of the day, we let her know in no uncertain terms—not that Vanstone will shake hands with me; she will not. We have just got to remind her about how some of the staff treat our people.

**Ms Graham**—Also, having social workers is fantastic, but it is hard to get an appointment, especially in Warrawong, where you have to come into town, Shellharbour or Dapto to see a social worker. You have to make an appointment. You cannot get in straight away, so you will have to come back in a couple of days time. I have a direct line to social workers. When you ring them you get an answering machine. I get them to ring me back, but the client has gone then and I have to get the client to come back.

**Senator MOORE**—So the people with whom you are dealing would need social worker assistance?

**Ms Graham**—They do, because these people have complex needs, not just one thing. Other stuff is happening in their lives.

**Senator MOORE**—It is the layers of things, yes.

**Ms Graham**—For example, people who use alcohol and drugs do so because of huge issues going way back. They are not doing it just for the thrill of it. They are doing it to get rid of that empty feeling that they have.

**Senator MOORE**—It is an important element that the department does get the information you have. Certainly the evidence they have given us is that they are very keen that, when there are issues, people in the community do it—

**Ms Graham**—If you want to see a psychologist, which costs money—psychologists should be covered under Medicare for a start—there is a waiting list of weeks and weeks. Even charities charge a minimal fee of \$30, but some people just do not have even that minimal fee. If you go to a private practice, it is \$90 or \$100 for an hour. You can go through the area health system, but it is weeks and weeks before you get in.

**Senator MOORE**—And what happens in that period between—

**Ms Graham**—And what happens in that period; exactly right.

**Senator MOORE**—In your initial statements you both mentioned transport. In this part of the world what is the cost and availability of transport between the various parts of the community?

**Ms Graham**—From Warrawong into town it would be \$3.20 or something, but if you are on concession it is half that. But, even so, if you want to go into town to see the Department of Housing and/or a social worker but you do not have any money until payday the following week, what do you do between now and then?

**Senator MOORE**—Mr Whiley, would most of your people be on concession in the New South Wales system?

**Mr Whiley**—They are all on concession, yes. That transport concession enables people to get out of the house to not only do their shopping and meet their friends but go and do whatever activity. When you are stuck inside all day every day, even if it is in your own home, it is like being in jail in many instances because you cannot move. It costs \$2.20 to go to Sydney or \$1.10 in Sydney. That travel concession is one of the best things that has ever happened besides Medicare and the PBS, and we do not want Costa to go mad and change it again. It might be only 10c here and a dollar there, but that adds up to a lot of money for our people, who get \$223 a week.

In my own circumstances there is no public transport, no bus. I cannot walk up the hill from the road to catch the bus—I can walk down all right; I cannot walk back up—so I have a ute. I am lucky. I am one of the luckiest people alive and always have been, although I do not know for what reason. But if I did not have three good kids to bail me out—and I say so; I put the nips into them for money only when I absolutely have to—I would be on the bottom of the heap too.

I will tell you what I do: I always make sure that the ute has enough diesel in it to last till the next pension day. If I have to go to Wollongong or wherever the pensioners meetings are, or go to Thirroul railway station to go to Sydney, as long as I have the \$2.20 and/or the diesel in the ute I am mobile for a week. So I always make sure I have diesel in the tank.

Also, how do I access pension payments from a hole in the wall? I have to go from Wombarra to Thirroul, which is about 12 kilometres or a bit more away. I cannot get the money any other way. As I said, I cannot go down there—I can, but how am I going to get back when I cannot walk up the hill and I certainly cannot use a taxi—

**Senator MOORE**—Mr Whiley, we had evidence yesterday from a gentleman who was on a low wage. He and his partner sat down and did a very detailed budget on every expenditure, what they could move, what they could not—all those kinds of things. You have said that you know the transport costs, you know you should keep your ute filled. Do you find that some of your members also budget to that degree of detail—they have their pension and they have a list about exactly what their rent is, what their utilities are, what a newspaper costs and that kind of thing?

**Mr Whiley**—Many do that detail. I am too much of a scatterbrain to do that. The essentials in my life are the cup of coffee in the morning; three newspapers, which cost me \$24 a week, I will budget for that; and the ute, which I will budget for to run.

**Senator MOORE**—So those figures are clear in your mind? You know exactly what they are?

**Mr Whiley**—My word, because I cannot function without—I have a different lifestyle than most. I drive to the beach every morning.

**Senator MOORE**—In the ute?

**Mr Whiley**—In the ute. I have a walk and a swim. I used to take the best blue heeler in the world with me, but he is not here anymore.

**Senator MOORE**—Really?

**Mr Whiley**—Of course I did. He was my mate; he was my cobber. His name was ‘Cobber’, too. I budgeted for that. I also budgeted for a cup of coffee and something to start the day and for the fare, which is \$2.20, to go to the pensioners’ office. Also, I made sure that the fuel went in so that I was mobile so I could access the hole in the wall. In that last week you got nothing, so you spent nothing.

**Ms Graham**—Some people do not know how to budget either.

**Senator MOORE**—Yes, you mentioned that.

**Ms Graham**—If you do not budget each week or every fortnight, when your electricity bill comes in every three months there will be no money left.

**Senator MOORE**—Yes.

**Mr Whiley**—The two things that hurt me the most are the telephone and the electricity bills. One is \$80 and one is \$100. I am as frugal as I can be with the power. I said, ‘I will get over that.’ I have an old fuel stove and I cook on that because I have access to free coal. So that is one way of cutting down the power bill. But when I am faced with bills of \$80 and \$100, up to about \$120—and I do not use the phone willy-nilly—it is a big drag. I saw Andrew on the weekend and extracted a bit of money out of him to pay for it. To pay for the registration of the ute and big things like that, the kids have to come to the party. To pay for medical bills, they have to come to the party. To pay for the rates, they have to come to the party.

**Senator HUMPHRIES**—I am sorry I was not here to hear your main body of evidence, Mr Whiley and Ms Graham, but I will read the transcript and catch up with what you said that way. I understand you were talking about the impact of the GST on pensioners in particular.

**Mr Whiley**—Yes.

**Senator HUMPHRIES**—When I heard that, I was interested in comparing that with a comment made by the St Vincent de Paul Society, which we are hearing from later today, about ways of raising money to be able to provide better services or higher income levels to pensioners and so forth. They suggest that an expansion of the GST onto fresh food, which is currently exempt, should be considered. What is your view about that?

**Mr Whiley**—Straight out, no. Without any buggerising around, no. We will fight it tooth and nail. It is on some food. It is on takeaways. It is on meat, too. It is on anything that goes through the saleyards. I have worked very closely with St Vincent de Paul since about 1950, because I am in tune with many of their aims and so on. But on this score we will fight it tooth and nail, and we will not roll it forward.

The likeable Tory I was talking to yesterday said it should be rolled forward onto food. She got the same response from me and from the pensioners. We fought against the GST. It is not a fair tax. It is a regressive tax. As I said right from the inception, it equates a miner and a millionaire to pay the same tax. The poll tax is the same thing, which got defeated in Britain. I was there when that happened. That was a good little victory. No, it is a most regressive tax. A progressive income tax is the way to go. The more you earn, the more you pay. Pensioners never paid any tax or very little before. Now it is a great swag out of our \$223 a week. If you put it onto food, you will push a whole lot of our community, pensioners and low-income earners, into the poverty trap. No, we will be fighting it tooth and nail.

**Senator FORSHAW**—We have heard in a number of our hearings around the country, and as recently as yesterday, that the charities and groups such as community centres and others seem increasingly to have to deal with a huge growth in the number of clients, particularly people suffering from mental illness. There have been issues raised constantly that this is the fallout of the Richmond report with deinstitutionalisation without the proper resources in the community. Is that an experience that you are facing?

**Ms Graham**—There are people walking around with mental illness and they have no family support. They have no access to area health services. People just think that they are drunk or using drugs. Some of them are because they cannot access appropriate services. They do not have any workers. Area health, especially around here, are underresourced so they do not have workers to go out and visit these people even if the people are in their service. But a lot of them are not in the service because they do not know about it. Quite often the only time that they get in the service is when they have a psychosis of some sort and you ring the mental health team or the ambulance, or the police come out, and these people end up in hospital. Quite often they are just in hospital for a week and then they are turfed out. There is no support after the hospital.

**CHAIR**—Thanks very much, Ms Graham and Mr Whiley.

[11.48 a.m.]

**CUNNINGHAM-SMITH, Ms Vivienne, Senior Manager, Barnardos Australia (South Coast)**

**TAYLOR, Mr Stephan Douglas Stanley, Publicity Officer, Illawarra Dental Health Action Group**

**CHAIR**—Welcome. I now 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 Cunningham-Smith**—Thank you. I would like to start with a quote:

Every second we are in the company of a child we send ripples into our future history.

What happens when that child's every second is lived in poverty? What are the implications for our future history? Poverty is the antithesis of social inclusion. By definition, living in poverty is social exclusion. Children who live in poverty experience our community as one that socially excludes them. What we do today will reverberate through many generations. Poverty reverberates through children's lives. Its embodiment in inadequate housing, unemployment, lack of support for parents and families, educational disadvantage, poor health and wellbeing, high participation rates of disadvantaged children and adults in the juvenile justice and criminal justice systems, poor mental health outcomes, a lack of safety and the feeling of social exclusion is well documented.

Thank you for allowing me to address you today. Barnardos Australia has already presented to the inquiry and I do not wish to repeat their submission today. What I would like to do is put an Illawarra face on it. In their submission to you, Barnardos highlighted the results of surveys of its clients, who outlined what living in poverty actually meant for them. That included social isolation, few breaks or holidays, stress on partnerships, difficulty in getting medical help and, in relation to children—which usually leads people to seek assistance—difficulty in having adequate food, child care, clothing and transport, and the phenomenon of parents going without in order to provide for their children.

I want to put an Illawarra face on some of these issues. I will start with medical care. Within the last two weeks on a local housing estate we have experienced an epidemic of impetigo and scabies in children, from babies to teenagers. There were small babies covered in weeping sores which were aggravated by an underlying scabies infection which made them scratch and was extremely painful. There were babies who had lived with this condition for months. These children were living in households of up to 15 on a high-density housing estate. Many of their parents had poor English and had not accessed health care cards as they were unaware of their entitlements, or language and cultural barriers had prevented them from attending Centrelink. We actually run our service next door to Maxyne, so I endorse what Max said about Centrelink. It is an extremely difficult ask for people to access some of those services.



Public transport to get to medical attention is expensive, as the only accident and emergency services are located in areas such as Wollongong or Shellharbour, which require an expensive private bus trip, one which parents could not afford. Even if they accessed their local doctor, many did not have Medicare cards for bulk-billing, and anyway they could not afford the medication. So children went untreated. Barnardos, when it became aware of this situation, approached the public health system to attempt to address the problem. They had no services which could meet these children's needs. There was no public health response, due to lack of resources, so no assistance was given.

We managed to convince a local general practitioner to visit our community centre on the estate in his lunchtime, see the 15 children who attended on that day, and issue scripts. Luckily, the department of community services very generously agreed to pay for the \$500 worth of scripts that were required for these 15 children and treatment could then progress. We had workers supervising the initial treatment for families to make sure it worked. The average cost per script was \$40 for three medications necessary to treat the illness, a charge which was way beyond affordability for these families.

Our concern is what happens next time. This was a response to a crisis which worked this time for the 15 children involved. It worked because of the personal networks staff had in the area to pull services together at short notice. What happens to the other children, with infections like otitis media—which affects the hearing—or with sight problems or when there is the next outbreak of head lice, impetigo or scabies? On this same estate we have experienced long periods of head lice outbreaks, leading to disruption in children's education, as do the impetigo and scabies. We have searched for dollars to purchase head lice treatment, to no avail. In the end, because parents cannot afford the treatment, they shave their kids' heads. Children who attend the schools are then taunted and teased because they are bald and dirty. The consequence is that they do not attend school. Untreated childhood diseases which are a direct result of family poverty affect children's education. Simple childhood diseases should not disable our children.

I will move on to inadequate food, clothing and transport. A recent health report noted that the Illawarra was the second highest area in New South Wales for children going without food in the home. This certainly reinforces our experience. We run a breakfast program two days a week on a local housing estate. We also run before and after school care programs in the Warrawong area. Children and families attend who may not have eaten regularly throughout the week or maybe, in some cases, have not eaten at all for long periods during the week. These families and children stockpile their food so, on the days when the breakfast programs occur, they eat lots and fill their bellies. We are now getting up to 30 people attending regularly.

Also, Barnados, through donations of food, attempt to supply families with food. However, that is irregular. We rely on companies' generosity for that sort of thing, and we cannot keep up with the demand. We also offer the Food-Share program on the housing estate to enable families to have access to affordable fresh fruit and vegetables, meat and pasta once a month at a purchase price of \$15 a box, with a retail value of \$40. For that box of food people are asked to provide two hours of community service back into their community. It is a great program, but in vulnerable communities it often needs support to motivate the communities to participate in community services. Because they are socially isolated, they lack confidence. It is difficult sometimes to interact with your community. Unfortunately, this program, due to lack of government commitment to ongoing funding, may in fact fold. For us it is the only program in

the Warrawong area where people can get reasonably priced fresh fruit and vegies to feed the kids.

If children are eating regularly, in our experience, they are probably eating junk food because it is easier and quicker. We run basic cooking classes to teach parents how to cook good, cheap food. It is surprising how these skills, which we assume everyone has, have not necessarily always been passed down through the generations of these families. This is not an issue isolated to any one group we work with. Certainly it reinforces Maxyne's viewpoint that, in relation to simple basic tasks like budgeting and cooking, services that can impart those skills are absolutely essential.

It is also surprising how many children have inadequate clothing. In our family support programs we work with drug addicted pregnant women in an early intervention model. These women are often homeless, so we find them housing and organise the basics of furniture, fridges, blankets and bedding. Because our clients end up often with just their shopping bag of possessions, when they do get a roof over their heads there is nothing else there. When the baby is born, we have a knitting circle of women who supply handmade baby clothing. Why? Because the women's incomes do not allow them to purchase even some of the essentials of clothing whilst also trying to maintain their basic costs of living such as rent and food. On the housing estate I mentioned earlier we have littlies wandering around in shorts and T-shirts in winter. Last week, in the morning at the breakfast program, we found for a little school aged boy a jumper so at least he could go to school a little warmer than his T-shirt and shorts would allow. He was so chuffed because that is the very first jumper he has ever owned.

The Illawarra has no public transport system. We have a system of private buses, with limited public subsidies. Getting around the Illawarra is expensive. I am sure others today will discuss this at length, but I would like to say that for families needing, for example, specialist medical attention or, as Maxyne said, to see a social worker often the costs of accessing those services are overwhelming, and the lack of transport options can often lead to social isolation of families.

We are constantly surprised by the number of families living without electricity in their homes because of their inability to pay their bills, and that goes for gas as well. What happens if they fall behind with their bills? Sometimes families have fallen behind up to 12 months and have \$2,000 worth of bills. It is impossible for them even to get an inkling of an edge into that and then, if they get their electricity reconnected, to continue to pay the bills that they are accumulating. These families are left with no heating, no cooking facilities, no hot water, no lights. The kids do not have heating. We run the EAPA scheme in the Warrawong area to assist families to pay these bills, and this scheme is a godsend.

**Senator FORSHAW**—What does EAPA stand for?

**Ms Cunningham-Smith**—The Energy Accounts Payment Assistance Scheme. But it is limited in its resources as well. We have found the Centrepay scheme introduced through Centrelink as a useful way of assisting people to pay off some of their bills. That is certainly a good strategy that has been implemented.

I hope I have given you a flavour of some of the issues Illawarra children and families who live in poverty face from day to day. It is a battle to meet the basics of rent, food, clothing,

schooling and electricity. I could talk ad nauseam—but I will not—about how children living in poverty in this area do not attend school. They do not even get the basic start in life that education provides. The public education system is not geared to deal with the needs of children who are abused or neglected or who live in extreme poverty. They do not have the resources to adequately address the barriers these children face in getting an education.

But far beyond this is the impact that living in a poor community can have on children. I offer the following comments given by children aged from five to 12 years living on a local housing estate when they were asked to describe what they did not like about living there. They said, ‘All the fighting all the time—the teenagers and the adults.’ A seven-year-old offered: ‘I don’t like the junkies in my street.’ When asked what needed improving on their housing estate, they said, ‘People need to pick up all the syringes and we need to have a proper cleanup. We need more security guards and police here. Take the druggies away from here. Can we talk to the council and Department of Housing and tell them what we want?’ Of course, there were also many strengths that these children cited about living in their community. I have used these to reinforce that living in poverty is about more than a lack the basics; it is about the culture within which we raise children and the environments within which they live. It is also about listening to children’s experiences of their environment, which can often be toxic, and listening to their solutions, because they do have quite good solutions to some of the problems within their communities. Poverty is not just an individual experience; it is a community experience.

To conclude, failure to adequately address these issues with a whole of community as well as a whole of government approach will reverberate through the history of our children now and in the future—not only of children living in poverty but also of children who will become leaders of society. Failure to act now will not only lead our current children to poor outcomes but impact on any future civil society that we may envision. Goethe said, ‘What you know about you see.’ Unfortunately children and families living in poverty are hidden today. I am flabbergasted that people in the Illawarra community continue to be shocked that children do not have warm clothing or regular food. We as a community need to know about children living in poverty in order to rectify it. Children get the message today that if you live in poverty you are invisible. The process of the strategy is in fact its message. Strategies which fail to address poverty and therefore abuse and neglect of children send a loud message to children: you are hidden, unimportant and expendable. Our strategies are already giving children this message, and that is not what we want them to learn.

