



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

**Reference: Poverty and financial hardship**

MONDAY, 4 AUGUST 2003

BRISBANE

BY AUTHORITY OF THE SENATE



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

**Monday, 4 August 2003**

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

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

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

**Terms of reference for the inquiry:**

To inquire into and report on:

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

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**Subcommittee met at 9.12 a.m.**

**CONLON, Mr Dion, Member, Liquor, Hospitality and Miscellaneous Workers Union**

**DEWAR, Mrs Jennifer May, Member, Liquor, Hospitality and Miscellaneous Workers Union**

**MONAGHAN, Mr Ronald William, Secretary, Liquor, Hospitality and Miscellaneous Workers Union, Queensland Branch**

**SAUNDERS, Mrs Vivian, Member, Liquor, Hospitality and Miscellaneous Workers Union**

**CHAIR**—Welcome. The Community Affairs References Committee is continuing its inquiry into poverty and financial hardship. Senator Gary Humphries was to be here today, but unfortunately his mother passed away yesterday morning and so he will not be present. I welcome representatives of the Australian Liquor, Hospitality and Miscellaneous Workers Union. Do you have any comments to make on the capacity in which you appear?

**Mrs Saunders**—I am a teacher aide at Redland District Special school.

**Mrs Dewar**—I work as a bar attendant at the Queensland Turf Club.

**Mr Conlon**—I am a yardman at the Joyce Wilding Hostel.

**CHAIR**—I invite you to make a statement summarising your views or highlighting any issues you would like to emphasise to the committee.

**Mr Monaghan**—I thank the committee for allowing the LHMU Queensland Branch to appear at this inquiry. It is a sign of how low-paid workers are faring in Australia today that a union seeks to give evidence to a Senate inquiry into poverty. Until recently, a job has protected workers and their families from living in poverty. Today 45 per cent of people who are poor live in households where there is a wage earner. It is not surprising that a wage no longer protects workers from living in poverty when half the new jobs created during the nineties paid less than \$300 per week. We believe that there is now a crisis of low pay in our society. Our written submission to this inquiry gives further details about how the low-pay crisis is felt in LHMU's growing service industries. I refer you to that document and endorse the submissions contained within it.

I would like to draw your attention to two particular problems in Queensland: (1) the low hourly rates of pay and (2) the intensification of work that squeezes more work into fewer and fewer hours. In child care, aged care, home care, cleaning, security and hospitality, our members are struggling to piece together a decent living from low wages and insufficient hours of work. These are the jobs that are growing in Queensland; Queensland is a service state.

Take teacher aides for example. You will shortly be hearing from Mrs Saunders, who works as a teacher aide. Teacher aides are employed in Queensland overwhelmingly on a part-time basis. Because the education department would like teacher aides in most classrooms, they are employed with a low number of hours. This, in turn, leads to the work being intensified into

short peak learning periods. It seems that schools would rather employ three casual workers for 10 hours a week than one person for 30 or 38 hours a week. There is no down time for these people. It would be difficult for teacher aides to work as hard full time as they do part time. By employing more people for shorter hours, schools can work people harder and faster.

It is the same in the cleaning industry. It is rare to find a cleaner employed full time in Queensland because a full-time cleaner simply could not maintain the effort that part-time cleaners currently put in over a full working week. Employers get twice as much work out of two cleaners working four hours a day than one cleaner working eight hours a day. This is quite simply because of the intensity of the work—cleaning more and more floor space in shorter and shorter periods of time. This leads to body damage. The result for both cleaners and teacher aides is that they make between \$13 and \$15 an hour and work only 10 to 15 hours a week; \$225 a week is not a fair, liveable wage by any stretch of the imagination.

Hospitality work is a growing source of employment in Queensland. However, hospitality jobs do not provide well-paid, secure and ongoing employment. You will be hearing shortly from Mrs Dewar about the difficulties of working as a casual in hospitality. Casuals rely on shifts for income but have little control over whether they will have work from week to week. The hourly wage of \$17 does not compensate for the lack of security that casual hospitality workers face. Even full-time work on the minimum wage does not provide a decent, secure living. You will hear from Mr Conlon that, after a 38-hour week, he brings home less than \$400. This is what the federal and state minimum wage provides for people in our society. It is very difficult to find a job with both full-time hours and a decent wage in Queensland's growing service industries.

The committee needs to commit to doing two things to address the low pay crisis. First, the committee must find a way of raising the minimum wage. The current federal minimum wage of \$11.80 an hour does not allow families to meet their basic needs, let alone participate fully and with dignity in our society. Neither do wages of \$13 or \$15 an hour in our low-paid sectors in Queensland. A fair minimum wage should allow workers to afford the basics, like decent housing and clothing, a full education for their children and a holiday once in a while.

Second, the committee needs to commit to finding a way of ensuring decent minimum hours of employment. This is the only way to deal with the intensification of work into shorter and shorter hours of work. A decent job should provide some security and certainty, and enough hours a week to stitch together a decent living. Our members want to be treated like people who should be able to have some quality of life outside work, not just human resources in the workplace. We argue that it is time for a new commitment to fair wages and decent jobs. This is a commitment that must come from all parts of the political spectrum. My colleagues will now give further testimony to assist the committee.

**Mrs Saunders**—I am a teacher aide at Redland District Special School in the Special Education Developmental Unit. I have a qualification in disabilities. My job involves one-to-one contact with children with multiple disabilities. I assist these children to do activities that are appropriate to their mental age and can have up to seven children in a single class to work with. I also give the teacher general assistance with all the other students in the classroom.

The job is difficult; if you are moving around a lot, you never stop. The children have a lot of behaviours that are difficult to manage. The job involves lifting the children; I have been injured



attempting to deal with a difficult child and am receiving physiotherapy for a twisted thorax. I work 27½ hours over five days. I am at the school from 8.30 until three, and am paid as a part-timer. I am not paid for meetings after school or for preparing work for the next day. Teacher aides live under a constant threat of losing hours and, therefore, losing wages. Our wages are often reduced. In order to receive annual leave, I have to work extra time so that I can be paid ADOs—additional days off.

I have been employed by the education department for 17 years. I currently take home \$740 a fortnight or \$370 a week. I do not believe this is a fair wage. My children are grown-up. My husband is a truck driver whose wages are not that high. We live from day to day. If we want to go out for dinner we have to save up. We cannot go shopping and buy what we would like. I would like to go on a holiday to Tasmania, but I do not see how we will be able to do that. It will take a lot of saving.

I cannot see myself retiring; I have to keep going. I would love to retire at 60 and travel, but when it comes to turning 62 I think I will still be working, even though the work is physically damaging. The government should realise that this is difficult work, and we should be rewarded for it. We just want a liveable wage from full-time permanent hours that we cannot lose. I would like to ask you: what are senators going to do about a liveable, permanent wage? Thank you.

**Mrs Dewar**—I work in the bar and in food preparation at the Queensland Turf Club and the Brisbane Lions Club at the Gabba. I enjoy the customers and the social interaction in hospitality. I am a casual worker. I used to work two shifts at the Queensland Turf Club, a mid-week shift and a Saturday shift. I had worked at the turf club for seven years and I had had these shifts for two years when the manager took me off the mid-week shift. This left me with only one shift at the turf club and one shift at the Brisbane Lions Club. I now take home \$160 a week. I also receive some money from Centrelink. Losing a shift is a lot to someone who is on their own and relying on this money. You do not have any choices when you are casual. You do not want to cause trouble. Managers can make decisions based on personality instead of on work ethic, and they do this all the time. I am an honest and hard worker. It is not because of my work that I lost this shift; it is because of favouritism and personalities.

I am on my own. My son, Hamish, who is 24, lives with me. Before Hamish was born I worked in an office. When I came back into the work force, I did not have computer skills. Hospitality is my only choice. My priority was Hamish, and he has turned out great. But that has affected my working life. I am 54 years of age, and I would like to retire by the time I am 60. It is difficult to be on your feet all day. I feel like I have done the hard work in life, but I have no option but to stick it out.

I manage on the income that I get. I put away anything extra that I can. I am currently paying off my house, but it is getting hard because everything is going up. It is getting harder to manage day to day. I cannot afford a car, and it takes me 1½ hours to get from Green Meadows to Ascot because I need to get a few buses. I also cannot afford to go on holidays. Casuals in hospitality have no security. We want to be treated fairly. I would like to ask: what can the government do to make sure that we can keep our shifts and that we have as much security as other people?

**Mr Conlon**—I work at the Joyce Wilding Hostel. I was originally hired as a weekend cook and I am now a full-time yardman, driver and general hand. I work 38 hours a week and I earn

\$473.10 gross, which is \$393 in hand. I do everything on site, including cleaning stoves, placing weekly food orders and cleaning windows and rooms. I work on site as a nightwatchman in exchange for free rent. However, the board of managers have said that I have to start paying rent of \$120 a week. I am currently waiting for a letter from them. I also pay \$20 a week in child support. I find it hard to save money for a car. I do not get holidays, and I do not go out much. The question I would like to ask senators is: how are you going to raise the minimum wage? The wage that I am currently getting is a junior wage, and I think that is not good enough for a grown man who is responsible for a family.

**Senator MOORE**—You have all said that you are interested in the minimum wage and you have given us a challenge. I would like to find out whether you have thought about what kind of increase is needed. Have you thought about an increase in terms of percentages or amounts? We are trying to get a grip on whether the situation is getting worse in the country. All of you have been employed in the areas you are working in for a long time. Do you find, each of you, that the situation is getting worse?