A public policy response is required with a commitment to the long haul. We do not want quick fix funding packages which provide short-term funding for communities and families and which are then withdrawn. To adequately deal with the effects of poverty will take a bipartisan government commitment to providing long-term funding in all social portfolios—including health, education, welfare, criminal justice and the economy—and evidence based solutions which provide for localised responses that listen to and take account of the local context of children and families and not a one size fits all approach.

**Mr Taylor**—I will hand out a pictorial view of what I am going to talk about, if you could pass it among yourselves.

**Senator MOORE**—Does it have pictures of bad teeth?

**Mr Taylor**—Some of it does. We, the Illawarra Dental Health Action Group, were somewhat surprised and a bit shocked to discover that we appear to be the only pressure group—if we can call ourselves that—in Australia which is dealing with dental health. I have looked extensively to find someone who is doing similar work and I cannot find anyone.

**CHAIR**—It is true. There have been none, but it has been raised in many submissions.

**Mr Taylor**—Yes. We believe it is a hidden problem that has existed for several decades, probably since the beginning of Medicare—or Medibank as it was then known. In 1996, with the removal of funding for the Commonwealth Dental Scheme, all those who were on, below or in the vicinity of the poverty line found themselves disadvantaged to a degree comparable to a Third World country. When you go into all this, you find some pretty shocking stories akin to what we have been hearing this morning. Dental health is not part of Medicare, but it should be. There appears to be no logical reason and an appalling ignorance as to the consequences of it not being part of Medicare, and yet poor dental health has an enormous amount of research to show that, if it is not the actual cause, it nonetheless contributes to and aggravates the conditions I will now discuss, a written copy of which I will pass amongst you now. There is coronary heart disease. It is extremely well-known in cardiac circles that poor dental health is serious when it comes to heart surgery. There are many cardiac surgeons now who will not operate if you have not had your teeth seen to—they just cannot afford to.

There is a lot of evidence—and I will submit that to you afterwards—that stroke is definitely associated with poor dental health. The more teeth you have lost, the more likely you are to have a stroke, not because you have lost the teeth but because of the conditions that cause the teeth to be removed. In the same bracket there is circulatory disease, which is also caused by this. Your mouth is part of your body despite the fact that teeth have been taken out. Your mouth has a circulating blood system. It picks up things that you could well do without and passes them around the body. Research, whilst not proving it actually causes it, shows that it is definitely clear that poor dental health aggravates circulatory disease. There is diabetes. In the United States, the latest research shows that 95 per cent of diabetics have periodontal disease. Periodontal disease is tricky because you do not necessarily know you have it. It can be painless and still there. If you do not have some form of preventative treatment on a regular basis, you will not know that you have it. In Australia, if you are a diabetic, your diabetes will be seen to but not your periodontal disease.

There is pneumonia amongst the aged. People do not realise that, particularly in nursing homes, for any aged people who still have at least some of their own teeth and have tartar in their teeth, the tartar is a source of bacteria: streptococcus. This is in a beautiful place, as far as the body is concerned, for ingesting and for inhaling it. If you are fairly sedentary or even bedridden, the chances of getting pneumonia are much, much greater. One of the nasty ones, I believe, is premature birth. Premature birth is a very expensive exercise—not only premature birth but also low-weight babies being born. In the UK, if you are pregnant and are using the national health system, they insist that you have your teeth and your gums seen to because they know, as the research shows, that if you are pregnant and you have periodontal disease, your chances of having a premature child or an underweight baby increase sevenfold. And we do nothing about it. Then there is arthritis—I have got a good one there. Research has also shown that arthritis is connected to the bacteria in one's teeth. The nasty one is oral and throat cancer. If detected early, oral or throat cancer can be treated almost 100 per cent successfully. If it is caught

too late, it is fatal. It is in fact one of the highest causes of death amongst particular cancers in Australia.

All those things are threatening people who cannot get good dental care. That means there are over two million health card holders in Australia and every one of them is subject to interminable waiting lists that cause them real pain and suffering. They are at risk of all these very expensive diseases when they come to manifest themselves in the body. Then Medicare takes over. But Medicare should be trying to avoid this in the first place.

The criteria to be seen for emergency treatment as of today in the Illawarra are: do you have bleeding, swelling and severe pain? If you do not have all these three things, you will not be seen today. That means that a card holder with only one of those conditions—whether it is bleeding, swelling or severe pain—will not be seen today. We have got this documented. This is not a dental service; it is a callous and wilful neglect of the needs of a sizeable slice of the population of Australia, a country that prides itself on its membership of the First World. This is hardly a First World dental service and to try to pretend it is is laughable.

The lack of understanding by governments as to the true cost of dental neglect is quite frightening. Poor dental health has fiscal consequences of enormous proportions. The cost to the nation of arthritis was nearly \$9 billion in 2000—that is for the whole population, not just the card holders. Poor dental health is a known contributing factor, yet it is not considered relevant. The relationship between periodontal disease and premature birth is well-documented, as I have said, in the UK. They understand the enormous cost of keeping a baby in hospital for a long time.

But it is worse than this really because the plight of Australia's card holders is not confined to this particular group. The working poor are in fact in a worse position. If you are unfortunate enough to earn—let us be absurd and say that this is true—\$1 more than the cut-off point for the social service health card, what do you do? The person who is earning a dollar less than you is able to get a health card and get onto a waiting list that might take five years but at least they have got some possibility of being seen, but you are in the unenviable position of being unable to access dental care. You simply cannot go to a private dentist. You cannot get out of a dentist's surgery, unless he is exceptionally generous, for under \$100. So you are just forced to ignore your dental health and hope for the best.

The long-term effects of this appalling dental neglect will be seen only when it is too late. Because of the failure of the public dental system there will be a huge explosion in collateral damage right across the medical spectrum. This is already being seen; it is happening. Coming back to diabetes, there are other factors in here, if we have got over two million people in Australia who cannot get a medical check-up—and, believe me, you cannot get a medical check-up—the effects of this further down the line are going to be extremely expensive.

In summary, all those in Australia's poverty trap and those close to it will, of necessity, endure endless oral pain and suffering. Why? It is not of their own making and it is beyond their means to rectify in the private sector. Yet nothing is done. It is like the stories we heard earlier this morning: if you get into a particular spectrum of society, you are regarded as the bad luck group and you have to wear it.

If you were fortunate enough to see a public dentist about an abscess, you can be quite sure that you would be put off. They will not see you today. If you go to emergency in the Wollongong hospital and you say, 'Look, I have an abscess on my arm,' you might wait two hours but you will be seen to and whatever needs to be done will be done. An abscess in your tooth is potentially much more dangerous. If you have an abscess in your upper jaw, it is only centimetres away from your ears, from your brain and from the lymph nodes in your neck. Yet you are fobbed off with antibiotics and analgesics sometimes—and I have this documented—for several months. What is this doing? This is doing the very thing medical authorities are telling us not to do: do not needlessly have antibiotics if it can be dealt with in another way, because the constant use of antibiotics is reducing the possibilities of their working well when you really need them.

Prevention is the only cure, and in the long term it will save Australia billions of dollars. Australia must have a prevention program in relation to dental care. Those are not unusual photographs that I showed you. People like that present at dental clinics all over Australia, and it is an absolute disgrace that it goes on. If you want a dental check-up in Hobart—this was a news item, but I have discovered it is the same here, and last November this was finally admitted—you will wait up to 20 years. Twenty years! How can anybody wait 20 years for a dental check-up? What is going to happen in the meantime? It is a time bomb.

I have to ask the question: where is there a politician or a bureaucrat who cannot afford to go to the dentist and does not go to the dentist when they have toothache? Everybody gets toothache in their life sooner or later, and they know how painful and distressing it can be. The dental services of the nation have teething problems that have reached the proportion of an epidemic. When the research is better understood—and there is a groundswell in academic circles to bring this research to the surface—it will cause national disquiet and fear, and I think it will be on the same level as the way people regard SARS and HIV. We must put the mouth back in the body. Thank you.

**CHAIR**—Thank you, Mr Taylor. That was very comprehensive. Everybody up here is closing their mouth.

**Senator MOORE**—Everyone's teeth now hurt, Mr Taylor.

**CHAIR**—The very toothy Senator Humphries wants to ask a question.

**Senator HUMPHRIES**—I am all mouth. Thank you for those presentations. Could I clarify something that Ms Cunningham-Smith said about people on low incomes who are from non-English speaking backgrounds having difficulty in knowing that they have access to, or a right to, a health care card. Are we talking about people who are resettled refugees or people who have immigrated to Australia who have not been informed of these rights? What sorts of people are these?

**Ms Cunningham-Smith**—In that particular case, it would have been families who have recently moved here under just normal immigration, not refugees.

**Senator HUMPHRIES**—That information about access to health care cards is not provided to them in a language they will understand?

**Ms Cunningham-Smith**—It does not seem to be in our experience, no.

**Senator HUMPHRIES**—What Mr Taylor said about dental care seems fairly clear. You would suggest that dental care be accessed through Medicare—

**Mr Taylor**—It should be.

**Senator HUMPHRIES**—So that there would be the same access for dental care. I was not quite so clear about the particular solutions that you were suggesting, Ms Cunningham-Smith. We have to make recommendations at the end of the day, and I am not really sure what you would say to us we should specifically recommend as a solution to poverty.

**Ms Cunningham-Smith**—I probably reinforce what Maxyne said earlier: that there be ongoing funding particularly for basic social services and community services, such as the charities and the not-for-profit sector, the community centres and the community development programs. At the moment in our industry government funding at all levels is coming in short term—in two- or three-year packages for very specific types of services that tend to be prescribed from government bureaucracies. What has slipped away over the last 15 or 20 years is good, solid recurrent funding for core community services such as neighbourhood centres, Anglicare, Barnardos, pensioner organisations and not-for-profit organisations. That has been eroded, so our lives are spent chasing the two-year package here, the three-year package there and the 12-month project somewhere else.

What that does for the communities we work with is create a whiplash, where we have to say, ‘This year we can provide this. We can’t provide it to you next year, but we might be able to provide this other service to you.’ There needs to be an acceptance that there are underlying basic needs of people living in poverty that require long-term commitment, not short-term funding packages and the way that we are structuring our welfare and health services in terms of how the government is providing funding to them.

**Senator HUMPHRIES**—The sorts of services you are talking about you see as dealing with not just the symptoms of poverty but also the causes of poverty?

**Ms Cunningham-Smith**—Yes, exactly. Certainly there has been a gross underestimation of the power of community development services and the preventative early intervention services that we provide, for example—that get in there early and try to build the community and provide some of the frameworks needed for people to be able to assist themselves.

**Senator HUMPHRIES**—Of the programs that you administer, are they all Commonwealth funded at the moment or are there some that are state funded?

**Ms Cunningham-Smith**—No, there is a mix of funding. We have some Commonwealth funding—that is our housing estate funding. Again, that is short term, so that will cease next year. We have a range of state government funding and a range of charity funding.

**Senator MOORE**—Again, Senator Humphries had exactly the same questions as me. It is happening too often! Mr Taylor, I am lucky that one of my friends is Leonie Short, the ex-member for Ryan, who is a zealot on these issues. So I have seen your photographs before—they

are appalling. It is very clear, as Senator Humphries said, that your clear recommendation is that the issue of health care and appropriate health care be picked up. Is that a fair enough summary?

**Mr Taylor**—Yes, definitely.

**Senator MOORE**—That is the recommendation your group is working towards?

**Mr Taylor**—Yes. I will give you a very short example of why this is terribly necessary. We have recently been dealing with a family where all three members of that family have appalling dental problems.

**Senator MOORE**—They are different ages?

**Mr Taylor**—Yes. The father has lymphoma—I have all this information, which I will give to you—and the daughter has one tooth that has not descended and another coming out through the roof of her mouth. It is pretty appalling. They reckon that it will be three or four years before she gets any dental treatment on that. The mother has poor teeth. On Saturday, the 7th, of last month she awoke in the morning with appalling toothache. She rang the dental clinic and they said, ‘No, we don’t have any dentists on over the weekend or on the public holiday on Monday. So you will have to go to Shellharbour Hospital.’ The hospital is 36 kilometres away. She went there and they said, ‘You’ve got an abscess. We really cannot do anything for you. Take these antibiotics, and here are some analgesics which should reduce the pain. Ring them on Tuesday morning.’ She rang them on Tuesday morning and told them what she had done and the dental clinic said, ‘We’re terribly sorry but we cannot see you before 30 June.’ That is a common story. I will give you stories of people who have waited seven years. One lady has waited five years to have a tooth filled. Because it was not hurting her, it did not fit the criteria.

It is not entirely the dental service’s fault; the whole system is wrong. The Illawarra seems to be worse than some other places. Obviously it is not a level playing field. Some areas get better dental treatment than others. Why? We do not know; we are still trying to find the reason for that. But if you are a health care cardholder anywhere in Australia you will wait and wait. We have the research to show the longer you wait the worse your condition will become. We have people who need fillings on waiting lists. If you have to wait five years, what condition will that tooth be in? They will have to pull it out. What is happening is you get on a waiting list that is a triage system: you get pushed down the line according to the criteria. It gets worse and worse. It never gets better. You can wait until the cows come home. As we say, it is clear now that, if you just want to have your teeth looked at, you will be laughed at and told, ‘You have not got a hope in hell,’ and, if you ask when possibly you could have it done, you will be told, ‘20 years.’

**Senator MOORE**—And the option is to go to a private practitioner and pay.

**Mr Taylor**—You have to go to a private dentist, and a lot of people cannot afford that at \$100 a pop. I looked at a story of one man. It cost him \$535 for a lot of work that he eventually had to have done by a private dentist, and that dentist gave him a sizeable discount.

**Senator MOORE**—With that amount of money, I would expect that would have been discounted. It is usually much more expensive.



**Mr Taylor**—Yes, it was. It was heavily discounted. But what did that sum of money do to this family? There is only this man and his wife now because they are retired and they do not have any other commitments. He said they started to look at what was in the cupboards as to what they could afford to eat because they realised that what was wrong with his teeth was so important that his teeth had to come first. It is Alice in Wonderland stuff. You cannot believe we have a system like that in this great country of Australia.

**Senator MOORE**—Ms Cunningham-Smith, is the Food-Share program a Commonwealth or a state funded program, the one that will be running out of funding towards the end of the year?

**Ms Cunningham-Smith**—At the moment there is a submission to the Commonwealth for component funding for that program, and I believe there is also a submission currently for state funding. Again, their funding was under short-term packages, two- to three-year funding which is due to cease in the next couple of months.

**Senator MOORE**—Then you have to re-claim and hope that it will come through?

**Ms Cunningham-Smith**—Yes. You need to chase the packages that are out there and see which one fits. At the moment the Food-Share program is trying to get some level of recurrent funding in order to build its service as well. In this area it provides up to 800 boxes a month for people up and down the coast. Again, you are looking at 800 people who are actively involved in their communities for a minimum of two hours a month. It is an exceptionally good program. However, like our other services, it is at the behest of funding at the moment.

**Senator MOORE**—In the interests of time, I will follow up with you off the record the particular case you mentioned. I would like to find out more about the housing estate issues you raised, but I will raise that later.

**Senator HUMPHRIES**—Who did you say is funding the food program at the moment or until now?

**Ms Cunningham-Smith**—The Food-Share program?

**Senator HUMPHRIES**—Yes.

**Ms Cunningham-Smith**—The Illawarra component is Commonwealth funded and the rest is funded from either donations or whatever particular grants they can get at the state level.

**Senator FORSHAW**—I have a couple of questions. Firstly, Mr Taylor, in relation to what you said this morning about the issue of dental care, we all recognise the severity and the magnitude of the problem. In terms of dental care being covered by Medicare, the arguments you put are completely logical and sensible. It is somewhat ironic that if you go into hospital, as I understand it, and have dental surgery done then the surgery will be covered by Medicare.

**Mr Taylor**—That is right.

**Senator FORSHAW**—The other problem of course is that, firstly, you can try to cover dental costs through private health insurance, which is prohibitive for a lot of people, and, secondly, the

level of refund is very minimal. Any parent who has kids or anybody who is getting dental work knows that. Has anyone done any costing on having basic dental care covered by Medicare? I recognise that the cost up front can be well offset by the savings. But this will always be raised: what is it going to add to the bill for Medicare?

**Mr Taylor**—Research is being done at the moment in Sydney at the United Dental Hospital and also a professor of cardiology is cooperating with them. They are going into these figures now. NCOSS is going into these figures. ACOSS is going into these figures. It is complicated in the sense that, because it does not exist, it is very difficult to put a figure on it. They are really coming at it from the other way and saying, ‘If you have preventative treatment for these things, you are going to reduce your Medicare costs.’ That is what they are working on, because it is hard to put a figure on how much extra it will cost. This is a problem because the number-crunchers are only interested in the end of the financial year, when it all comes down to number crunching. Very few accountants look beyond the end of the financial year. In fact, there is a saying that accountants generally—I hope I am not speaking to any accountants—are a rather unimaginative group, and those who do have imagination usually end up in jail!

**Senator FORSHAW**—They usually do not have enough imagination to stay out of jail! But I know the point you are making.

**Mr Taylor**—The work is being done. I do not see this as an immediate exercise; I think this is going to take five years.

**Senator FORSHAW**—From personal experience, there is a problem often of getting access to dentists after hours or on weekends. So many sporting injuries occur on weekends, including kids getting their crowns or teeth knocked out or whatever in football matches, and you cannot find a dentist, and the hospital often cannot do anything for you. Ms Cunningham-Smith, you mentioned the demand on before and after school care services and providing kids with breakfast. This is a phenomenon that we are seeing right across the country. Even in the next electorate up of Hughes, which is by no means a poor area—in fact it has one of the highest average family incomes in Australia—we are, increasingly, seeing greater demands for before and after school care services and, indeed, the number of kids going to school without a proper breakfast is increasing. But, in more recent times, before and after school services are being hit with greater demands from government as well, with compliance and regulation. Are you finding that? They are fighting a pretty vicious battle there to survive. What is the experience here in the Illawarra, where you are clearly dealing with a lot more families which have low incomes et cetera?

**Ms Cunningham-Smith**—And which are unable to pay and have high bad debt. We are looking at the financial viability of our before school care services, and we will probably be shutting one very shortly because we can no longer put what we call our Barnados money—our charity moneys—into that, which we have been doing in the last few years. It has been the only way we could keep it open. We are the only provider of before and after school care in the Warrawong-Berkeley-Port Kembla area, because all other service providers are for profit, for instance, or others that do not have the benefit of having charity moneys available to subsidise them have found they cannot maintain services.

**Senator FORSHAW**—What about the schools? Have any of the schools been providing the service?

**Ms Cunningham-Smith**—No.

**Senator FORSHAW**—I am not saying that they should, but we are finding that school committees themselves are having to try to set these services up, which is another one of those burdens of extra-curricula activities that schools are facing.

**Ms Cunningham-Smith**—Absolutely. There are some absolutely ludicrous Commonwealth requirements on before and after school care and vacation care. We run five vacation care centres. We have two before and after school care programs. In terms of just the mammoth administrative requirements of getting CCB, child-care benefits, for each of those, they are treated separately. They therefore require separate audits for sometimes tiny amounts of money. I can go into the frustrations that we have in terms of dealing with the bureaucracy of CCB. Nobody knows all of our services. They do not know how they all fit together. You might have one person dealing with before school care claims this week and another one will be dealing with them next week.

**Senator FORSHAW**—A lot of them are in a voluntary committee anyway, aren't they?

**Ms Cunningham-Smith**—That is right. We are a large organisation; I do not know how small voluntary groups or small parent committees actually negotiate their way through. The overpayment system is shocking for those people and just the sheer administrative requirements are enormous. As well, in poor areas we know that child care is good for kids, particularly kids who are abused and neglected. Child care is a standard preventative strategy for kids who are abused and neglected. But in poor areas the bad debt, the inability to pay for child care, is a huge deterrent to what is a very good preventative service. There are limitations on the number of places for children at risk in CCB funded services. There is no recognition of the fact that because a child is at risk that is a good reason for them to go fully to child care. We need to look at how many places are available for vulnerable children within these child-care settings. And adding to Mr Taylor's submission, in our experience with the kids we work with, they just let their teeth rot out.

**ACTING CHAIR (Senator Moore)**—Thank you very much.

[12.41 p.m.]

**MITWOLLEN, Mr Michael Robert, Regional Manager, Anglicare Illawarra**

**PRESTON, Mr Alfred Neil, Chief Executive Officer, Greenacres Association**

**ACTING CHAIR (Senator Moore)**—Welcome. The committee invites you to make a presentation, which can take any form you like to get the message to us.

**Mr Mitwollen**—Thank you for the invitation to appear before the committee. I want to echo what Vivienne Cunningham-Smith from Barnados said earlier today in terms of that larger view of the experience of poverty in the Illawarra. I would like to focus on our experience in working with people who are living in poverty, as we see it through our emergency relief service, which is based in Wollongong. I would also like to make some complementary comments that relate to the other main area of service that we provide, which is counselling. As a large charitable organisation, Anglicare is blessed with government support and significant support from people in the community. As an organisation, we are now experiencing a decreasing ability to service the needs that we find within the Illawarra, particularly around working with people in poverty.

I will run through some figures. Bear in mind that behind each of the figures is a story as heart-tugging as some of the stories you have heard from Viv or from other speakers this morning, so these figures do run the risk of sounding a bit bland. But the figures astound me. In 2002 our emergency relief service in Wollongong conducted 4,734 interviews or assessments, which was a 20 per cent increase from 2001 on our workload in that area. We provided a range of assistance through that program, the total cost of which was nearly \$340,000 last year. In 2002 we had active client records for individuals, couples or families within the emergency relief service totalling 3,297 client records. Those client records might refer to an individual, to a family or to a couple. That is a significant number of people within this city. In 2003 thus far, our emergency relief program has provided 2,449 assessments as at the end of June—last week. Again, this is a further 20 per cent increase on our figures from 2002.

**Senator MOORE**—From the same time in 2002?

**Mr Mitwollen**—Yes, it is another 20 per cent up on 2002. We now have active case records for about 3,900 clients, which again could include whole families, individuals or couples. Significantly, of the 4,734 interviews we conducted in 2002—an interview can from up to half an hour to two hours based on the issues we are confronted with—the main source of income for 90 per cent of the clients that we saw was from Centrelink. We believe that that strongly indicates that people struggle to live securely on Centrelink payments. I am just stating the obvious for you but the figures really bear that out. The other 10 per cent are people who obviously are in employment. That employment can be business—their own business—or part-time employment. We refer to that 10 per cent group as the ‘working poor’. It is a commonly used term within government as well.

As a large provider of emergency relief services, as I have said, our workload has increased by 20 per cent each year and this has been occurring since 1999. Again, we believe this is a strong

indication that there is an economic and material crisis associated with living with poverty which is becoming entrenched in the Illawarra. It is not just a problem that is there; it is a problem that is growing and it needs to be acknowledged. Disturbingly, within the emergency relief service, we are working with and seeing far more people now who are over the age of 65 and having their first experience of coming into an agency like ours. We are seeing far more younger people under the age of 20 coming into our service. That is a change that has only occurred in the last four years. Prior to that, it was very rare for us to see people who were older or younger because of the supports that were in place for them through government and other agencies, but that no longer applies. Again, it strongly suggests to us that the income that people are provided via government—via Centrelink payments—is not enough for them to live securely or to live well in the community.

We are seeing an increasing number of people who have multiple or complex issues who require a long-term commitment from us as an agency to work with them to try to resolve their crisis or to stabilise their particular situation. Some of these issues, which have been touched on already this morning, include mental health, which is a huge issue in this city in terms of the lack of care for people who are not enjoying good mental health; people with entrenched drug and alcohol issues, which is another huge issue in Wollongong; people who are homeless or who have an accommodation crisis, whether that is because of domestic violence or things that have happened in their lives; and people with a disability. Working with those groups of people requires a long-term commitment to try to turn the situation around. Unfortunately, given that one of the primary problems for people who are struggling in any of these areas is a lack of income, our sense is that things are not going to turn around for them until the income issue is significantly addressed.

One of the things that we are also finding in our relationships and our work with people is that, at a general level, people are much more frustrated and aggressive when they come into our service than they were four years ago. We are now experiencing at least one serious incident—an incident that we document—a week involving people who have become violent or aggressive. Every time, their behaviour is linked to the withdrawal of benefits from Centrelink and to Centrelink directing people to our service, clearly stating that we will be able to provide help for those people immediately.

The number of appointments that I ran through earlier averages out to about 90 appointments a week. So it is a significant number of people each day. We run a system of appointments where people can book up to two or three days in advance. Generally when you come into our service it is very difficult to be seen immediately. In terms of appointments, we are generally booked three or four days in advance. We keep crisis appointments available. We certainly are staggered—I am quite staggered as the regional manager—by the number of people who come in clearly distressed, aggravated and in crisis as a consequence of the change that has occurred with their Centrelink benefits; they have been breached, their circumstances have changed or there has been a change in their regime of payment and that has caused great grief and they do not have money for two weeks or 10 days and things like that.

Just for your information, several circumstances are often the catalyst for people coming in and seeking service. I want to give you some background around what they might be. We find that one of the most common causes, and it was mentioned again earlier this morning, is a recent and unexpected change in circumstance, whether it is recent unemployment, business failure,

injury or illness, or changes in relation to Centrelink payment routines. We have observed that many families do not have the financial resources to manage an unexpected change in their circumstances. So an unplanned event severely impacts on families without financial contingencies.

As you know, business failure, injury or illness and family breakdown are events that often happen on the toss of a coin. People are severely impacted by that and it is often enough for them to be thrown onto what we describe as the pathway to poverty. The impact of family breakdown cannot be measured. It is just severe. But there is a severe economic cost which places pressure on people as well as the social and emotional cost of the breakdown of a family unit. We are also noting that, in the emergency relief program, the majority of families we work with have two or more dependent children. So quite clearly again the cost of raising children is an indicator that sometimes places people on the pathway to poverty, if their income is not sufficient for them to survive with the children.

The system of income support, as implemented by the government through Centrelink, is a punitive system and it does not provide a minimum level of income support for when tests and requirements are not fulfilled by the individual. We as an organisation locally, and I am speaking on behalf of Anglicare locally, believe that it is a harsh and cruel system that leaves people without any income support, even if they have failed a test or have been breached. I have some recommendations in relation to that which I will refer to in a minute.

Another circumstance, as I have already mentioned, that is a catalyst for people requiring emergency relief is generational or long-term unemployment. We do have structural problems with unemployment in the Illawarra which are very well documented. Certainly it is very difficult for an organisation singularly to turn around generational unemployment, which exists in pockets in the Illawarra, and there is a requirement for a relationship across a whole range of agencies or government departments to try to work through those issues. The same can be said for mental health, drug and alcohol issues, and chronic homelessness and disability issues, which my friend Neil from Greenacres will probably be talking a lot about, so I will not refer to it much.

One of the many issues that come up for us on a regular basis involves homeless people, and homeless men in particular. It is now almost impossible in this city to get any accommodation at all for them. I am talking about calling the corner pub—the Illawarra Hotel, the Towradgi hotel or the Figtree Hotel—to try to get a room overnight. Even the pubs will not take people now. We have one motel which we call the ‘DoCS resort’—the Department of Community Services resort—and that is the Piccadilly motel up on the hill near the railway station. It is almost exclusively used by the department to put up some of their people who are in crisis. That is one of the few places that you have a hope of finding somebody a room.

Certainly St Vincent de Paul run their men’s shelter. That is an accommodation service for about 25 men, all of whom would be addressing drug and alcohol issues or trying to recover from drug and alcohol problems. Apart from another place, Paddy’s Place, which is run through Illawarra Youth Housing for men up to the age of 25, there is nothing else for men in this city; and the majority of people who are presenting to us as homeless are men. Some of these men, as I alluded to earlier, have previously been successful businessmen who have fallen on hard times. I am not talking about just homeless people who live in parks and who are commonly referred to

by the general community as ‘winos’ and things like that. We certainly have a chronic level of homelessness in this city where people do sleep in parks. That is distressing, but there is also a distressing number of people who just cannot get accommodation for whatever reason. They are sleeping on beaches, in cars or at friends’ homes and living an itinerant lifestyle until some kind of resolution can be found with regard to their accommodation.

We believe that the following issues require urgent attention to improve the management of poverty and the provision of services: the Centrelink system—this is our main point—needs to move from a punitive framework of implementation and operation to an incentive based system of income support; and a fixed bottom line of income support needs to be put in place for every individual in our community who is not working, which bottom line is not shifted no matter what they do or do not do in terms of their relationship with Centrelink. The Centrelink system as implemented by government should say, ‘At this point this is our bottom line. We will always ensure that every individual known to us, on our records, is able to access X dollars’—I am not going to put a figure on what the government could provide might be—‘so that they can continue to live no matter what they do in their life.’ Then incentives could be built on top of that to allow people to have some control over their destiny and to work in partnership with organisations like ours to try to address some of the issues that they might have.

I think that is just critical. It is soul-destroying having people coming in and saying, ‘I have been breached. I have no money. What are you going to do about it, Anglicare, because Centrelink have sent us to you?’ I truly believe that, whilst we can be a positive relational face to caring for people in poverty—which government cannot be because government is government, but we are an organisation—we cannot afford to continually bail the government out of its economic and social responsibility to its citizens. We do not have the resources to do it, and we are just a single organisation as well.

Other recommendations include—and this is through organisations that are working in the delivery of emergency relief services, and there is a number of them in this city—a uniform approach to policies, service standards and assessment and training by agencies involved in the provision of emergency relief; and training to include specialist approaches to working with mental health and drug and alcohol issues. It is really critical that, if that work is to be ongoing and involve different agencies, we are provided with the resources to skill our workers to do their job effectively. For us that is not currently provided for through the emergency relief funding as administered by Family and Community Services. For your information, as I said earlier, we provided assistance of about \$340,000 last year. We get funding from Family and Community Services to assist us with crisis care. In 2002 we got about \$65,000 for that. So the bulk of the money is actually coming from Anglicare as a charity in terms of trying to address the issues.

We also believe that there need to be funded resources, again delivered through government to organisations like ours, Barnados and community centres that are involved at the coalface of poverty, to undertake more involved case management with people working in the area. It is not good enough for the people with whom we are working for us to be able to offer them only a half-hour, 45-minute or one-hour appointment to try to resolve issues and difficulties.

Quite often we will see people once a week for a year to try to work through stuff. Again, that puts a strain on our resources, but it is work that just needs to be done. If we had additional

resources to implement case management approaches so that we could really interface effectively with mental health team and drug and alcohol workers in the city, and look at interfacing with regard to accommodation and how we might do that differently in this city, then we might actually be able to start addressing some of these concerns structurally much more effectively than we can currently.

I need to echo the points that have been raised about dentistry and the Medicare system, and the grief that that causes people. We have numerous requests from people—we had one only last week—who require surgery and a specialist but they are not able to fund the gap between what Medicare will provide specialists and what specialists are charging. A fellow who came to see us a couple of weeks ago had very diligently managed his money and had paid accounts that we as an organisation could have taken care of for him in preparation for having an operation on a fairly severe-looking hernia. The only account that he could not cover was the \$80 gap fee that the specialist required, so he came to see us. It put us as an organisation between a rock and a hard place because, if we were to begin covering people's gap fees for medical services, we would be broke within two months. We cannot do it. But this man had so effectively managed his limited financial resources that there was no other choice but for us to assist him with that \$80 so that he could move forward with that operation.

Earlier someone referred to counselling. In terms of trying to make counselling services as accessible as we can for people, we provide a range of services for nothing. That includes working with children and young people. We also have a stream of counselling called generalist counselling services where the fees are really limited—a dollar, \$2 or \$5—for people.

We sense there is a growing crisis in this area, which is borne out by our figures, and government needs to start looking at these carefully. I am sure that our friends from St Vincent de Paul will bear this out even further this afternoon. A number of organisations are now finding this area just too difficult to work in and have withdrawn emergency relief services, which again places additional pressures on organisations like ours who have a real commitment to working in this area. We cannot in the long term continue to be the arm for government when government fails its social responsibility to its citizens. There are some structural things that we really need to get a handle on and look at very carefully.

I have brought a summary of this stuff for you to have a look at. I have brought our annual report, and I will highlight some figures for you to look at in terms of where people come from to see us across the Wollongong-Shellharbour LGAs, also ethnicity and the numbers of Indigenous people who come to see us. We are a broad based service. Even though we are a charitable organisation under the arm of the Anglican Church, we see anybody and everybody; and we take great pride in that. As service providers in the city, we work hand in hand with a whole lot of different organisations to try to make a difference to people. But the issues of income and poverty are quite clearly linked and need to be addressed by government through the Centrelink structure. That is all I will say now. Over to you, Neil.

**Mr Preston**—Thank you very much, Michael. I am amazed at the task you people are facing. The stories you are hearing, and the stories I have heard this morning, from other organisations in the NGO sector must be really breaking your hearts. The reality is that in this country poverty, which maybe for some years was very small, seems to be starting to escalate pretty dramatically, as I see it and as I am hearing it around this table. You have a tremendous challenge ahead of



you, as the Senate committee, to try to do something about it and address the issues that people are bringing to you.

I appear before this committee as the CEO of the Greenacres Association. It is an organisation that is only in Wollongong. It offers a variety of services to about 400 people with a disability in the Illawarra region. We are in our 50th year, and we are disability specific. The majority of our service users have intellectual disabilities. However, we are finding that a number of people with acquired brain injury and psychiatric illness are now being referred to our supported employment and open employment services. We are day support in employment services only. We are funded in the employment sector by the federal government and in day support by the state government. We do not look after residential; that is another area. We are a five-day-a-week, day support and employment service environment. It is by choice because our board does not believe in whole-of-life organisations. We believe that people should have variety in and different influences on their lives. We try to add value to those five days of the week that we care for people, or we employ people or help them in open employment.

I guess I am facing the same issue Michael mentioned earlier. We are facing a tougher job with a decreasing ability to deliver services to people with developed mental disability under the indexation and the constraints we are getting from both the federal government and the state government. Every year we get an inadequate indexation that does not even cover the wage increases we have had with our staff. It is usually based on some strange formula that does not have anything to do with what is happening in the real world. In the last 12 or 18 months or two years, workers compensation, insurance costs, OH&S compliance—I can go on and on with it—have probably added around eight per cent to our costs and we often get something like 2.2 or 1.2 per cent from the government to keep up the same quality of service. You have to be dreaming if you think we can do it. You just cannot do it. We also raise a lot of money from the community, the same as most of these services here that are charities and NGO organisations. We are supplementing what the government does, and I guess we are saying, ‘Please recognise what we are doing and help us to do it for you.’

‘Poverty’ is defined by the *Oxford Dictionary* as ‘pauperism, destitution, want, need, lack, privation and distress’, and all of the above succinctly describe the majority of people with a developed mental, intellectual, ABI or psychiatric disability currently on the disability pension whom we come in contact with in Wollongong. The average allowance from the government for a person with a disability over the age of 21 years is \$420 a fortnight. People living with their parents, relatives or carers are marginally better off because they do not have a rental component to deal with and a little less allowance. However, it is our experience that most of these people’s benefits unfortunately are managed by the parent/carer, and the person with the disability sees very little of their own money in lots of instances. I do not know how to solve that, but that is another issue.

Another circumstance to note is that people living in a non-government group home contribute an average of 68 per cent of their benefit towards rent and living costs, but their quality of life is dependent basically on the staffing of the home and the people they deal with who staff the home, as they have very little of their pension left for living expenses and virtually nothing left for entertainment and recreation. People living in DOCS accommodation in this state contribute 75 per cent—not 68 per cent—of their benefit towards rent and living costs. Again, their quality

of life is entirely dependent upon the staffing of the residence as they have less of their pension left for living expenses, such as entertainment and recreation.