**Mrs Dewar**—Yes.

**Mr Monaghan**—I believe the situation is getting worse. As we have identified, it is a crisis not only of the hourly rate of pay but also of the number of hours people get. We are finding that people get fewer and fewer hours and with that are finding it harder to make ends meet. If you look at the price of property in Queensland, you see it is going up, as it is in most other states in Australia. The dream of owning a home—let alone meeting the cost of rents based on increasing property prices—is becoming harder and harder to fulfil. As for what will fix that, I do not know if a Harvester type look at wages and what is an appropriate wage would do that. But I suggest that it would not hurt to see what it does cost to live in society today based on a full basket of goods—not just a CPI basket of goods with some things left out to make it look good, because I do not think that CPI basket of goods is a true indicator of the issues that our members and our unions are looking at. It should be an overall look at the affordability of the basics in life.

**Mrs Saunders**—I am not too sure. I know that when you go to buy groceries each week the prices are gradually moving up. You just notice the difference when you do the fortnightly shopping. Petrol goes up and down like a yoyo, but you still have to use it all the time. I love my job; I love working with the children, but having a liveable wage would be absolutely wonderful. It just needs to be higher.

**CHAIR**—Mrs Dewar, you said that you receive Centrelink assistance. Do you, Mrs Saunders or Mr Conlon, receive Centrelink assistance?

**Mr Conlon**—Yes.

**Mrs Saunders**—No.

**CHAIR**—So, Mr Conlon, you work and you receive assistance?

**Mr Conlon**—Yes.

**CHAIR**—Mr Monaghan, do you have any idea in terms of a snapshot of your membership how many members might be eligible for assistance?

**Mr Monaghan**—If you look at the snapshot here, you find that two out of three people are receiving Centrelink assistance. That is not an unfair representation. The jobs I described in our submission have low hours and low hourly rates, therefore there is a dependence on Centrelink to make up the difference. On that lower liveable wage, you are entitled to that. So, yes, this is a fair snapshot of our membership. Quite frankly, Vivian's hours are not at the low end of hours for teacher aides. There are people living on 10 or 15 hours who would be in exactly the same position and entitled to Centrelink assistance. So that is a fair snapshot of our union, our members and how they are faring in today's society.

**Mrs Saunders**—We have quite a lot of ladies working in our area who are single mums and depending on that wage coming in all the time. They do not have a second wage coming into the household so they really do struggle. I am representing them as well as myself.

**Senator FORSHAW**—I apologise, but I was not here for the start of your submission as I had to fly up from Sydney this morning. In terms of assistance from Centrelink, I have heard, both in this inquiry and in another inquiry that I am participating in which is looking at Medicare, that there are increasingly situations where people who are in receipt of a concession card or a health care card are nevertheless finding that it does not provide as much assistance either as it once did or as it should. This is particularly with things like transport costs and doctors who are no longer bulk-billing concession card holders, health care card holders, people on low incomes and so on, let alone the general community. Do any of you have any experience of that? If you have a concession card, I would be interested to know whether it is of much assistance or not.

**Mr Conlon**—I have a health care card and it does not help me much, because I seem to be paying more for my tablets and all that.

**Senator FORSHAW**—Does anyone else have any comments?

**Mr Monaghan**—I think I could speak anecdotally about the effect of Medicare. I do not class myself as a low wage earner, as secretary of the LHMU, but I have eight children and my GP just recently stopped bulk-billing. If all my children became sick—previously I did not have to fork out cash; every time I go now it is \$38, and you get all but \$13 back. If you add on to that the medicines you then need, it is of significant difficulty for our members, on the wages we have just described, that bulk-billing is declining in Australia. If that happens, it just compounds what you have heard. So, whilst I can talk about my own experience of bulk-billing, what it means to people on other wages such as we have just described is catastrophic. If you have to come up with that money and then the money for medicines, you are in dire straits for that week. What happens is that you get on the family fruit and vegie budget, quite frankly.

**Senator FORSHAW**—Just following on from that, in relation to those schemes that exist where once you reach certain levels of expenditure for pharmaceuticals you are supposed to receive them either free or at a cheaper rate after that—but, again, I have been hearing that many people either do not know or the system is so cumbersome that it does not really end up assisting them anyway.

**Mr Monaghan**—I think you are right. If I am correct, it is anything over \$1,250?

**Senator FORSHAW**—That is the tax that—

**Mr Monaghan**—The tax?

**Senator FORSHAW**—Yes, there is a scheme whereby if you have a lot of pharmaceutical expenses with your pharmacy, once you reach a certain level—

**Mr Monaghan**—Yes, sorry. I think it would still be very, very hard for our members to cope on the wages we are talking about.

**Senator FORSHAW**—And also that the limits are sometimes so high that people never reach them.

**Mr Monaghan**—Yes.

**Senator FORSHAW**—Thank you.

**Senator MOORE**—I am interested in hearing where you all work, and there is quite a cross-section of the community: from the hostel, through to the turf club, to Redland District Special School. From the work you are doing, do you have anything you would like to tell the committee about what you are observing as workers—for example, from the hostel, about the people who are coming in there and the use of the hostel? I am interested to see whether the people in the turf club and the Lions Club would have interest in what we are doing, but I am just asking whether you have any observations—and also from your community, Mrs Saunders, around Redlands, with the special school. Is there anything from your experience as workers that you would like to tell us about?

**Mrs Saunders**—What sorts of experiences?

**Senator MOORE**—Whether you are noticing the families, whether there are many issues about kids not being able to do things—the impact of salaries and of poverty on families.

**CHAIR**—Things like kids who come to school without breakfast, as an observation.

**Mrs Saunders**—With our children's disabilities, quite often you would not be able to tell if they had had breakfast or not. Their disabilities range from behavioural to severe and they have different types of medications which can affect their behaviour—or they can have seizures all day. So there is no real way of knowing. The parents are under a lot of pressure. We have one boy there whom the nurse is constantly looking after because he is so ill all the time. He has had to have oxygen given to him and he is fed constantly through a tube all day. We have ASD children whose behaviour is absolutely atrocious. We have had teachers and aides attacked. One of the teachers the other week ended up with four stitches in his forehead from a student. These families struggle—they really do struggle. They love their kids and they are finding it hard. A lot of them do not send any money in if we do take them out, because they cannot afford to. That comes out of school funding. If there are any tuckshops or anything like that, it is very rare that

they will have that. We do cooking with the ones who are able to help out. A lot of the parents do not send any money in because they just cannot afford it.

**Mrs Dewar**—Just an observation: I think perhaps people are cutting back on their entertainment a little bit. They are not spending as much as they used to; therefore, I think they are being a bit more careful with their money than they used to be. That is about the only thing I can say overall.

**CHAIR**—How long have you been a casual at the Queensland turf club?

**Mrs Dewar**—Nine years.

**CHAIR**—What about at the Brisbane Lions Club?

**Mrs Dewar**—Three years.

**CHAIR**—You have been casual but you have not been part time?

**Mrs Dewar**—It has all been casual—and I have worked at several other functions and in other areas where I can get work on a casual basis.

**CHAIR**—So have you been full time at all in the last 10 years?

**Mrs Dewar**—I have not been full time because I do not have the skills to obtain a full-time job. Hospitality has had to be my choice because when I entered the work force I did not have any computer skills, so unfortunately I could not get back into office work and get full-time employment.

**CHAIR**—I have not been to either of these clubs, but is the uniform a white top and a black skirt?

**Mrs Dewar**—Yes, it is.

**CHAIR**—They do not have ‘QTC’ badges or anything on them?

**Mrs Dewar**—No, it is just black and white.

**CHAIR**—Do the permanents have different uniforms?

**Mrs Dewar**—We are all casual.

**CHAIR**—All casual?

**Mrs Dewar**—Yes, we are.

**CHAIR**—So there is any number of people who work between 20 and 60 hours a week?

**Mrs Dewar**—No, there are only very short shifts. And, as I say, there is no security, and this is where favouritism comes into it. You are not assured of that shift, even though you have been there for so long. It would be better if we had that job security and were able to say that those shifts were ours. We would not have the stress of not getting a shift, if for any reason they decided not to put us on that particular week. For example, I have lost several public holidays—for which we do get paid a little bit extra—but I have had no alternative but to abide by what they say and lose that money. So it is very stressful financially.

**CHAIR**—When do you know the hours you are going to work?

**Mrs Dewar**—If we work Saturdays, we call up on Thursday to find out. I have lost quite a few shifts, and she has employed other people who have not been there before.

**Mr Monaghan**—Senator Moore, your question was about what we are seeing when the community come in?

**Senator MOORE**—Yes.

**Mr Monaghan**—There is one other area that I would like to address. We see coming into our office more and more people who have troubles with Australian workplace agreements. If you look at the base rates and the number of hours we are talking about here, in hospitality we have been fighting Australian workplace agreements in a number of other areas—usually areas where people do not have a lot of power. Employers use Australian workplace agreements to lower conditions, not raise them. The argument that the federal government is putting forward about getting rid of a third, unwanted person in the industrial relations area is totally unwarranted when you look at the power of our members or potential members in an AWA scenario. Every AWA that this union has looked at has lowered basic conditions, not raised them. The AWA has not enhanced the working life of our members; it has actually attacked them.

The overall test through the Industrial Relations Commission, not individual clauses of awards, has added to that. The Employment Advocate's test—which is in my view very lax—has added to the failure of adequate protection in this area. People sign these things—which are usually undated—that then last for three years, and there are no safety net increases in the meantime. It is another area where our union is seeing an attack on the living standards of our people. It would be remiss of me not to mention that in a poverty inquiry, because it is greatly adding to poverty in our society and is a hallmark of the industrial relations policy of the present federal government. It is very much about hardships, because if you do not sign those AWAs before you come on to employment then you will not be working at these places. I would like to see something done about that if I possibly could—let alone about us having to try to fight rearguard actions after they have been signed. Thank you.

**CHAIR**—I have one final question. Would I be right in thinking that since probably 1996 permanent jobs in the places where Mrs Dewar works have disappeared and been replaced by casual jobs? I am asking about that part of your union.