People living in Commonwealth-state subsidised accommodation contribute 25 per cent of their benefit towards their accommodation. This, unfortunately, does not include food, power, gas and utilities. However, the wait for this type of accommodation is a minimum of five years at the moment, and the lists are growing as I am speaking. This group certainly appear to have much more money for discretionary spending—75 per cent of their pension—but more often than not, with this group of people we deal with, it is spent on things and entertainment et cetera rather than on food. They often are not eating correctly or run out of money, as we have heard here over and over again, well before pension day and they have nothing to eat. It is really an indictment of us as a nation, that has so much, that there is this small group who do not have much.

Another group of people living independently, who are semi-supported, use most of their money for rent. They do not contribute 25 per cent. To live in the real world, most of it goes in rent. As a consequence, again they exist on very poor diets and often are ill as a result, particularly in winter when the weather gets cold. People with a disability who are able to work either in open or supported employment—there are some of those—are marginally better off because they can earn that gap of \$106 a fortnight before their benefit is taxed at, might I add, 40c in the dollar. This tax rate is absolutely appalling and discriminatory in any way you look at it. At the most, it should be 17c in the dollar, the same as the first tax rate under the standard income tax laws that cover all other persons in the country until they earn \$21,600, and it should not go to the next tax rate of only 30c in the dollar—not 40c—if they still have some pension left, which they probably would not have. But it should never, ever be 40c in the dollar—that is absolutely disgraceful. Most people in the circumstances I have just detailed are fortunate if they are left with \$20 to \$30 to spend each week, which needs to cover any essentials including clothing, toiletries and prescription costs.

Many people with lifelong disability also need quite a number of drugs to maintain some form of normality so that they can work, if they are able to. It is just another essential cost of living that erodes discretionary spending. Too bad if they want to have a drink, rent a video, catch a bus or a taxi around Wollongong—as we heard earlier, the transport costs in Wollongong, without a public transport system, are extremely high—go to the pictures or have a smoke. Most people with a disability rely on television for their entertainment. It is almost exclusively their source of entertainment—because of the cost of entertainment generally and the basic costs of getting there and back if they want to travel to something. What if the television breaks down and needs repair or, worse still, a new TV is needed? Mind you, most people with a disability do not have new TVs like you or I. They are usually refurbished old TVs from the mission, St Vincent de Paul or handed down from someone who does not want their old tellie any more. If the person with a disability needs to see a specialist, as we talked about earlier—and they often need to because they have pretty complex disability needs—they have to pay the gap, which averages \$60. They do not have this type of spare money. More often than not they do not see a specialist, which can add to the complexity of their disability.

If the person with a disability needs to see a dentist—and we have been right through this this morning—there is no subsidy and there is a two-year wait for an appointment at a free dental service. From what we are experiencing, if they require emergency dentistry, they have to have a

referral from a hospital. I cannot understand why dentistry is not included on the Medicare list because it is a basic need of living. Teeth are pretty important to most of us.

At Greenacres, we often spend many hours on the phone trying to find a dentist, specialist, psychiatrist or psychologist. I would add to the earlier comment by Mr Taylor that psychologists are not included in Medicare or in any of the medical funds. Psychologists today, as counsellors are finding, are fulfilling a very large need in our society. Not everybody needs to see a psychiatrist but there are lots of social needs for which psychologists are providing a service today and that is seen as a service you must pay for.

We spend many hours looking for freebies for our people because they cannot afford to pay, and it is not easy—you soon wear out your welcome when you are looking after the interests of around 400 people in a community the size of Wollongong. You just cannot keep going back and knocking on the door of the last person who said, ‘Yes, we will do it this time for nothing—we won’t charge them.’

If you have a disability, you live on ‘Struggle Street’. Everything has to be bought on the cheap, including clothing, food, entertainment and essential medical, specialist or dental care. The distinction between a person on disability pension and a person on unemployment benefits is that a person with a disability is on a benefit because they were born with their disability or acquired it later in life and are unable to extract themselves from their situation. They have to rely on their benefit to survive and, if anything, their disability only gets worse as they age. You have probably heard that before; it is fact. They do not have the luxury of being able to choose to work or not to work. Certainly people with a disability can seek employment, but their choice is incredibly limited and their remuneration is far less than a normal person simply because of their skills, competencies and productivity levels.

The federal government is currently driving a policy to force supported employment services to pay higher wages to their employees. It is a very noble gesture and it is a very noble direction, but the federal government really needs to think again on this issue because of a number of points I will mention in a minute. But, firstly, they should change their punitive tax, which I mentioned before, of 40c in the dollar for earnings over \$106 a fortnight before they even have the right to point the finger at supported employment services. A tremendous amount of hard work goes on in this country adding to the value of the dollar spent in supported employment services, which provides a choice for people so they can work and feel like they are part of our society. Not only will this wage push have a negative impact on the employees because of the loss of benefits associated with greater earnings from that tax rate but it will also push the supported employment services away from offering support to medium- to high-support employees because it will not be financially viable for them to operate.

Supported employment services struggle to find appropriate and meaningful work for high-support employees and they are finding it increasingly difficult because of the lucrative and very cheap packaging and light industrial competition from overseas, particularly from Asia and China. Over the past two years, Greenacres Industries, which employs 171 people mostly with developmental disabilities, have lost a significant number of jobs for their employees to China. This trend, I can guarantee you, is increasing. We are constantly fighting to keep work. We pay award based wages based on competency, skills and productivity and have done so since 1999 with an agreement with the miscellaneous workers union. I can assure you that the price

elasticity is just not there to increase wages by 100 per cent or more, which is the present government's intention. We might get a 10 per cent increase at the most for the work we do, but it is simply a pipedream if anyone thinks that you can increase it by 100 per cent and that the local industries will pay that for the work without taking it offshore. So you are going to compound dramatically the social welfare requirements of the people who presently work but who will not have jobs in the future.

In the open employment area, which is a different area, if you have a disability it is now definitely a plus if you work, but the government is now saying, from the recent legislation, that if you work more than 15 hours a week on full award wages you will lose the pension. This 15-hour limit is absolutely unconscionable. It is a negative incentive for a marginalised class in our society, who have no say whatsoever in the circumstances that put them there. We have to get real about this issue and really support these people, who, for no other reason than an act of God or fate, find themselves different from you and me. They should not have any limits on the hours they work other than what the tax limits permit. When they earn more money and they lose their full pension at the end of that because of their own personal effort of wanting to be part of society they accept the fact that they are going to lose their pension, but 15 hours is really a discriminatory time frame and it should never, ever have been put in place. I have covered quite a few issues relating to poverty and financial hardship totally focusing on people with developmental and intellectual disabilities, ABIs and psychiatric illnesses. In summary, for these people perhaps the words 'in receipt of a pension' should also feature in the list of words in the definition of poverty in the *Oxford Dictionary*. Along with pauperism, destitution, want, need, lack, privation and distress there should also be another category in this definition—that being, 'in receipt of a disability pension in Australia.' Thank you very much.

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

**Senator MOORE**—In the interests of time I will not ask many questions. Mr Mitwollen, you gave us detailed figures; Senator Humphries will ask about them. Is it your feeling—and I think you came very close to saying it—that the situation is worsening? You presented it but you did not clearly say that, in your opinion, homelessness and the situation of support is worsening.

**Mr Mitwollen**—In my opinion, I would categorically say that the numbers of people who are living in poverty and the experiences that they are having as a consequence of living in poverty are certainly worsening in the Illawarra. Certainly, the numbers of people moving into a lifestyle of poverty are becoming more entrenched. Consequently, it is becoming more difficult for people to move out of that situation. That can be linked to lack of employment and life opportunities, and to choices that they have made in relation to behaviour and whatnot, but certainly my sense is that it is a worsening situation because our figures bear that out. They actually demonstrate that there are more people with more needs in this city than there were five years ago.

**Senator MOORE**—Senator Forshaw, are you going to ask Mr Preston about employment?

**Senator FORSHAW**—No.

**Senator MOORE**—Mr Preston, I have one question about employment. In terms of the services you offer, do you offer job based training to allow people to compete in the open employment market? Is that a part of your services?

**Mr Preston**—Yes. We have two services: one supported employment and one open.

**Senator MOORE**—We have heard this morning about the unemployment figures in the area and the difficulty of finding jobs. What is your experience regarding people who access your services and their success in finding effective employment?

**Mr Preston**—At the moment we are supporting about 66 people in open employment, and the average employment hours they work are 15. That is a success because, once you pay more than \$120 a week of full award wages to someone, most employers think, 'I'm happy to go so far, but don't ask me for a full week's work for that person.' We have not got anyone working full time and we would love to, but, unfortunately, Wollongong is a high unemployment area. My workers are saying, 'We've come from a steel city that employed 22,000 people in 1982. It had coal mines all up the coast.' They do not exist anymore. Wollongong's environment has gone back to being an educational situation or tourism situation, if we can promote it, plus some minor manufacturing. In general, all my work for the people in my other factory comes from Sydney. I bring everything from Sydney each day to do in Wollongong and take it back. I have a couple of local jobs that I do, but there is no manufacturing in Wollongong. Unfortunately, in that employment environment, if someone comes along and says, 'I've got someone with a disability. Would you like them to work in your premises?' you have to look for the jobs that no-one else wants to do, and they are small hour jobs.

**Senator MOORE**—And they are light on subsidy.

**Mr Preston**—Yes.

**CHAIR**—We have had evidence from a number of voluntary organisations similar to what you have said today—that is, they feel they are being pushed to be an arm of government. St Vincent de Paul said, 'We're equipped to hand out vouchers, to go around and give groceries and to do things like that, but we are not trained to be counsellors.' Is that the problem you are facing, too, with your volunteers? Are you getting into an area that they are not equipped to, and never thought they would have to, deal with?

**Senator MOORE**—Particularly in the area of mental health and those complexities that you mentioned?

**Mr Mitwollen**—Those very complex issues certainly require a far more experienced, considered and educated approach from your workers. One of the good things about our organisation is that we have our core area of work, which is counselling, emergency relief group work and things like that. With our staff members, we have the intellectual capacity to train and resource volunteers—that is, people who are working in an unpaid capacity. If we are doing 90 interviews a week in relation to emergency relief—people in crisis, people in financial and material crisis—you can only do that with unpaid staff to that capacity, otherwise you would burn people out very quickly or people would harden up in how they are responding and dealing with people. So it is really important for us to acknowledge and work with people who have real

skills and good backgrounds and training. We have a lot of people who are ex-nurses and ex-professional people working with us in an unpaid capacity and who bring that experience to bear in their work with us. We train and resource people and all that sort of stuff, as well.

This is a core area of work and a core area of commitment for us, and we are committed to it; we will do it. Where we do not like to view ourselves as the arm of government is for people to come to us and say, 'The government is no longer supporting us. Can you support us?' To constantly have to respond to people who, for whatever reason, cannot live well on their Centrelink benefit or cannot get a benefit because of their circumstances or situation, or because they have been breached, I do not think is fair. I do not think it is fair or reasonable for the government to expect agencies like us to carry the tab for it continually and constantly. There needs to be some kind of a realisation from government that the marketplace does not adequately care for people, and the government needs to bring some resources to bear at a minimum level to support people, and then organisations like ours and others can complement that and work in partnership with the government, but it needs to see that the marketplace at the end of the day will not care for people.

**Senator FORSHAW**—What are the financial counselling services that are available in the Wollongong-Illawarra area? We have heard evidence as recently as yesterday, when we were up in Lismore, about the demand being placed on their service. They work very closely with the other charities and agencies, but credit card debt and financial stress are increasing. With respect to payday lenders, we heard instances of people borrowing money at interest rates of 200 per cent, which is illegal but it was happening. Can you give us a quick snapshot of the situation in that regard? Are there financial counselling services available? What is the demand for them?

**Mr Mitwollen**—There are two very good financial counselling services in the city; one is run by Mission Australia—Creditworthy—and the other is run by the Illawarra Legal Centre, down at Warrawong—

**Senator FORSHAW**—I think they are appearing next.

**Mr Mitwollen**—and they are two very good services in relation to financial counselling. They would be better qualified to comment. Quite often people say, 'If you budget better you can live more effectively,' when often—as we have heard this morning—the income is not there. You can have all the budgeting skills you need, but if you do not have the income—

**Senator FORSHAW**—And credit seems to be, not just easy, but thrust down people's throats.

**Mr Mitwollen**—We certainly see many people who are in employment, who are only a step away from crisis. If something were to happen to them and they no longer had their employment income, they do not have savings to back them up and save them. Credit card debt is a real issue, but I am sure that if you are hearing from someone from financial counselling services, they will talk more about that. Certainly, it is an issue that we see as well.

**Senator MOORE**—What is your relationship with Centrelink in terms of interagency activities?

**Mr Mitwollen**—At Anglicare we train Centrelink staff in how to deal with difficult clients. Some of our workers will actually train Centrelink staff and we have done some in-service work for them over the last 12 months. Also in the last 12 months I have met the manager locally. We raised the issue of making referrals to Anglicare as an organisation, but obviously that does not always happen because we experience what we experience. I am sure that if you are working at the coalface of Centrelink, when you have got someone in distress because you are not able to assist them, it is an easier thing for you to say, ‘Go and see that organisation, I am sure they will help you out,’ without backing it up with some initial contact.

I stand in Centrelink offices and I know the crowds that are there and the types of issues that can arise. The problem of people being breached—coming to us straight from a Centrelink office—is a real one. They are often very angry and frustrated at what has occurred for them there. They come to us and if we cannot meet their need, their frustration level immediately is that much higher and it is more difficult for us to manage.

**Senator MOORE**—Do you experience the same thing, Mr Preston?

**Mr Preston**—From our point of view, we have a small client base—so our contacts with Centrelink are not that great, except for new clients each year. We have a disability-specific person in Centrelink who works on that, so we are not having the constant flow of people who do not have any money to live on and who ask, ‘Where do we go from here?’ The biggest problem we have probably had is the Centrelink policy—which is not the actual office as such—on issues such as breaches. People with a disability do not quite understand that if they get a salary increase or an increase in income, they must advise in the appropriate time. I know a lot of people without a disability do not do that, but people with a disability are doubly hampered in that area. They then get the breach of \$1,000 or something—where they need to repay \$1,000. They are living hand-to-mouth; they have not got it and we really have to do battle and often try to make some arrangements so that that can be sorted out. The person still wants to work—sees there is an incentive in working—so they can survive that process. There are some pretty black and white things there that probably need a bit more grey in them.

**Senator HUMPHRIES**—Mr Mitwollen, you said that there was a worsening of poverty as far as your agency could perceive. Is that a long-term trend—as in the last five years?

**Mr Mitwollen**—Since 1999 we have been experiencing a 20 per cent increase in service provision of emergency relief each year. I can give you the figures directly from the report. In 2001, we provided 3,789 appointments or assessments. In 2002, we provided 4,734. In 2003, by the end of June, we had provided 2,449. If we maintain that rate, we will easily go over 5,000 appointments for the year, which will mean our average per week will be around 100 appointments and assessments. So that is a 20 per cent increase. The 2001 figure that I just mentioned of 3,789 was a 20 per cent increase on the figure for 2000. So we are getting a worsening trend in terms of the amount of service that we need to provide to an increasingly large number of people. I think those figures do bear out the fact that we have a worsening problem in this area.

**Senator HUMPHRIES**—Do you have any reason why this should be occurring? The Australian economy is supposed to be very strong at the moment—better than the global situation, anyway. Why is it getting worse? Is it Illawarra specific?

**Mr Mitwollen**—We have several demonstrated reasons, and speakers have referred to them during the course of the morning. The structured lack of employment opportunities in the area is certainly a factor. We would try to validate for our figures that if you have an increasing trend of family breakdown within the community, that will inevitably drive people into a financial and emotional crisis that will lead them to an agency like ours. I am not exactly clear on the figures specifically in relation to family breakdown in the Illawarra, but I know there is an increasing trend of that occurring. Also, we have areas of large growth to the south of the city—Shellharbour and the Dapto/West Dapto areas of the city. Many people are travelling to Sydney for work and maintaining a fairly large mortgage, because they have been able to build houses in those areas. We have tracked through our relationship counselling programs that we are getting an increased number of referrals from those areas for family breakdown. We would try to extrapolate those and say that that might be a consequence of the type of area it is, the travelling arrangements and the pressures they place on families.

**Senator FORSHAW**—Can I also suggest that what you are getting in this region, as is the case in a lot of others, is a widening gap. I am pretty familiar with this area. There are areas now, such as those to the north—Stanwell Park, Helensburgh and those areas—which traditionally were home to miners and people on wages. If you go to those places now, in order to buy a home there you can spend a million-plus dollars. So you are getting a whole demographic change and people are moving there who are professionals who access employment in Sydney. With the reduction in the traditional industries you are getting a huge gulf building up between those that are doing extremely well and those who are not.

**Mr Mitwollen**—The other thing to note is what I have said quite plainly, and what some of our other friends have said. The benefits that are paid to people are not enough for people to live well. So if we are seeing more young people, as well as for the first time more older people aged over 65, quite clearly the economic support that the government is trying to provide through Centrelink is not adequate for people. Certainly, policies that are punitive and that result in breaching people and leaving people with no income are not helpful. Even though we have gone down the road of deinstitutionalisation, the only institutions that are enjoying growth in this state are jails. I know that it costs a lot of money to accommodate someone in a jail as opposed to providing accommodation in the community. Unfortunately, a lot of people that we would class as people who are very, very disadvantaged, because of lifestyle choices and whatnot, are institutionalised in jails when they are not accommodated in other forms in the city. That costs us all big time.

**CHAIR**—We are running about an hour and a half behind time. We will have a short break.

**Proceedings suspended from 1.35 p.m. to 2.03 p.m.**



**PRIEST, Ms Julia, Welfare Rights Advocate, Illawarra Legal Centre**

**CHAIR**—Welcome, Ms Priest. Do you have any comments to make on the capacity in which you appear?

**Ms Priest**—I work at the Illawarra Legal Centre, which is located next door to the Warrawong Community Centre and near Barnardos whom you have heard from this morning. I am employed as a welfare rights advocate. My role is to assist people with Centrelink matters.

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

**Ms Priest**—In looking at the terms of reference of the committee, I decided that the things I would like to talk about today are child poverty and the effectiveness of income support payments, particularly in protecting sole parent families. In terms of income support for sole parent families, what needs to be acknowledged and which has been mentioned here this morning is that becoming a sole parent often follows a major upheaval in a person's life, as a result of the death of a spouse, the dissolution of a failed marriage or removing oneself from a relationship that simply is not working. The most important aspect of being a sole parent in those early days is, I think, to be there for the kids, providing them with the security, reassurance and stability that they need, as they are also going through a fairly tumultuous time in their lives.

It is not easy being a sole parent. One of the things I would like to draw your attention to today is the potential impact on sole parent families of the changes in welfare reform. As you are probably aware, a few months ago legislation was successfully passed through the Senate which will ensure that sole parents fall into the realm of mutual obligation. We have heard this morning quite extensively of the effect of breaches on unemployed people in particular and the effect that that has on those in the community and the charities that assist them. In terms of extending welfare reform to not just sole parents but also married parents we are at risk of placing those people in a very precarious position whereby they are required to enter into an agreement with Centrelink that they will do certain things. If they do not do those certain things, then of course one of the implications is that they can be breached and suffer financial penalties. We have heard quite vividly this morning of the impact of those financial penalties on individuals.

What concerns me about this approach is that we are moving away from a system of social security entitlements that is based on rights and legislation towards one that is conditional and based on quasi contracts. The difficulty is that those individuals who need to negotiate agreements or contracts with Centrelink are not really in a position where they are negotiating on a level playing field at all. It is Centrelink that have the power and their income support recipients are the people that need to sign those agreements simply in order to sustain their basic payments.

In terms of negotiating those agreements there is always a risk that, for whatever reason—changes in personal circumstances or unrealistic expectations initially—those agreements cannot be met and people will be breached and penalised. This would be a real concern for the people

we have heard from today who work for the charities because there will be increasing groups of people who previously would not have been breached by Centrelink at risk of being breached and they will rely even more on support and assistance from those organisations.

There are high levels of poverty among sole parent families and that is caused by specific disadvantages: the limited economies of scale that come from being in a single parent household; the limited access to employment, particularly in the Illawarra, as we have heard this morning; and the lack of another parent to share the child-care responsibilities—to care for the children when it is school holidays or when they are sick and you need to take time off work. Sole parents in particular are heavily reliant on child care—and we have heard this morning about the lack of child care in the Illawarra—so they experience even greater barriers to employment than perhaps income support recipients who are in a marriage.

We have heard the definitions of family poverty this morning and they relate very directly to child poverty. Children living in families that are experiencing poverty are immediately at a disadvantage. The school retention rates for children who come from families living in poverty are lower. So right from the very beginning they are at a disadvantage and would find it harder to advance through our society. We have heard of generational poverty, and that is certainly the case in the Illawarra where you have families from one generation to another reliant on income support.

The experiences of living in a family in poverty have lasting effects on people through the rest of their life. It is not an easy cycle to break out of. One way of doing it of course is employment. I would applaud any initiatives by the government to make it easier for single parent families or the unemployed to move into employment by the provision of more training, more job opportunities and more child care, but what concerns me is the compulsion. We need more stable and affordable housing, more accessible and quality child care, and adequate income support and child support. I would certainly support the recommendation from Michael from Anglicare that there needs to be a level of income support which you are guaranteed and which, regardless of what you do, cannot be taken away from you. That simply leads to poverty, and it is a very hard cycle to break out of.

In terms of income support payments for children, we have family tax benefit, which is the government's main way of targeting child payments, and it targets payments to high, middle and low income families. It is interesting that, in middle income families, the biggest financial burden is experienced when children are young. Generally, one parent is not working because they are looking after young children. So there is an indirect cost, because one of the parents has given up work, and that is a significant cost. A recent survey by the Social Policy Research Centre shows that the cost of raising a three-year-old is \$96 a week on average. For jobless families, the pressure increases when children get older. The direct cost of raising a 14-year-old is \$144 a week. So, for middle income families, it is more likely that one parent will return to employment as the children get older and child-care needs are not as pressing. But, for jobless families, where neither partner is working or in sole parent families, the cost of raising a child actually increases.

What we have is a social security system in relation to family tax benefits which gives more generous concessions when the children are younger. Family tax benefit part B is paid at a higher rate for under-five-year-olds. The family tax benefit part A rate drops significantly when a

child turns 16. This puts increasing pressure on children to find work to assist with costs and the revenue coming into the household. That may have detrimental effects on their schooling and further increase the chances of them being in poverty. What we need is a family tax benefit that actually reflects the costs of raising children, in that the costs increase as the children get older.

There are also some anomalies in the family tax benefits system which, because of the way the family tax benefits system is structured, will result in overpayments. I know that our local members, particularly just after the end of the financial year, have many constituents coming to them complaining about the fact that they have family tax benefit debts. There are some very real ways that the government can change family tax benefit to ensure that this does not happen or to minimise the effects of family tax benefit. I have been working for three years in welfare rights at the Illawarra Legal Centre. Prior to that, I was employed by Centrelink. A lot of my technical knowledge is gained through experience. A lot of my knowledge, my opinions and the recommendations that I put to you today are based on people that have come to me experiencing great difficulty. I must say that a lot of people are actually referred to me by Centrelink. It is quite interesting—sometimes they think I might be able to help with a legal remedy. In some cases, though, in relation to family tax benefit, there are no legal remedies. Because of the way that that payment in particular is structured, there are few ways that people can avoid the debts that they have incurred.

One example I would like to draw to your attention is that of a woman I recently assisted at the Social Security Appeals Tribunal, who was unsuccessful. She shared the care of her children with her ex-husband. She had the children 64 per cent of the time and this had been an arrangement for a number of years and for three or four years prior to the introduction of the family tax benefit. She had never actually been asked by Centrelink how often she had the children. Centrelink told her the amount of family tax benefit she received, but they never told her the percentage of family tax benefit that she was paid. She was unaware that she was receiving family tax benefit at 100 per cent. She completed her tax return each year and on her tax return she declared to the Australian Taxation Office that she had the children in her care 64 per cent of the time. But, of course, the tax system and the social security system are not necessarily linked in that regard anyway. Her ex-husband decided that he would claim family tax benefit and he was successful, because he legitimately had the children 36 per cent of the time. He received arrears of family tax benefit for the year in which he had claimed care of the children. It took Centrelink another six months to figure out precisely what level of care of the children each of the parents had and what percentage of family tax benefit each should receive, although there was no dispute between the parents.

The end result was that my client ended up with a debt of \$7½ thousand. Her ex-husband ended up with arrears of \$1,500 for the corresponding period. The discrepancy is because her ex-husband was in a high paying job and had repartnered, so that family's income was used to determine his rate of family tax benefit. He was only entitled to the minimum rate, whereas she, being a sole parent, had been paid family tax benefit at the maximum rate. That money had been spent on the children—it had been expended in good faith, assuming that she was entitled to the amount of money she was paid. The balance—the discrepancy—was a windfall to the government. I tried to argue at the Social Security Appeals Tribunal that there were special circumstances in this case and that at least as much of the debt as was a windfall to the government ought to be waived. But the tribunal did not buy that argument—she was unsuccessful—and she is paying the debt back, slowly.

**Senator FORSHAW**—With interest?

**Ms Priest**—No, not with interest.

**Senator MOORE**—At least that is something.

**Ms Priest**—Yes. The other problem with family tax benefit legislation is that, unlike any other legislation relating to social security payments, it has an extra clause in the legislation—there is a provision whereby debts can be waived if they came about as the result of an office error and were received in good faith, which I argued this one was. But the extra clause relating to family tax benefit says that a person must be in severe financial hardship. Previous tribunals have found, on numerous occasions, that if a family is in receipt of income support from Centrelink, they are, by definition, not in severe financial hardship. That clause really needs to be removed from the legislation. It places an unnecessary onerous burden on family tax benefit recipients.

Another problem is that often it is at reconciliation—at the end of the financial year, when a person lodges their tax return—that a family tax benefit debt is found or determined. The Australian Taxation Office has the ability to offset any return that might be payable to the taxpayer against any family tax benefit debt that might be owing. I have a client who anticipated that she would receive \$500 in her tax return—this was the amount that her accountant had calculated—only to find out at reconciliation that the whole \$500 had been garnisheed to offset a family tax benefit debt. Her accountant had been unable to estimate that that would happen. I have yet to meet an accountant who can work out family tax benefit entitlement at the end of a financial year—it is far too complex. So her expectation was unmet.

What is particularly harsh though is that, at the time that that money was garnisheed, she had not even been informed that she had a debt. She had no prior knowledge of the overpayment at all. It was only when the money was taken from her that she realised that there was a debt, and then she was notified that there was actually another \$700 that would need to be repaid. So I would recommend that family tax benefit cannot be garnisheed from tax returns in the year in which the debt accrues. It would be fair enough in a subsequent tax year if a person has had a family tax benefit debt and has not entered into satisfactory arrangements with Centrelink to repay it and there is money owing to that person. Perhaps, in those circumstances, garnisheeing a tax refund would be legitimate. But I do not agree that it is fair or reasonable for that to happen in the year in which the tax return is lodged. In my client's case—again, she was a sole parent working part time—she had this expectation that was unmet and it caused her quite a degree of stress and anxiety.

Another issue I would like to talk about is the interaction of family tax benefit and child support. There is a significant minority of sole parent pensioners who are not in receipt of child support, for one reason or another. We have a child support solicitor at the Illawarra Legal Centre who deals with child support matters exclusively. Many people come to the centre to get assistance in trying to get child support to which they are entitled.

The Australian National Audit Office in 2002-03 released a report in which it showed that there was over \$670 million owing to residential parents in Australia and that over 75 per cent of non-residential or liable parents held a child support debt. That is simply too big a problem for any one child support solicitor at the Illawarra Legal Centre to tackle on a case by case basis. So

the Illawarra Legal Centre has decided to mount a class action against the Commonwealth government for its failure to collect child support through the agency. It is doing this through the Human Rights and Equal Opportunity Commission. It is the Illawarra Legal Centre's position that the government's systemic failure to enforce child support payments is a breach of the Convention on the Rights of the Child, particularly article 27, which states:

1. States Parties recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development—

and that:

4. States Parties shall take all appropriate measures to secure the recovery of maintenance for the child from the parents or other persons having financial responsibility for the child.

This class action is still in the early days. We have received some publicity and we have a number of parents who are interested in joining. It is an action that we hope will gain publicity and bring awareness to this problem. The lack of child support directly affects child poverty in this country—there is no doubt about it. The Child Support Agency is not effective in a large number of cases in collecting child support debts.

I would like to stress to this inquiry that good policy development in this area is critical and it should be based not only on statistics, which I have used, but also fundamentally on an understanding of the impact of the policies on the people who rely on income support from this government. We heard Anglicare talking about their concern that they are increasingly becoming an arm of government when the government falls short of its responsibilities. I stress upon the inquiry the need to be mindful of the impact of policies on individuals. It is my experience, through having worked in Centrelink and certainly through having worked at the Illawarra Legal Centre as a welfare rights advocate and being active in the National Welfare Rights Network, that our social security system fails to adequately address the basic needs of some of the most vulnerable people in our society. It might be a bit of a cliché, but children are our future and we really need to do more to adequately support them and minimise poverty in those families.

**Senator FORSHAW**—Were you here earlier when I raised the issue of financial counselling?

**Ms Priest**—Yes.

**Senator FORSHAW**—I think it was said that your centre is involved in that. Do you want to make a comment about what is happening in that regard in the Illawarra?

**Ms Priest**—Certainly. We have a financial counsellor employed on a full-time basis at the Illawarra Legal Centre. The payday lending phenomena, which you mentioned earlier, is certainly apparent in the Illawarra as well. The legal centre has decided to run some cases in the CTTT in order to highlight these issues and to take action against some of these lenders, but to date we have found that they have all been willing to settle out of court so that there have not been any precedents. In settling, our clients are always obliged to sign a disclosure to say that they will not discuss the case or the terms of the settlement. It is something we need to give a lot more thought to as to how we tackle this problem, but it has certainly become much more apparent in recent times and is a real cause for concern.

**Senator FORSHAW**—Besides the payday lenders and the exorbitant interest rates et cetera, the other issue that was mentioned in that regard was the growing practice of traditional credit providers—the banks et cetera—to offer extensions to their credit limit. We have been given quite a lot of examples of people getting a letter in the post saying, ‘Do you want to extend your credit limit from \$3,000 to \$10,000 or more?’ which is attractive. People say, ‘Yes. I can pay a few bills. I can buy that new fridge, stove or whatever it is I need.’ Then they get into the vicious cycle of an ever-increasing debt and high interest rates on those credit cards and eventually have to come to the financial counsellor. We have heard some cases of people—pensioners, sole parents or others—with quite high credit card debts. There do not seem to be any credit checks. Is that something you are experiencing?

**Ms Priest**—It is certainly very disturbing. In fact, my client who I mentioned earlier, who had the \$7½ thousand family tax benefit debt and who is paying that back, has recently taken out a credit card debt of \$1,500 in order to pay some of the bills. I would like to reiterate that most of the people who our financial counsellor would see are, I would expect, in receipt of income support from the Commonwealth. At times, the level of support that is paid is simply not enough and they are having to rely on credit cards in order to meet some of their basic ongoing needs—and that is a terrible trend. We have heard about the breaching regime for unemployed people. The withdrawal of income support for eight weeks is completely unconscionable. I do not know how anybody in government or otherwise could expect that anybody could survive without resorting to crime, prostitution or some other desperate measure to try to make ends meet during that eight-week period. I am sure that finance companies are being more generous with the credit limits they are offering people and that most unemployed people who I encounter would have credit card debts as well as other debts.

**Senator FORSHAW**—Have you had any situations of people literally going into bankruptcy? We have heard that that is sort of the last card advice. You say, ‘You have all these bills. It might be best to go bankrupt,’ but of course that then produces a whole range of other consequences.

**Ms Priest**—It certainly does, I must admit.

**Senator FORSHAW**—Have you had that happen?

**Ms Priest**—Again, I would refer those people to a financial counsellor but I have certainly had clients who have come to me and said, ‘I am thinking about going into bankruptcy. It is the only way I can see clear to get out of this mess.’ Bankruptcy does not necessarily absolve social security debts though.

**Senator FORSHAW**—No.

**CHAIR**—Up in Lismore, we heard that Lifeline took an action to the CTTT, which Senator Forshaw was talking about, in relation to a credit provider from Queensland using the provisions of the Pawnbrokers and Second-hand Dealers Act in New South Wales to charge people, and they won the case. If your agency is doing something here, an agency is doing something in Lismore and an agency might be doing something in Albury, do you know? Is there are any avenue by which to coordinate?

**Ms Priest**—Within the community legal centre network, we have an extensive email and bulletin board service which all legal centres can participate in and can share information through. That network is quite strong. It is probably stronger within some particular facets of the community legal centre network than others. For instance, the welfare rights advocacy and the National Welfare Rights Network rely on that quite extensively in order to more effectively mount campaigns and share information about how best to pursue certain law reform agendas.

**CHAIR**—It is not the same company as the one in the pawnbrokers act example, but there is a company that seems to be a payday lender called City Finance. Is that one down here at all?

**Ms Priest**—I would not know.

**CHAIR**—It has been mentioned in Ballarat and Lismore. I cannot recall if it is active in Fairfield and Cabramatta but it sounds like they are payday lenders. You haven't heard of them down here?

**Ms Priest**—That is one, apparently.

**Senator MOORE**—I have a couple of questions about Centrelink. Just for the record, what is the relationship between Centrelink and the welfare rights advocate in this region? Is it a positive one? Are you involved in the interagency process that Centrelink run?

**Ms Priest**—Yes, I have a positive relationship with Centrelink in the Illawarra. Having worked for the organisation and having maintained strong contact with them—I ring them every day—I have a fairly good relationship with them, and they refer clients to me as well. What is becoming increasingly apparent within Centrelink, though, is a move for certain functions to be taken out of local areas—for instance, the debt recovery section and the compensation section are located in Sydney. They may well look after very large geographic areas, including the Illawarra, Sydney, North Coast and south-west Sydney. My relationship with those people in Centrelink is not as good, partly because I do not have as much contact with them and partly because they are removed even one more step from their own customer client base. I think the more removed you get, the more desensitised you become to the particular problems that individuals face. Within the Illawarra, Centrelink have a number of interagencies. They have an Illawarra migrant access to Centrelink forum—IMAC forum—which met yesterday. It is part of the Wollongong youth network forum, which looks at youth issues. They are the two that I am aware of and that I also participate in.

**Senator MOORE**—The family tax situation has been subject to a great deal of discussion recently.

**Ms Priest**—It has, yes.

**Senator MOORE**—Certainly the department's response is that they have provided options now, that families can choose varying option arrangements. In your experience, have the clients that you work with accessed the various options and have they really understood how the options apply to them?

**Ms Priest**—The family tax benefit was introduced I think in June 2000, so it has taken Centrelink a number of years—

**Senator MOORE**—Two-and-a-half financial years.

**Ms Priest**—to put in place measures to reduce the likelihood of overpayment. Some of the initiatives have come up with the goods. They are also very complex. It is difficult for clients to understand the intricacies of family tax benefit part A and family tax benefit part B and the interrelationship between those two and how one may not necessarily affect the other. They need to rely on Centrelink advising them of the best option to take. Centrelink is doing more of that than it used to, which is good, because realistically there are not many people that Centrelink customers can turn to for advice. I am the only welfare rights advocate outside Sydney in New South Wales.