**Mr Monaghan**—Yes. The hospitality area has to a great extent had a sectional casualisation for a long time because of the peaks and troughs, and it is very hard to get away without it. But previously there were more permanent jobs. Ten years ago there were more permanent jobs, and

that system gave a greater base. You are now seeing not only a very precarious type of employment but also contracting out. Firms—sometimes in labour hire—are coming in to hospitality to take away that security even more in jobs that were previously done by direct employees, such as housekeeping and cleaning. They are now being done by contract. The competition of contracts, the intensification of work and the decrease in hours are being seen in the hospitality area. As I said, there was always a fairly major component of casual hours in hospitality, but it is being intensified now—as it is in a lot of other areas of society where it was not previously.

**CHAIR**—Are the labour hire agencies starting to look at the areas Mrs Saunders and Mrs Dewar work in?

**Mr Monaghan**—With respect to state government work, I would say no. But the area Mrs Dewar and Mr Conlon work in is being looked at by contractors and labour hire. Contractors and labour hire are similar areas. Once they are in, it is quite hard to argue about hours, because the prime contractor is separated from the responsibility of employment in their workplace. Yes, it is getting harder and it is all about intensification of work. With intensification of work comes the lower hours. As I said in my submission, it is a lot easier to get a lot more work out of two four-hour people than one full-time person. For a start, you do not have to give the four-hour people lunch breaks or tea breaks—and that is not even considering the work they can do. If you break that down further, you could probably get twice as much out of four two-hour people than one eight-hour person because, again, the human body can work a lot more intensely in that small period. Yes, the intensification work is being seen in those areas.

**Senator FORSHAW**—Can I follow that up. Do you have any figures as to what percentage profit—and I will call it that—these labour hire companies are picking up in the industries that your union covers?

**Mr Monaghan**—I cannot speak overall, but possibly cleaning is a good example. They are often on low margins of between three and five per cent. If you get a contract at 10 per cent, that is very good. If you are going in at three and five per cent then you as a contractor have to intensify the work to make your profit. Those are roughly the margins. You obviously cannot be dead on the mark, but that is what we see in that area. That is probably the best guess for other areas in hospitality, because it is similar work. As I said, I would estimate the percentage profit for housekeeping and cleaning contracts to be around that mark.

[9.50 a.m.]

**EGAN, Ms Susan Wendy, Chief Executive Officer, Physical Disability Council of Australia Ltd**

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

**Ms Egan**—Thank you for the opportunity to present here today. I would just like to cover a point about our submission, which was actually sent in quite late because we were not aware that the inquiry had commenced and were alerted to it by one of our associate organisations—Tasmanians With A Disability. So what you received, in fact, was the document Towards a Disability Allowance and it was not actually a document that prefaced that; that is a separate document in itself. There is some additional information prepared and I am happy to pass that on today.

**CHAIR**—That would be appreciated.

**Ms Egan**—However, in addition, the issues that we would like to talk about are where the cost of disability came from, why many of the disability organisations are now focusing on that issue and how that impacts on everyday life for people with disabilities. For our organisation—we are only seven years old—one of the issues when we first established ourselves nationally was to find out what the needs of members were. We did a very generalised survey about the needs of people with physical disabilities. What came from that survey, which covered Australia, was that the cost of disability was one of the biggest issues for everyone. It had never really occurred to us at that stage how large it was. We decided that we would follow that up with a more appropriate and professional survey and research project. We sought funds from two different philanthropic organisations. The reason behind that was so that we could be independent in looking at the real issues and independent of government as well.

We consulted with a colleague, Dr Jack Frisch, who was a well-established economist and in line with the University of New South Wales where he lectures. He undertook the whole project on the cost of disability and was the writer of this document that you have in your possession. What we found was that the cost of disability is significant in people's lives—not just those who have a physical disability but everyone who has a disability—in that it impacts on their daily life both financially and in a more physical, whole-of-life way. That is, it prevents people from going out to employment, and there is a cost in being employed for many people with a disability which I will cover a little bit later. Hence the reason that we sent that document, because that is the official professional document that shows the actual reasoning behind the cost of disability.

The other issue that I would like to emphasise in looking at the cost of disability and combining that with government programs of the moment—particularly Australians Working Together and welfare reform, where the federal government is currently encouraging people with disability to go to work—is that we have absolutely no problem with that idea and that philosophy, but we think it is very naive and narrow-minded to think that people with a disability



are able to just drop everything and go to work without any financial and physical impact on their lives.

One of the things that are not talked about in the government program is the cost of getting to work. People with physical disabilities, particularly, do not have 100 per cent access to public transport in the way that the rest of the community does. Certainly, we are moving toward public transport being accessible, but that is a long way off; that is a long-term project. There is the cost of extra clothing and equipment because there is wear and tear on our wheelchairs, crutches, shoes, working tools and so on. That cost needs to be met. Once you are in the work force you are no longer eligible for subsidised programs for equipment.

Then there is the cost of medical care. Most people with a disability have ongoing medical needs. Within 12 months of being employed, a person loses their healthcare card and any benefits that are assigned to the healthcare card, such as medical care and PBS pharmaceuticals. Then the cost escalates once again. So a person with a disability has to meet their own medical costs, and this is all out of a wage that might be much lower than the average person in the community will earn—because people with disabilities are traditionally paid lower wages and have less opportunity for promotion. The costs begin to escalate from that point on.