**Senator MOORE**—That is a reduction, isn't it? There used to be more outside Sydney.

**Ms Priest**—No. The welfare rights advocate in the Illawarra was funded 10 years ago, and welfare rights in Sydney is funded as well—and they are a larger organisation, of course. But, to my knowledge, there has not been another welfare rights service in—

**Senator MOORE**—An area office was opened in northern New South Wales.

**Ms Priest**—Okay. A volunteer service operates out of Newcastle now but it does not receive any funding at all. So there are very few people that Centrelink customers can turn to for advice.

**Senator MOORE**—Independent advice.

**Ms Priest**—Yes, independent advice. It is not an area of law, for instance, that practitioners deal with really in many cases. There is an overwhelming need for more independent advisers to be able to assist people to make the right choices—for instance, to be able to reduce the likelihood of a debt in family tax benefit cases.

**Senator FORSHAW**—Just following that up, in the previous system the payments were based upon the preceding income, with a requirement for a variation, up or down, of greater than 20 per cent, or whatever the figure was. That effectively meant that people did not incur, or very rarely incurred, a debt. Do you think people would actually prefer a system like that? What is argued at the moment is that the payment should be based on the year of income in which you are receiving the benefit. But of course we know that it is pretty hard to estimate that. We are finding instances where people advise Centrelink of a change in their circumstances but nothing is done for months and then people are hit. Having worked for Centrelink and in your current position, if we are looking for proposals to change this area—and you have suggested some—what is your view about going back to the previous arrangement?

**Ms Priest**—When family tax benefit was introduced, I thought it sounded much fairer, in a sense, in terms of basing entitlement on actual income. However, as you mentioned, the difficulty is being able to estimate current financial year income and that is impossible in a lot of cases. My honest opinion is that the previous system was a better system. It allowed for a margin



of error of 10 per cent in your estimate before a debt was incurred. At one point it had been 25 per cent but the government reduced it to 10 per cent.

**Senator FORSHAW**—It had certainty, didn't it? That assisted people with budgeting and so forth.

**Ms Priest**—Yes. Another client who was referred to me by Jennie George was a woman who incurred a debt because her youngest child finished year 12 and started employment. There is a provision within the family tax benefit legislation which says that if your child earns income in excess of \$7,300 you are not entitled to be paid family tax benefit in respect of that child but you are not qualified for family tax benefit in respect of that child for the whole financial year. The family tax benefit that this woman had received in respect of her daughter from July to December, when she was a full-time student and not working, was a debt. In December when her daughter started to work full time, family tax benefit was cancelled at the parent's request and no further debt was incurred. But because it is based on yearly income, there was absolutely no way she could have avoided that debt. She did not know in June that her daughter would be working full time in January. It was completely unavoidable. In those cases, there is no way of avoiding a debt. The system seems to be wrong if it is generating debts through the way it functions. I can understand debts arising through unforeseen circumstances and changes in circumstances and people not advising Centrelink of those changes, but when people do everything they can to avoid a debt and they still get a significant overpayment, something is wrong.

**Senator FORSHAW**—Yes.

**CHAIR**—Thank you very much, Ms Priest.

[2.38 p.m.] **GAGGIN, Mrs Patricia (Private Capacity)**

**CHAIR**—Welcome, Mrs Gaggin. Do you represent any organisation?

**Mrs Gaggin**—No. I represent the Gaggin family.

**CHAIR**—I invite you to make a presentation which can take the form of a statement in which you can summarise your views or highlight any issues you would like to emphasise to the committee.

**Mrs Gaggin**—Back at tax time in 2000-01, my husband Rick asked for a tax extension. The extension was granted and he was penalised and he had to pay interest. Meanwhile, on 24 October 2002, we received a letter from social security stating that we owed \$2,014.84 for family tax benefit. On 9 November 2002, we received another letter stating that we did not owe the money, but that we were owed \$4,186.69 for family tax benefit top up but were not entitled to it because Rick had not put his tax in on time. When we questioned social security they told us that they had sent a letter dated 3 May 2002 stating that if we did not have our tax in by 30 June 2002, we would not receive our family tax benefit top up. That was the first time we had heard about it. We did not receive that letter. For many years Rick has had tax extensions with no problems. Social security and the ATO have always worked together on this issue. So why on this occasion haven't they done that?

We have been through two appeals, both of which have found us to be credible people. The second appeal recommended we be paid the money but social security declined to pay because of a law—section 28(1) and (2)—a law that no-one was forthcoming on. The first appeals officer rang me the day he made his ruling to apologise for the outcome, saying that he had very strict guidelines to work within and no power to change them. The second appeals officer told us the same thing. There were several more roads to take, but what was the point? They were all working within the same guidelines with no power to change or even apply some flexibility. It seems as though they intend to give people the run around so that they get fed up and then give up. This is a total waste of public resources. Why should Ms Vanstone be the only one wielding the power? Tony Abbott recently said that the policy of the government was to reward hard working Australians. My husband is one of the hardest working Australians you will find but we have not been rewarded; we have been penalised.

The advice of social security telling us to overestimate so that we did not end up with a debt put us in a situation of more money worries and frustration. When you have two kids, their needs are great and when you are saying 'no' all the time, it just does not seem fair. By overestimating, you think you will get the top-up at the end of the financial year and it does not happen—your faith becomes less and less. Why should the children of the wealthy be the only ones with the greater opportunities and choices? I honestly believe the pollies do not have any idea how difficult it is to raise and give your kids the basics, let alone that little bit more, or how hard it is to estimate your income when you are self-employed. The only people getting rich out of this are the accountants and the government. So why would we ignore a letter telling us that we could lose \$4,186.69? It is not by choice that we claim family tax benefit; it is by necessity. I tried re-entering the work force, but being untrained your choices are limited. So too are the wages and

once you pay out for child care, there is very little left. So you rely on family tax benefit to bridge the gap even just a little, not make it wider. I have a letter here also that I have written to Amanda Vanstone. I would like to read it:

Dear Madam,

My name is Patricia Gaggin and I'm writing to you in reference to a top-up payment of \$4,189.69 in FTB for 2000-01. We (myself and my husband Rick) have been through 2 appeals, the ARO and the SSAT. Both appeals have been unsuccessful, because of a law, 28 section (1). We see no point and a waste of resources to go through to the next appeal AAPT, mainly because they have the same laws, with no power to change them. I also believe that Centrelink were negligent in the training of their employees as to inform us on the laws, and on the inadequacy of the correspondence.

Because of the circumstances we believe this decision should be overturned and you are the only person left that can do it. Centrelink are saying they sent a letter dated 3 May 2002 informing us that if my husband's tax for 2000-20001 was not in by 30 June 2002, we would miss FTB reconciliation.

WE DID NOT RECEIVE THAT LETTER.

If we had, don't you think we would have done something about it?

My husband has had tax extensions for many years, there has never been a problem in the past. That particular year was the introduction of the G.S.T, and there was confusion everywhere, Rick got his extension, copped the fine, not once did any department inform us of this law, section 28(1), Centrelink have always excepted tax extensions, with no problems. It does not seem very fair that Centrelink only sends 1 letter, warning us of our potential loss of money, with no information on section 28, which we didn't receive, even the 2000 Family Assistance question guide has nothing in it, I have files dating back 10 yrs, why would I ignore this letter. We did what Centrelink advised us to do, which was to over estimate, not once did Centrelink inform us of section 28, or any other law, is this a ploy on the Government's part, because it seems to me the only one that this is benefiting is the Government itself. We are not a big income family, we could not have afforded to pay back if the estimate was under, so we do the right thing and still lose out. The Government spends millions of \$ telling us (the public) that the ATO and Centrelink work hand in hand, so don't try anything illegal, but they don't, only when it benefits them (GOVERNMENT). We strongly believe that this law has to have some flexibility, as to accommodate some sectors of the working community. Small Business is the absolute backbone of the community, they have to endure high cost of insurance, materials rising in price, downturn in business, if it's not one thing it's another and still stay afloat. Now there's another hazard, laws that Centrelink (government) are not forthcoming on. A law that needs to be looked at and given flexibility to. We are not asking you to do us a favour, we are asking you to do the right thing, \$4,189.69 is a great deal of money to us, why would we deliberately ignore such a situation. We truly believe that if you do not overturn this decision it would be a great injustice.

To quote the Commonwealth Ombudsman ... Where a person has been receiving family assistance by instalments, lodgement of a tax return after the general deadline should not preclude the person from receiving a top-up to which they would otherwise be entitled.

There are two issues here, the first being the obvious, families, the second being women's issue, I'm a woman doing the toughest job of all, trying to keep a family together, and do the very best that I can for my children with the finances that I have available. Life is hard enough, without the system working against us.

This has been a very difficult letter to write, as to get my point and concerns across, and to keep my cynicism at bay, on the hope that the Government is not filling the wallets of big business (FAT CATS), but are genuinely concerned with the

general population. I also know that a P/A will see this letter before Ms Vanstone, so to you, please don't put it in the too hard basket or dismiss it as not important enough, this is a very important issue not only to us, but to families like us who rely on that FTB to make ends 'just' meet.

**ACTING CHAIR (Senator Moore)**—When did you send that?

**Mrs Gaggin**—On 20 May, and I have not had a reply as yet.

**ACTING CHAIR**—On 20 May this year?

**Mrs Gaggin**—Yes.

**Senator HUMPHRIES**—What sort of business do you and your husband operate?

**Mrs Gaggin**—My husband operates a wrought-iron business. He has been in business for 18 years and he works on his own.

**Senator HUMPHRIES**—You do not work in the business as well?

**Mrs Gaggin**—No.

**Senator HUMPHRIES**—You said that you had two appeals related to the one matter and they had been disallowed or unsuccessful because of section 28(1).

**Mrs Gaggin**—Yes, section 28.

**Senator HUMPHRIES**—Did you have legal advice on those appeals or did you run them yourself?

**Mrs Gaggin**—When we were sent the last letter on 9 November social security told us that we could go through these appeals, so it was just on our own that we went through that.

**Senator HUMPHRIES**—Are you saying to the committee that you think the terms of section 28(1) are too harsh—I am not familiar with the section—and should be amended or are you saying that the law is misinterpreted and the appeal decisions are wrong; that they have not interpreted that section properly?

**Mrs Gaggin**—The people that do the appeals, the appeals officers, should have some power. They do not have any power to override a decision. They are there as a token, just to let you know that they are listening to you—but they are not listening to you. There should be some flexibility. What the law is saying is that, if your tax is not in by that due date, you are not entitled to family tax benefit.

**Senator HUMPHRIES**—You put to the tribunals that you appealed to that you had not received the earlier letter giving you advice?

**Mrs Gaggin**—Yes. In all our documents that we have, we did not receive this letter.

**Senator HUMPHRIES**—Did the tribunals accept that evidence?

**Mrs Gaggin**—Yes. They recommended that we be paid, but social security declined to pay.

**Senator FORSHAW**—Can you provide the committee with the details of the decisions made by the appeals tribunal? Is there a written statement from the tribunal to say that? That provides further material, because we as the committee will be very interested to see what the response is from the minister on that. If you have not got it now, do not worry.

**Mrs Gaggin**—No, I have it all written down here.

**Senator FORSHAW**—Please provide it to the secretary after the hearing, or send us copies. I have to confess that I am not particularly familiar with this section, either. What you are saying is that your husband needed to get his tax return in by 30 June—

**Mrs Gaggin**—2002.

**Senator FORSHAW**—For which year?

**Mrs Gaggin**—2000-01.

**Senator FORSHAW**—For the previous year; okay.

**Mrs Gaggin**—It is very complicated.

**Senator FORSHAW**—I wanted to understand that point, because when you are operating a small business there is generally a lot more flexibility, if I can use that word—the time limits are longer for the lodgement of returns than they are for straight wages employees. Would he have had to meet a tax bill or was there some tax return that he would have—

**Mrs Gaggin**—You never get any money back.

**Senator FORSHAW**—I assumed that, too.

**Mrs Gaggin**—You had your provisional tax before the GST came in. In 2000-01, we were still doing 1998-99 tax, which had not been put in because you are a year behind.

**Senator FORSHAW**—That is why provisional tax exists—to take account of these factors.

**Mrs Gaggin**—Yes. When the GST came in, everything was pushed forward and this huge cost was put on top of us. We were not told, ‘You have to have your tax in; that’s the deadline.’ If we had, common sense would have prevailed.

**Senator FORSHAW**—I think one would assume that was the view taken by the appeals tribunal.

**Mrs Gaggin**—Yes.

**Senator FORSHAW**—Thank you.

**Senator MOORE**—We are all going to go and read section 28 now.

[2.52 p.m.]

**GOODMAN, Mr Christopher John, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union**

**TRAVERS, Mr Paul James, Regional Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union**

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

**Mr Travers**—As the regional secretary for the LHMWU, I represent low-paid workers in the Wollongong, Southern Highlands and far south coast areas of New South Wales. Our organisation covers the cleaning, child-care, security and aged care industries and workers in the hotel industry. Large portions of workers in these industries are part-time and casual employees.

The contract cleaning and contract security industries operate in a highly competitive market, which results in the undercutting of contracts as part of the contract renewal process. This leads to the reduction in available hours for part-time and casual workers at those sites and, with the reduction in hours, a lower weekly wage follows. The pursuit of lowest cost contracts by clients, therefore, has the effect of driving down wages in such industries. The expectation of having the same amount of work completed in fewer hours also gives rise to occupational health and safety concerns, with increased risk of injury. Workers thus affected are caught up in workers compensation processes, which often limit or remove their capacity to earn.

Child-care worker employment has been affected in recent years by changes to government policy in the funding of centres. Such changes have led to a loss of employment opportunities in that industry. Casualisation of employment in hospitality industries leaves workers working year to year without the conditions that permanent employees in other industries enjoy, such as annual leave and paid personal carers leave. Casual workers in this and other industries therefore continue to work whilst ill. Where a serious illness renders them unable to work, they become reliant on a welfare benefit payment and the assistance of charitable organisations.

These circumstances often lead to rental arrears, default on loan payments, repossession of personal belongings and a serious reduction in self-esteem and quality of life for themselves and their families. Workers want real jobs with some certainty of hours to provide an income they can live on without the need to rely on the welfare system. Government has a responsibility to ensure that competition policy provides not only employment opportunities and protection of employment but also a liveable wage. The rising costs of education, housing and health care are of great concern to workers, as is the loss of real jobs for those young Australians that follow them into the workplace. Government policy needs to address the needs of what has become euphemistically known as the ‘working poor’. Only then will the needs of low-wage workers be addressed.

**Mr Goodman**—I currently work for the New South Wales Home Care Service, out of Dapto. I work 40 hours per fortnight. The take-home pay is \$620 a fortnight. In addition, I receive a travelling allowance of around \$80 for travelling between clients. In addition to this travelling, I have to travel a further 300 kilometres a week—my car is 15 years old. As a result of only getting 20 hours work per week from Home Care—I am in my third year there—my wife still needs to work full time. I also have a second casual job. Despite this, we still have to juggle our income from week to week to pay the bills without needing to touch any savings that we have.

Although I have had the benefit of being able to travel, my reason for being here today is my growing concern at the increasing number of lower paid jobs, as Paul pointed out, within the industries that my union covers. I am also concerned about my particular circumstances. At the age of 57, and with qualifications—I have been to TAFE to get this position as an AIN and to get my aged care certificate and cystic fibrosis training and what have you—I have worked all my life and now find myself with one part-time job, one casual job and my wife working full time. Should either of us get sick, we simply would not have the quality of life that one would expect in Australia.

Also, I feel pretty strongly that the funding these organisations receive is totally inadequate. I found one of our customers dead a few weeks ago. He could not get into a home. He should have been in a home. The funding just was not there. He was waiting to go in and had been waiting for some time. As I go around, I meet so many people that are living at home who really should be in a hostel or special care unit. My other job is working in a special care unit. The quality of life there is so much better than for those having to live outside of that sort of facility. I really think that funding should be increased both for home care and for hostel and independent living within a hostel type environment where they can get medical aid. As you know, doctors very rarely come out. But if you are in that sort of facility, they do. That makes a huge difference to that person.

**CHAIR**—Mr Goodman—and maybe Mr Travers, as well—are your wages set by an award rather than an enterprise agreement?

**Mr Goodman**—There is an enterprise agreement at Home Care, but I have been there for nearly three years and my contract hours are now 20 hours a week—40 hours a fortnight. It is based on the hours you do—and it is supposed to be reviewed every year—over the top of the contract, which can be up to 29 hours, and then you get 15 per cent of those hours each year. Last year, they did not have the funding and could not increase the hours. There are a lot of people—and I do mean a lot of people—that need home care and simply cannot get it.

**Mr Travers**—In answer to your question, it is a federally registered agreement.

**CHAIR**—We had evidence from your colleagues in Lismore yesterday about how important it was, in the New South Wales system, that the award could move without having to go enterprise by enterprise. I think I am paraphrasing correctly.

**Senator MOORE**—Mr Goodman, you and your partner have three jobs between you. Are any of them permanent?

**Mr Goodman**—My wife's job is permanent—she works for Woollies at Warrawong.



**Senator MOORE**—So, in terms of sickness or anything like that, her employment does have leave and superannuation and yours does not?

**Mr Goodman**—Absolutely. The only thing is that, as you get older, you probably avail yourself more and more of that sort of thing and it is not limitless. I think she gets 10 sick days leave a year—it is either eight or 10, I cannot remember—but she is 52, coming on 53, and we do both need to work. I suffer from kidney stones and a few weeks ago I spent 10 days in hospital. So I have just about run out of sickies now, because it is based on my 20 hours a week. Then we are down to Maureen's wage, which, from memory, is about \$400 take-home. But she still has to travel a fair way to get that.