That is one of the things that the document does not highlight. It talks about the actual day-to-day costs for people, but it does not highlight the costs if you are working. We would like senators to note, in terms of making recommendations, that it is a large issue. I understand that many other disability organisations now have done their own cost of disability analyses. In the document that I will hand over there are quite a few references that could be looked at. That is the basis of what we would like you to take from our submission. I am happy to answer any questions that you may have.

**CHAIR**—Thank you very much, Ms Egan. Your report recommends that the disability support pension be replaced by an income and employment participation support allowance and a disability cost of living allowance. Has this recommendation been presented to the Commonwealth? If so, what has been their response? You have not presented it to the Commonwealth?

**Ms Egan**—Yes, we have, in the recent developing simpler systems for income support project. Prior to that we launched the document and the project in Parliament House in Canberra. Unfortunately, that was on 11 September—two days after the 9 September issue—so it was a lower priority at the time. However, we have continued to lobby government and put it forward to government that the cost of disability is a big issue. We started a trend by doing the research: other organisations, such as Blind Citizens Australia and SANE Australia, have also developed cost of disability analyses or similar documents, which are all listed in here as well.

All of those have gone to government in various forms, and we have said to governments consistently that it is not as simple as encouraging a person to go to work; that there are a lot of issues in there that need to be addressed before a person can just go back to work—or go to work. One of those is the cost of disability, which does not go just because you are employed; you take that with you and, in many cases—not all, but many—it escalates. The cost of working can escalate, and there are many other issues as well.

**CHAIR**—Do you want to outline for us what you see as the major advantages of these two allowances over the present ones available? Could you give it to us in black and white?

**Ms Egan**—The present disability support pension is a base allowance; although it is intended to, it does not take into account the specific needs that a person has with their disability. It is designed to support people in the same way that an unemployment benefit is designed to support people, and that is in day-to-day living. So it does not specialise in anything. With the disability support pension, our thought and belief is that someone who is working and someone who is not working could be entitled to a disability support allowance that would meet some of these costs and go some way toward relieving the level of poverty that people do live in.

There are issues such as people with disabilities often having body temperature issues—because their body does not regulate temperatures—which mean they require air conditioning and extra heating that the average person does not need. There are, as I have mentioned before, the pharmaceuticals: many people live their lives through prescriptions and doctor’s visits and so on. That is an additional cost to people. Some people need equipment, aids and appliances from CASS. I am not sure whether you are familiar with CASS but CASS is for people who need equipment such as incontinence aids and so on. That is assessed as a \$450 per year allowance. But if you are a person who has costs that are \$1,000 a year, as some do, then you have to find the extra money for that because that is not something that is optional. That is what is behind the disability allowance.

The employment allowance in the document you referred to is designed for those who are intending to go to work. It was designed to be a payment to people who are looking for employment or undertaking training in order to work—any of those options—to assist in that particular undertaking. But that is not a payment that should only be available for people with disability; that is a payment over and above an unemployment allowance that we believe should be universal for all people who are actually undertaking work search. What we meant in our document is that there should be a base payment for everybody, whether they are an aged person, a person with a disability or an unemployed person. There should be that base rate.

On top of that, you should have allowances that are dependent on people’s circumstances. One may be a rent allowance, one may be a single parent allowance, one may be the employment allowance and one may be the disability allowance. It would depend on your circumstances as to which allowances you were entitled to and that would be assessed. We also believe that the disability allowance in particular should not be means-tested but should be based on the person’s needs rather than anything else.

**CHAIR**—In Dr Frisch’s part on page 5, it says:

Unfortunately, the Report did not go further than to acknowledge the obvious. It ignored the implications of infrastructure barriers; it remained vague on how to “individualise”; it went no further than call for more research on how to implement a tripartite income support system ...

Do you want to expand on that for us?

**Ms Egan**—Dr Frisch felt that there was a lot more research that needed to be done. When he mentions infrastructure barriers, he is talking about access to premises in terms of employment

and employers. It is all very well to say, 'People with disabilities should go to work,' but where do they work? Just for me to come here required a significant trek because it is very difficult along the side there. Had I not brought my husband with me then I would have turned around and come home, quite honestly. It would have been too difficult.

**CHAIR**—I did not even notice that there was a—

**Ms Egan**—There is a ramp out there, and I had asked before I came. But that is a very minor detail compared to what is faced by many people. In my life in Australia I have gone for interviews to find that the job itself is up two flights of steps and that they were not prepared to move the job down two flights of steps. That will happen time and again. Dr Frisch, when he mentions infrastructure, is talking about that type of thing and about the transport issue that I mentioned before. He is talking about attitudes of employers. If there are seven people in line for a job and one of those seven happens to be a person with a disability, we all know which ones they are really going to choose from and it is not going to be the person with a disability, despite their skills. That is primarily what he is talking about.

I think Dr Frisch was also implying that the infrastructure for training people with disabilities has been so diminished that it is no longer around. They were the labour market programs that were around some years ago, such as job clubs and skill share programs, which many people with a disability could take advantage of and which in fact supported them in finding employment. But they have gone. So I think the research that Dr Frisch refers to there, without consulting him directly, is on those issues.

**CHAIR**—For the disability cost of living allowance, you suggest four tiers of payments. What levels of payment do you envisage and how would these be assessed?

**Ms Egan**—I am not sure that there are four tiers. I think that we originally had an idea for four tiers, and we put that to people in terms of the research. We came up with one tier, or maybe two tiers if you want to look at the disability allowance itself—which is a base rate—and then a disability allowance on top of that. So you have a disability support pension, then an allowance. So that would be two tiers—that is the one that people wanted and recommended, and it was a simpler system.

**Senator MOORE**—One of the issues we are facing all the time is the wide range of data and the differing opinions of the credibility of the data. I note in Dr Frisch's report that one of his key recommendations is that there needs to be more research and agreement. Have you come across the issue of people not agreeing with the figures that have been put forward? To develop the argument, you need to have agreement on some of the basic premises. I am interested in this because you said both in the report and in your presentation that work had not been done on this, and now there is a range of areas where the work has been done.

**Ms Egan**—What I meant by that was that I have been involved in a couple of the attempts by government to look at the issue of the cost of disability. I think government accepts that there is a cost, but it is in the too-hard basket: 'How do we look at this? How do we address this?' That is where I think the problem that you are referring to lies. I agree there was no consistent approach or decision by the sector. The last inquiry done by government was the DSS one. I was involved in that; I think that was around 1990 or something like that. I have made reference to the

documentation on that in this document. What happened there was the same old story: they got the data but it was too difficult. How do you in fact determine a disability allowance for someone like me, for instance, who is fairly active in the community and so on, as opposed to someone who may have a very high level of disability or injury and needs attendant or personal care day and night? So I think that was the biggest issue that arose—how to determine the allowance level, and how to work that out with state based programs that are under the CSTDA and federal government programs such as employment support.

This is what Dr Frisch refers to—there needs to be research that looks into all of those things and how they impact on getting a person into work. At the moment it is really fragmented. But I have not seen anything from government on that issue. What I have seen, since we did this cost of disability issue research, is many of the other sector organisations, such as Blind Citizens Australia, SANE Australia and the Chronic Illness Alliance, doing research. They are the only ones I can think of at the moment, but there are a few of them. What is happening is that there is some consistency coming out in that research. Blind Citizens Australia used our research as a model on which to base their own—and we have worked very closely with that organisation over the years on this issue, so we are saying similar things. So I think there is a little bit more progress than there was, say, three or four years ago. Hopefully the list of documents I have put in the back of this will help.

**Senator MOORE**—It is a very long list.

**Ms Egan**—Yes.

**Senator MOORE**—For a bibliography, it is so long. Just on that point, you said that your organisation needed to find support to do your work in terms of this survey. My understanding is that the other organisations have also had to self-fund their research—that it is all at your own expense. Is that right?

**Ms Egan**—Yes. The federal government fund us as a secretariat of a national peak organisation. Within our contract we are required to respond to government. That is what we are mainly required to do with the funds that we get. We only receive \$120,000 a year to run a national secretariat, and our organisation has 3,500 members. We have to manage and administer our membership as well as the government's requests. If government want answers and thoughts on issues, we have to go out to our 3,500 members across Australia to find out what they are. It would be very easy to make them up ourselves, but in fact that is not true consultancy or representation, which is what we are about. There is no money left to do research, but if we did undertake research with any funds that we might have left it would become owned by government. We have been told quite clearly that they would own it and that any documentation we produce—and this is written in our contract—is owned by the government. It is their intellectual property.

So it was not in our interest to do research that would perhaps not agree with the government position. We wanted something that was independent, that we could present as independent and that reflected the needs of our members. That is the reason we went out to the two different philanthropic organisations. We first approached the Myer Foundation, at the very original stage of the project. The year after that, we approached Perpetual Trustees and got funds from them. I

think everyone else got the idea from us that that was a good way to go, because it does allow you to be independent in your thoughts and to say what the members really want.

**Senator MOORE**—And you actually meet with government twice a year? There is a formal process of consultation around the issues?

**Ms Egan**—We meet with government more than that. We would meet with government probably four or five times a year.

**Senator MOORE**—It used to be a quarterly cycle.

**Ms Egan**—Yes. Those meetings will be on a number of things, and we have phone contact with them regularly. I can phone or email the minister's adviser, and I can talk directly to people in the department. I think I speak for most of the peak bodies on this. That is the nature of our relationships with government. They are good relationships, very open. We can talk to them at any time.

**Senator MOORE**—Basically, from this particular piece of research and also from your representation today, it is the awareness of the issues that you are wanting this committee to pick up and feed back through that process. Is that right? Is that the message you want to give to us?

**Ms Egan**—Yes. It needs to be picked up in the issue of poverty in Australia that people with disabilities experience a large amount of poverty by the very nature of their disability and their lifestyle.