**Senator MOORE**—And you are subject to the same restrictions on travel that we have heard about today—the access and so on?

**Mr Goodman**—Yes.

**Senator MOORE**—My understanding is that the kind of work you do is highly skilled and in demand, but it is totally dependent on available packages being funded. There would be a need for you and your skills, but there is just no access to the extra work. You want to do it and the clients are there, but you cannot get funded?

**Mr Goodman**—Exactly, yes.

**Senator MOORE**—Mr Travers, I know the issues in your area. Is there anything particular to the Illawarra, though? From your experience working in this part of the world, are there any particular issues from the Illawarra that you would like to have on record?

**Mr Travers**—No, I think the issues that I have raised affect workers in all areas.

**Senator MOORE**—That is right—the casualisation and those things.

**Mr Travers**—The same issues affect workers in regional areas and in metropolitan areas. They are more intense in places like the Hunter and the Illawarra, because there are not as many job opportunities as there are, say, in metropolitan areas, where people can look for alternative employment and there is a larger scale—particularly for people like Chris, who work one, two, three or more jobs in a variety of industries to make ends meet.

**Senator MOORE**—One of the things we heard yesterday in Lismore was that, in a community where you have a university, a high unemployment rate and industries closing, which unfortunately can fit this area as much as some others, you have people competing for the same jobs. Is that something you have found, in both of your experiences?

**Mr Goodman**—If you go for an interview, you either fit or you do not fit, but there are always an awful lot of people going for those positions.

**Mr Travers**—Particularly in, say, contracting industries, it leads to a reduction in hours. There is so much labour force out there seeking additional work that it tends to drive down the minimum hours for people. Instead of being offered full-time work or near full-time work, they

end up working the minimum start provided for by, say, the industrial instrument they may work under. That leads to a low wage, so they need to work more than one job in order to make ends meet.

**Senator MOORE**—We had evidence also of cash payments to avoid the system.

**Mr Travers**—Yes, that is rife in the contracting industry, particularly in cleaning.

**Senator HUMPHRIES**—You say in your submission that the low-paid labour market is characterised by two interlocking dynamics of low pay—low hourly rates of pay and fragmented work experiences that provide inadequate and insecure levels of employment.

**Mr Travers**—What submission is that?

**Senator MOORE**—That is the submission from your national body.

**Senator HUMPHRIES**—Yes, I am sorry—

**Mr Travers**—Yes, I was going to say that it was not mine.

**Senator HUMPHRIES**—I assumed that you had seen that.

**Mr Travers**—No, I have not.

**Senator HUMPHRIES**—I had some questions based on what was in that submission. Perhaps you are not really the right person to ask.

**CHAIR**—The national body has already appeared before us.

**Senator HUMPHRIES**—Most of my questions related to that particular submission. The submission says that we should be attacking the proliferation of short-hour jobs and providing greater employment security through reduced casualisation. I wondered if you had any ideas about how we actually achieve that, given the more deregulated labour market we have these days.

**Mr Travers**—Part of the problem is that the changes to the industrial framework have led to that sort of deregulation, with the removal of minimum starts and/or a reduction in minimum hours. Deregulation has gone overboard in that respect. You can understand my bias. We need to have reasonable minimum hours for workers. A two-hour minimum start is not an adequate minimum start. That needs to be dealt with in a regulatory sense to enable those changes to be brought forward. Minimum hours should be increased so that people can expect a reasonable wage instead of having to work more than two or three jobs to make ends meet.

**CHAIR**—Thank you very much, Mr Travers and Mr Goodman.

[3.06 p.m.]

**BRENNAN, Mr Brian Francis, Regional President, Central Illawarra, St Vincent de Paul Society**

**MURNANE, Mr Brian, President, Wollongong Diocesan Council, St Vincent de Paul Society**

**POWER, Mr Paul, Manager, Vincentian Social Action Centre, Wollongong Diocesan Council, St Vincent de Paul Society**

**CHAIR**—Welcome. 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 Power, you have already made a significant contribution which we have already used in other parts of Australia.

**Mr Murnane**—I will give you a broad outline of the area that we cover and deal with some relevant issues. We have a couple of other people who will raise issues regarding our homeless person services. The diocese of Wollongong covers from the crossroads at Liverpool, all the Macarthur region, the Southern Highlands region, Mittagong, Moss Vale, Bowral, Wollongong, Central Illawarra and the Shoalhaven down to Ulladulla. That is the area that we cover.

**Senator MOORE**—That is a big area.

**Mr Murnane**—It is a big area. In that area we have 1,500 volunteers and 65 staff. There are about 94 small groups in each community and suburb in the diocese. We visit or assist about 60,000 people directly in their homes a year. On about 22,000 occasions a year we go into people's homes. Through that visiting process we give about \$1.2 million in direct assistance to people in need. That \$1.2 million does not include our special works including drug and alcohol services, homeless services, care of the aged and all the other services that we provide. This is just direct assistance. In my paid employment, I work in community housing in the Macarthur area. Through my St Vincent de Paul Society work in the diocese and through my work in community housing I find one common issue: people with intellectual disabilities who require accommodation support.

In the organisation I work for, the community housing organisation manages 600 properties across the Macarthur and Southern Highlands areas. Some time ago our organisation decided to provide 15 per cent of its housing to people with disabilities, recovering from mental illness, escaping domestic violence or with intellectual and physical disabilities. The reality is that we have never been able to get anywhere near that mark, not because the housing is not available—there is plenty of housing; we made the commitment to do it and we wanted to make the housing available—the reason we have not been able to get to that level is there is no funding to support it. Very rarely does a week go by when an aged parent does not come to me asking, 'What's going to happen to my child when I die?' That puts enormous stress on families.

We house a number of people with intellectual disability in independent living, but they are very few and far between. We have been able to enter into partnerships with other organisations, very few of which are government organisations—they are mostly private organisations—where we provide the housing and another organisation provides the support. We know the model works really well, but the support is just not available in the community.

**Mr Brennan**—I am the regional president for Central Illawarra. Central Illawarra covers Warrawong, Port Kembla, Berkeley, Windang, Moruya, Shellharbour, Oak Flats, Albion Park, Dapto and Kiama. Most of those areas are highly dependent on welfare. In the current financial year, we have assisted 12,500 people to the value of \$340,000 worth of help. I have a demographic sheet that I could table. It identifies that 82 per cent of the people we help are single people or sole parents. Sole parents are the main category we help across the board in that area. The percentage varies from 48 to 55 per cent in each of those locations. Specifically in Warrawong, Berkeley and Port Kembla, we assist 78 per cent who are unemployed. They are on Newstart or a disability pension and they are single.

I wanted to make three main points this afternoon. Everybody has made these points in isolation. In making these points, not only am I the regional president for the area, I also undertake home visitations during the week in Dapto. We have a drop-in centre in Warrawong where people drop in without notice. I am there every Wednesday afternoon—but obviously I am not there this afternoon. I have a fair amount of experience of interviewing and visiting people. I understand their needs and desires.

The three areas I would like to concentrate on are sole parent families, breaching, about which you have heard this afternoon, and people who cannot get a job and who are breached as a consequence of difficulties, and finally drug and substance abuse, alcoholism and gambling. The first area is sole parent families. These are mostly single female families. They generally want food, electricity and nappy support. They just cannot stretch their income. They are generally getting little or no maintenance. The problem is the growing rise in private rents in the area. There is a nine-year wait for Department of Housing homes or flats and people are then reluctant to accept houses offered in some areas due to their classification as bad areas—and Warrawong is one of those areas. People in Department of Housing homes in nice areas are lucky in financial terms—rents are generally low compared with the private rental market these days. However, when rogue problems occur, they get themselves into trouble. In sole parent homes people do not save. They get by from fortnight to fortnight. If they happen to run a car as well, then look out because they are in deep trouble.

Reasons for people needing help from St Vincent de Paul include not being able to pay their rent, poor home management, too much takeaway food that they purchase, sickness within the family, smoking, separated partners still paying off the credit card that they were left with, school expenses, moving expenses if they have just moved into the area—and you get people moving around—and general bills. Then of course there are the hidden reasons that people do not declare and that is the drug and gambling afflictions that they have.

There needs to be more support for families renting privately. Take a person paying \$200 rent per week—out of a pension, there is not much left. Rent payments are increasing in this area. For a family paying between \$170 and \$200 rent, with rent assistance, it still leaves a net differential of approximately \$100 a week compared to a Department of Housing home situation.

For electricity we encourage people to sign up with Centrepay, paying it off each fortnight through Centrepay—which is through Centrelink. We should give people incentive to pay off their electricity bills in fortnightly payments through Centrepay. We publicise with all our clients that they should pay it off fortnightly. It is interesting that even as of last week people had no idea that you could do that. Every time people come into our centres or we visit them in their homes, we reiterate the fact that they can pay it off fortnightly through Centrelink. There is very little communication—people do not read things that Centrelink put out so that their information on the things that are available is very limited.

Telstra issued us with telephone vouchers this year for the first time and that has been great. This financial year, in my area—that is the area I indicated before—we have issued \$14½ thousand worth of telephone assistance for the people just in that specific area. Without that, it would have been \$14½ thousand that we would have had to find from some other source.

We need to increase the family support allowance per child. I am not saying here that we need to encourage additional children into the family; we need to better support the children already within the family, because they are not being looked after sufficiently.

The second point I wanted to make was in relation to breaching—that is, for people on Newstart and people who cannot get a job. People on Newstart are getting breached because they fail to attend an interview or they fail to do the appropriate applications per fortnight. How would we cope if we lost up to 50 per cent of our income? Do our expenses immediately drop by 50 per cent? Of course they do not. The problem exists not only for single persons but for couples with children as well. Just imagine a family of two adults and four children losing half of dad's income—or all of it in cases that I have experienced—because the kids were sick and dad looked after the kids instead of going to do the appropriate interviews; or dad got a job part time, was called into work and forgot to ring. They are simple things but they happen time and time again.

Breaching seems to be a government KPI—key performance indicator. No amount of discussion from our clients, as related to us, makes any difference. Nothing works; there are no excuses if you breach: 'Bang! There is another one. Caught you! Performance review appraisal? Well, that will look good.' They are fairly cynical comments but that is the way it seems to come across to the people and to us. In today's newspaper, I notice how proud the government is when announcing the figures for breaching. It is as though these people were stealing from the taxpayer and we were dragging it back. The frustration of not having and not being able to find a job is soul destroying on its own without being subjected to this injustice of being breached. I support the concept, and so does the society, of working for money. Australians Working Together is a great idea. That initiative for voluntary full-time work was an absolutely wonderful idea that started approximately 12 months ago. That concept gives people an incentive to get out and it lifts their self-worth and self-esteem. They make friends and do something positive, and we want to encourage it. We want to encourage people, not harass people.

My third point is about drug and substance abuse, alcoholism and gambling. All these addictions are present in my area and in a lot of other areas. The Warrawong area particularly is very bad for drugs. There is a lack of support facilities for these people. The lack of rehabilitation centres in this area is frightening. Where do we put people who want to get into rehabilitation? Occasionally we can get them into Sydney or Canberra but facilities are lacking

in this area. Getting people off these afflictions would go a long way to solving a high percentage of our problems. Again, it is something that people do not own up to. You have to quietly drag it out of them. Generally, after a number of interviews, the people will then tell you. They will say, 'To be honest with you, I am a drug addict,' or, 'I have a gambling problem,' but it does not come out easily because they are ashamed of it. When you do slowly get it out of people, they are ashamed of it. A lot of them want to do something about it but it is very difficult for them. The system needs to put more money into rehabilitation centres. In summary, we need more support for sole parent families, particularly for the children—specifically directed towards the children—we need to remove the breaching nightmare which has been talked about today and we need to put more money into rehabilitation. Thanks for listening.

**CHAIR**—Thank you, Mr Brennan.

**Mr Power**—I would like to make a brief statement. I am here representing the views of one of our many services, the Nagle Centre, which is a community centre in Campbelltown run by the St Vincent de Paul Society and the Presentation Sisters. Along with our service at Warrawong, it is probably the centre where we see more people seeking help than any other; around 5,000 individuals and families are assisted each year just through this one building in Campbelltown. Yesterday, we actually had a meeting with the staff and volunteers to talk about a range of issues. There were about six points that the staff and volunteers wanted to make to this inquiry.

The first was a point that was made earlier by the representatives of Anglicare and other organisations—that is, we are definitely seeing people with more complex needs than we have in the past. There has been a definite deepening of the needs of the people who are coming to us for help. We are also seeing great difficulty in finding the right services, particularly in the areas of mental health, supported accommodation and addictions recovery programs. Our volunteers in Campbelltown, just like Brian and his volunteers in the southern suburbs of Wollongong, feel the same sense of frustration when they have somebody who is ready to go into a detoxification program but there are none available.

A second point is that the number of organisations providing direct material assistance is diminishing, and this is something that the St Vincent de Paul Society, Anglicare and the Salvation Army are feeling quite strongly as other organisations withdraw, for a whole host of reasons. There is a similar situation in the Illawarra, but in the Campbelltown area three of the six major charities involved in forms of direct assistance have either pulled out completely or reduced their assistance in the last two years.

The third issue is that of breaching people through Centrelink. This is a massive issue and would probably represent one of the single biggest impacts on the number of people seeking assistance from our organisation and from other services, because we are left to basically pick up the pieces. One small example which is indicative is that it appears that, in March, Centrelink started to require people to produce a birth certificate. Many of the people we are helping are highly mobile and itinerant, and they have few personal belongings. They often lose most or all of their belongings as they shift from place to place, and a birth certificate is not among the things they manage to carry with them. They are then required to pay \$42 to get another birth certificate. Some people are not notified of this because the mail goes to a previous address and they are breached before they know about this particular rule. In the last few months, we have assisted quite a number of people to comply with this Centrelink requirement. Isn't there some

simpler and easier way around this situation when people are required to get a document from another government authority?

**Senator MOORE**—Which they will probably lose straightaway.

**Mr Power**—Yes, that is right. There is little appreciation of how mobile many people living on the breadline are; it does not translate into Centrelink policies or even allow for flexibility in Centrelink policies. A fourth point is the impact of bank charges on people on low incomes. There has been a positive shift towards direct debiting, but the problem for many families is that there is so little in their accounts that they are caught out with the account going into deficit as particular payments are taken out. One family assisted by the Nagle Centre recently had a \$38 dishonour fee every fortnight for a period up to six months because the company they were making a small direct payment to was taking money out two days before the woman's pension was arriving in the account. She had been arguing with the bank and the company for some time, but it was not until our organisation got involved that people started to listen to her. So these are the sorts of issues people have to deal with. It is hard enough for any of us to manage our finances but, when you are living on such a small amount of money, the challenge is even greater.

A fifth issue is the lack of adequate financial support for newly arrived migrants. We can understand the government's wish that people who come here have some form of financial support, but the reality is that there are unforeseen circumstances that occur within the two-year period before which people are able to qualify for full social security benefits. Of course, when those unforeseen circumstances do occur, the family is left to live in an appalling situation and it is left to charities like ours to try to pick up the pieces and offer as much help as we can.

We have one family currently being helped by the society in Campbelltown. They are living on a family payment of \$240 for the two children and their weekly rent is \$220. They ended up in this situation after their sponsor disappeared, leaving them without support. So we have been assisting them. They cannot get an alternative rent, because no landlord wants to listen to them. Ironically, they are in a position where they cannot get rent for \$160 because they do not have sufficient money for that, so they are locked into a \$220 a week rent and are unable to pay for food, medical costs or anything like that. That situation will remain for that family for another eight months.

The last issue concerns people who are released from prison and the level of support they are given. What the base level of support is supposed to be seems to be fairly unclear through probation and parole services. Too regularly people arrive straight from prison at our community centre in Campbelltown in the clothes they were released in, with virtually nothing. They are four of the concerns and I think they are indicative of experiences right round the country.

**CHAIR**—Thank you, Mr Power. Does the St Vincent de Paul Society support a GST being extended to other food items?

**Mr Murnane**—No. I will make a clarification about that. Our national council's social justice committee has said that the flat exemption on food benefits high-income earners more than it does low-income earners, because they spend more money. However, the society has not advocated that the food exemption be changed at this time. Our concern was that the GST

compensation measures would not adequately compensate the poor, and it is our view that they have not so far. We advocate that low-income earners receive an exemption from the GST on all items through the use of a smart card by people below a determined income threshold. That is our position on GST. I believe the question came up earlier today.

**Senator HUMPHRIES**—The question came from me. I was just waiting for the national submission from St Vincent de Paul. Under the heading ‘Funding the changes required for equity’, there is a subheading ‘Taxation arrangements’. Below that it says:

We will be making a detailed submission on this aspect to the Senate Inquiry into taxation. Clearly changes are possible. For example:

- Tax concessions on Trusts  
... ..
- Marginal Taxes  
... ..
- Negative Gearing  
... ..
- Expansion of GST on Food
- – originally designed for the poor who only received a small proportion of the \$15 billion in lost revenue.

I grant you that it is a little unclear, but I read that as saying that you believe that some expansion of GST on food is possible.

**Mr Murnane**—No.

**Senator HUMPHRIES**—So what exactly is being proposed?

**Mr Power**—We actually sought clarification on that, because the issue came up, to find out what was being said. It is certainly not the general view of our membership that the exemption on food should disappear. The nub of it is finding other ways to more effectively compensate people on the lowest incomes. The proposal put forward is the use of a smart card for people in particular low-income categories to be able to receive some sort of exemption. Again, you would have to talk to our national council.

**CHAIR**—We can give them a call.

**Mr Power**—I gather you have met Terry McCarthy.

**CHAIR**—Yes. And we know about the genie coefficient now.

**Senator MOORE**—And we can feed back the negative response.

**CHAIR**—Thank you very much, gentlemen.



[3.34 p.m.]

**BISMIRE, Mr Scott, Clinical Nurse Specialist, Illawarra Area Health Service**

**ROBSON, Ms Lesley, Special Works Coordinator, Homeless Persons Services, St Vincent de Paul Society**

**SWEENEY, Mr Stephen James, Manager, John Purcell House and Manager, Jim Da Silva Farm, St Vincent de Paul Society**

**CHAIR**—Welcome. Do you have any comments to make on the capacity in which you appear?

**Ms Robson**—I am from the Wollongong diocese of the St Vincent de Paul Society.

**Mr Sweeney**—I am from St Vincent de Paul in the Shoalhaven area.

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

**Ms Robson**—I believe you possibly already have my paper from Holroyd. I was unable to make it on that day.

**Senator MOORE**—Yes.

**Ms Robson**—I will take this opportunity to again highlight our main concerns. With the increase in homelessness, what has been historically seen as the homeless—the older gentleman—is just not true. Homelessness can affect anyone nowadays. As they say, a lot of people with mortgages are one payment away from homelessness. The statistics tell us that 54 per cent of people in private rental are actually suffering housing stress because they spend more than one-third of their income on rents, and that is where the hidden homelessness is as well.

My major concern with the homeless is the children. The group who mainly use SAAP services are aged under 12. Thirty-one per cent of SAAP users are under 12 years of age. I currently have tenants ranging from two weeks old to 83 years of age. My concern is about both of those age groups. A number of mothers have children while they are living in a refuge, because domestic violence is so prevalent in this country. There is a very high incidence of domestic violence in pregnancy, and that is why there are so many children in the refuge. It is recognised that the first five years of a child's upbringing is going to create the adult, and that is where there needs to be more assistance. We do not want to see that two-week-old baby come back into the refuge at 18, as an adult, and we do see that happening.

The emphasis needs to be on the children. There needs to be more than just an answer of a refuge. There are many ways to work with the homeless, there are many ways to work with people with housing stress, but there are very few programs. It is mainly seen that adults cannot

have an early intervention with homelessness. With refuges, you wait until the adults are on the street and then you work with them. That does not need to happen. Through DOH and St Vincent de Paul we can recognise who is suffering housing stress, and it would be possible to do early intervention if there were funding for that type of program. We have a very small program in Campbelltown that works with families that DOH are about to take to their first tribunal. If you are evicted from DOH nowadays, where do you go? Who is going to touch you? Is it not better to stop the eviction?

The other age group is the adults. I have three people in their 80s and seven in their 70s who are very sick people who are homeless. That primarily comes about from elder abuse. The children rip their parents off with everything, so they end up literally on the street. They are living in fear about where they live. Because they live in fear, they will not leave the house, or give up the department house, and choose to go to a park or whatever. That age group is stranded if they are in private rental. Their income is so minimal. They are living in substandard accommodation. As was said earlier by the person who worked in home care, most of these people should be getting some type of care. But they do not know about it and they have no support. Many of them should be living in accommodation with supported aged care services but are living in really inappropriate private rental or department houses.

The changing face of homelessness and the hidden homelessness are the really big issues, because when we think about who the homeless are we tend to still have that focus on people who are on the streets of Sydney and so on. It is the children—31 per cent is an incredibly high number of children going through refuges, and we are not even touching on youth.

**CHAIR**—Up to what age do you determine as a child?

**Ms Robson**—The 31 per cent is those aged 12 and under. Most of the refuges that take parents with children take them up to about 15 to 17. Youth refuges should be for those aged 16 and up but, as you know, with out of home care being a dysfunctional program, we have lots of 13- and 14-year-olds in youth refuges.

**Mr Sweeney**—I manage a homeless men's crisis centre in Nowra which has 10 beds, and a farm situation just out of Nowra, which is long-term accommodation for people with disabilities and we also have eight group home beds. As a bit of background, Shoalhaven has a population of about 83,000 people; it swells to over 300,000 during the holiday season. It has a high unemployment rate. There are huge problems with transport. Public transport is very limited. I do not know if you are aware of the area—it is Nowra and the beach suburbs. There are distances involved in employment, in shopping and whatever.

With housing in the town, rents are going up consistently because the place is being gentrified, to a point. At the moment, generally, for a three-bedroom house you are waiting three years in Nowra. But, from the homeless men's point of view, for a one-bedroom or a bed-sitter you are looking at five years on a normal wait and possibly up to six months on a priority wait—and it is very hard to get a priority in that particular town, because of the demand. The rate of domestic violence is the highest in rural New South Wales. In terms of child abuse, Nowra has one of five dedicated children's courts to deal with children's matters because of the demand in relation to child abuse.

The area that we are more directly involved with is drug and alcohol abuse. There are enclaves in Nowra, mainly in public housing, where because of the high unemployment rate there are huge problems with drugs and alcohol. Basically, when you talk to some people, they say it is self-medication. This is from despair, because there are no prospects of employment. That is the bottom line. In our work, there is another layer that is coming through. Self-medication is a thing to do with drugs and alcohol, but we think it is also hiding a bigger problem. Scott will expand in his statistics on the underlying percentage of mental health problems in the unemployed and low-income populations. We have seen more and more of that—in the hostel, particularly, but also on the farm project that we have. Our point of view is that these people need specialised help. This is a percentage of the population which will never be employed, will never be able to look after themselves adequately and will still need caring. We think that the poverty in relation to those is in resources.

As a kick-off—and this is the more positive side of it—we have gone into a partnership with the Illawarra Area Health Service through their mental health team. Scott visits our hostel and farm two days a week, which has enormous benefits first of all in identifying unrecognised mental health issues which can be helped and also in providing continuity of care to the people at the farm and in the hostel. We are saying that this particular model could be applied elsewhere, but also our particular model could be better resourced, because we are only touching the tip of the iceberg as far as helping this particular group of people—and they are there; there are no two ways about it. I will allow Scott to speak and to expand on what has come out of this scheme, which has been going for 12 months. Some of the statistics are quite startling in relation to the problems I have just referred to.

**Mr Bismire**—I am a psychiatric nurse mental health worker. I have worked in Nowra for 15 years on the Nowra Mental Health Team in acute community psychiatry. Over the last 12 months I have had an opportunity to work with St Vincent de Paul's, as Steve said, on this joint collaborative initiative to work with homeless men. It was funded through federal government funding for MHIP, mental health integration projects. This is a project that we put together. I think it puts a positive spin on the issue of homelessness and poverty in that this project, we believe, demonstrates how we can have an impact on poverty and breaking the cycle of homelessness. These are really the most disadvantaged people in our society. Since deinstitutionalisation, we see that homelessness has been a huge problem. A large population of these people have mental health and mental illness problems such as developmental delay, psychotic illness, schizophrenia and bipolar disorder—a whole range of disorders. We believe that we can break the cycle.

I am working with St Vincent de Paul two days a week. I will repeat some of the things that Steve said. There is a 10-bed hostel which primarily provides care for up to 12 weeks. There is the farm, which is quite an exciting initiative. Again, it has 10 beds and it is long term. It provides permanent accommodation for men who would otherwise be homeless. They are men who are very compromised and who are taken advantage of. We realise that the numbers are very small. The demand is huge. Approximately 150 men were cared for within the service in the last 12 months—the figures are a little down because we were closed for two months—but we turned away at least that population again.

We made some assumptions at the beginning of the project. We worked on the population probably being 40 to 60 per cent of people with mental illness. The statistics after 12 months

indicate that the population is more like 80 per cent. Those people do not just have mental illness as their stand-alone diagnosis; it is usually in conjunction with drug and alcohol problems. These people are often self-medicating with substances. They are aimlessly travelling and homeless, and they end up at hostels untreated and undiagnosed. This project presented me with an opportunity to conduct probably the first psychiatric assessment that some of these men have had. You can have a 40-year-old male who presents and who has never had a psychiatric assessment. We have had instances where we have been able to diagnose a person's psychotic illness. We have been able to attempt to develop a relationship with the person and have them seen by a psychiatrist. Of the 83 men that I assessed—it was only two days a week—we were able to get 56 sessions with a psychiatrist. They are men who would otherwise never have the opportunity to see a psychiatrist. They had the opportunity to see a psychiatrist and they were commenced on treatment. For the first time in their lives we have an impact on breaking that cycle and commencing treatment. We feel that this initiative is having a large impact.

St Vinnies in Nowra, for example, are running 28 beds in all, if you count the group homes. They have set funding for 10 beds. I do not know how they do it. If those beds were run by Health, it would cost megabucks. They do it on the smell of an oily rag. We believe that this model of care that we are putting forward is a transferable model. It is not only for homeless men. It is a model of care that can be transferred to disadvantaged Aboriginal communities and to regional adolescent communities. It is a microcosm of what can be done when a government department works in collaboration with a non-government organisation such as St Vincent de Paul.

To get back to what Steve was saying, we find that there is a lack of necessary resources to effectively carry on with such a project. We need further resources to meet the demand. There has been an attempt to mainstream everyone and to say, 'Use Commonwealth rehabilitation services, TAFE et cetera' and we do that. But we also need specialist services. We need people who are specially trained to work with these people because they often cannot cut it in mainstream services. We really want to highlight the need for specialist resources to meet that need. For example, if we had someone there as a nurse seven or five days a week to capture more of these people and if we were more able to accommodate them, that would have an impact on homelessness, domestic violence, crime, substance abuse and on treating people with mental illness. I think that sort of model has a real potential to break the cycle.

**Senator FORSHAW**—I am tempted to ask you to comment on the observations that were made by a number of people about the impact of the Richmond report but we could be here for some time and that was some time ago. You seem to be talking about the sort of system that should have been in place when the deinstitutionalisation occurred.

**Mr Bismire**—The Richmond report was not implemented in the way he wanted and I think he has copped a lot of unfair flak.

**Senator FORSHAW**—It is about resourcing.

**Mr Bismire**—Exactly.

**Senator FORSHAW**—If you cannot resource them in institutions, you have to resource them in the community.

**Mr Sweeney**—And it is a population that is not going to go away and which is getting bigger.

**Mr Bismire**—Absolutely.

**Senator MOORE**—Can I clarify one point? The kind of model you are suggesting is like the model suggested earlier where, if you had the resources in place, you could have implemented the kinds of things you said you wanted to do in your presentation.

**Ms Robson**—There has to be supported housing as some people will never be able to cope on their own. There is no longer term supported housing for anybody, particularly not for the mentally ill or intellectually handicapped.

**Mr Bismire**—An advantage of this model of care is that the hostel catches the transient men and we then have an opportunity to assess them. If we had more than 10 beds we could perhaps move a lot of these men into longer term accommodation and break this cycle.

**CHAIR**—Thank you very much. We have advertised a public forum. Mr Bilboe has had to leave and will put in a submission. Mr Organ has to leave by four o'clock. Perhaps we will take Mr Organ next.

[3.53 p.m.]

**ORGAN, Mr Michael, Federal Member for Cunningham**

**CHAIR**—Welcome.

**Mr Organ**—Thank you for this opportunity. I would like to make a brief statement to the inquiry. Since being elected to federal parliament on 19 October last year, my staff and I have met a large number of local constituents concerning matters related to the terms of reference of the current inquiry. As a result of these meetings, I have concluded that Australia is currently facing a poverty crisis and there is ample evidence for that in an area like the Illawarra. This crisis is not being recognised or adequately dealt with by the government and that is why I welcome this inquiry.

To support my statement I would like to give an example from the many representations I have received on matters relating to assistance with housing, welfare payments and health care issues. In talking about poverty, I am referring to the problems associated with obtaining the basic necessities of life—food to eat and a roof over one's head; that is what it is all about.

We are also talking about equitable access to health, employment, education and welfare services. All of these issues are often in crisis mode in households where money is an issue and the spectre of poverty exists. And it is a spectre—the people who were here a minute ago were saying that it is an embarrassment and that people do not want to talk about the issues, which is a real problem. That is why I think it is great that we have the opportunity to at least raise the issues publicly.

I have one quick example from my electorate. Mrs Y, a single mother in her 40s from Wollongong, approached my office for assistance in securing housing from the New South Wales Department of Housing. While this is a state matter, I arranged to meet with her to discuss the issues and see if I could offer any assistance. Mrs Y told me that she had rented a small flat with her 12-year-old daughter, whom she was putting through school. Responsibility for her daughter limited Mrs Y's employment opportunities, though she did work to supplement her meagre income. Due to her low wage, she was finding it very difficult to provide the basic necessities of life for her family. For example, she was forced to turn off her hot water system regularly to save on electricity. She could not afford to pay for the telephone, she found the price of food increasingly expensive and private health insurance was simply unaffordable. I think her family's income was around \$20,000 per annum.

As I mentioned, Mrs Y had for a long time been looking for support and help in getting Department of Housing accommodation. Unfortunately, her plight was not severe enough. I understand that she is still in strained circumstances. I have had a lot of people come to my office who have been on Department of Housing waiting lists, particularly in the Illawarra, for over five years. My understanding is that, unless those people have special emergency circumstances, most of them will never get into public housing. It is basically an open-ended list. It is not a matter of years anymore—they just do not get housing. Mrs Y was concerned not only for her own circumstances but for others in the community whom she knew. She had conducted

her own brief survey on some of these difficult circumstances. She informed me that her situation was in no way an isolated example, or extraordinary, and that she knew many people, including pensioners, single parents and families on low incomes, who were finding it increasingly difficult to earn a decent income and to take care of themselves and their family members.

I have found that the claims of dire straits by people such as Mrs Y are supported in documents such as the submission to this inquiry by the St Vincent de Paul Society. That submission reinforced a lot of what I was being told. I therefore welcome this Senate inquiry, both in its role of addressing the terms of reference and in raising the issue of poverty within our community, an issue which is little spoken about.

I feel that a number of circumstances are exacerbating this issue and causing major changes in Australian society, resulting in an increasing gulf between rich and poor which heretofore has not existed to such a degree—not in my lifetime anyway. We now have a large group in our society which may be classified as the working poor, and I am sure that you have become aware of that. These are individuals and families struggling on low wages. There are those in our society who are forced to survive on welfare payments and who find this unsustainable and demoralising.

As an example of the working poor, I can relate some of my own experiences prior to being elected to parliament on 19 October. I was employed full time, with a wife and two children, on a wage of \$42,000 per annum and my wife did a bit of casual work which might have brought anywhere from \$50 to \$100 a week into the house. We had been on that for nearly a decade, going from about \$35,000 up to about \$42,000. On that income, we found that paying the normal bills—rent, electricity, phone, car, food, clothes and schooling—left very little for luxuries. On such a wage—and I think it is quite common, especially in areas such as the Illawarra—it is difficult to pay off any substantial debts or make any substantial purchases. For example, paying off a car was about the limit.

Entering the new home market was beyond our reach. We were renting, and we were resigned to renting for the rest of our lives. You might be aware that, in places such as the Illawarra, the whole ‘sea change’ phenomenon has pushed the price of housing through the roof. That has made it incredibly difficult for people on the average wage to ever consider buying a house in areas such as the northern Illawarra, where a house that might have cost \$160,000 five or six years ago now costs about \$400,000.

I think I was a typical example of that kind of struggling family—just surviving but not saving money; just surviving taking care of the kids and putting them through schooling, unable to afford private medical insurance and having to drop things like house insurance because we could not afford it any more. I got the feeling that in previous generations a person in my circumstances would have been able to provide those basic necessities and also, eventually, get out of the rent cycle. But that is no longer the case. You might have heard of instances similar to mine, where it is becoming more difficult on a single wage to have a bright future, own your own home and things like that. It is my belief, based on what I have heard and on my own experiences, that anyone on a wage of less than at least \$50,000 a year would be finding it very difficult. In areas such as the Illawarra we have families on wages of around \$35,000 or less. I can only imagine their circumstances.

In summary, in order to ensure that Australians enjoy a quality of life which ensures their basic health and wellbeing—and that is what we are all about, as politicians and through this inquiry—and a bright future full of opportunity for their children, I would suggest that the government and authorities need to set clear direction and example by supporting basic free medical health services—and maintaining Medicare is at the core of that—and free education, such that education is not a burden on families but just part of everyday life. The cost of education is really an issue at the moment. We have seen TAFE introducing fees, university becoming expensive and pressure on preschool, primary and secondary education with regard to fees as well.

You have obviously had a lot of input about the provision of meaningful welfare services for those most in need. I think that is a given, which we all need to refocus on. We need to remove some of the punitive arrangements that are currently in place. Another area is fair wages and conditions for Australian workers. That is at the core: in order to have a good quality of life, with basic health and wellbeing, you need to be gainfully employed and have some sort of security. With the recent changes in the workplace—attacks on unions, the casualisation of the work force—all of a sudden a lot of people are now insecure in their employment. If they are contracting out, they are not sure about their future, and those insecurities can have implications on their physical and psychological wellbeing and impacts on the family if they do not know whether money is coming in or not. We need to get back to a regime of full-time secure employment with fair wages so that people can at least survive and have basic health and wellbeing. These are the basic necessities that we need to make sure exist in this country.

**Senator FORSHAW**—What did you do before you became a member of parliament?

**Mr Organ**—I was an archivist and before that a research assistant. For the last five years I had permanent employment, but prior to that from 1988 to 1995 I was a casual employee at the university. So I am very much aware of the problems of being a casual. You cannot commit to anything; you are living from day to day. You might have a six-week contract or a three-month contract. Those insecurity issues with regard to the casualisation of employment are a core problem. As I was saying, medical services, education, fair wages and conditions, and a good welfare service are the basic necessities in order to ensure that Australia's poverty crisis does not worsen, that the gap between the rich and the poor does not widen and that we remain the egalitarian society of which we are most proud.

**CHAIR**—Thank you very much for coming along this afternoon.

**Subcommittee adjourned at 4.04 p.m.**