**Senator MOORE**—We have talked with a number of people who work in the area. One of the issues they have raised is the skill level and availability of appropriate carers. You have mentioned in your paper the various care programs that are now available. Do you have any views about the fact that the programs are dependent on having appropriately trained and available carers there for you and on whether that is actually working at the moment?

**Ms Egan**—I would say that is one of the crucial issues behind the Australians Working Together concept, and it is one of the crucial reasons why people with disabilities cannot simply go out to work. The care that is mentioned for our sector is usually from a state based program under the CSTDA, but the federal government monitors and looks after the employment programs. Hypothetically, you could have a personal attendant at home to assist you to get out of bed, dress, shower, breakfast and so on and perhaps help you into a cab or even drive you to work. If you need that level of care at home, you are going to need a similar level at work.

Even people like Christopher Reeve or Dr Stephen Hawking need care in their workplace. They cannot perform their job without someone behind the scenes actually operating on that level, and there is not anything that provides that level of assistance. There was the reintroduction of work based personal assistance in the last federal budget but that is a program that the current government took away years ago—it was in place then as a pilot. Now it has been reintroduced, but I suspect there is not going to be enough money for the needs that are actually there. People need their desk set up, their workplace set up and/or their computer set up, depending on the type of job people undertake. That is one issue.

The other issue is that the training facilities are no longer there for the individuals who have a disability or for their carers to receive appropriate support in their training. It is a big issue. I have a tendency to feel it is passing the buck, too: if you throw money at carers then it absolves responsibility for looking further at that issue.

**Senator FORSHAW**—Tell me again: what is the amount of funding your organisation get from the federal government? You said \$120,000.

**Ms Egan**—That is right, plus GST.

**Senator FORSHAW**—That is the extent of the funding you get?

**Ms Egan**—Yes.

**Senator FORSHAW**—I forget which paper it was but I was reading something on the plane coming up regarding some of the grants that are being given to the major employer organisations. It would be worth while having a look at that in comparison.

**Ms Egan**—We are talking millions.

**Senator FORSHAW**—Yes. You mention in your submission—the one from June 2001—something regarding the variations between the states in the provision of the in-kind services—things like the taxi schemes and transport assistance. Can you comment a bit more about how large those differences or inconsistencies are and what can be done to get some greater uniformity? I am assuming from the comments you made that you are talking about an inequity.

**Ms Egan**—Yes.

**Senator FORSHAW**—We also have to recognise that there will be people living in rural or regional areas who may have greater difficulties with, say, transport than those in cities.

**Ms Egan**—They do.

**Senator FORSHAW**—I take it that that is not the subject of any detailed negotiation at the CSTDA negotiations—to try and get some commonality across the country with all of the support services?

**Ms Egan**—I am not privy to the CSTDA negotiations.

**Senator FORSHAW**—That is government to government; you are right.

**Ms Egan**—Just of late I do not think I want to be. However, the states will determine for themselves taxi subsidies. They are not consistent; you are quite right. They will differ from state to state. South Australia, for instance, will cover 75 per cent of a journey as a subsidy and the individual pays 25 per cent. In Queensland, it has gone from 25 per cent up to 50 per cent—I may be corrected on that one. The amount that is put into subsidies by each state or territory differs. There are no universal rules, so it is whatever each state determines that it is appropriate to do.

**Senator FORSHAW**—Do you see that it is necessary to try and get some commonality here?

**Ms Egan**—Yes, I do. Just as an example of how problems do come up, one of the things that we have recently done over the last 12 months is look into the disability parking permits. That again is monitored differently in each state and territory. It works really well in some states because it is monitored by the state—it is policed, in fact. Yet it does not work very well in other states. Our research showed that quite clearly. You have an added complication in that one, and that is that the local government system is in on that one, too, because parking is done in their towns and vicinities. What we are trying to do with that one is recommend a national system that is recognised everywhere in Australia and that actually makes it easier for everybody, including the administrators of such systems. We believe that if that in fact happened in the transport system with taxi subsidies and any other programs that they would be much easier to administer from state to state.

**Senator FORSHAW**—You detail in that paper the various types of payments and in-kind assistance that are provided at Commonwealth and state level—the allowances, the health care cards and so on. I also note—and this goes back to the question asked by Senator Hutchins about your proposals to alter the structure of payments—that you quite rightly make this point:

Many people with disabilities see the emphasis on in-kind supports as characteristic of the charity framework that bedeviled disability in the past, and see a greater emphasis on direct monetary allowances as more consistent with a rights framework.

Following that argument through, are there particular types of support services that are provided at the moment that could be better provided by way of a direct allowance or payment to the individual rather than a discount or a subsidy? What are those? If you want, you can take that on notice and get back to me.

**Ms Egan**—I think I will have to take it on notice. Off the top of my head, I have to say that because funds are governed by the CSTDA it is not an easy question to answer.

**Senator FORSHAW**—I appreciate that.

**Ms Egan**—It is almost like the life of a person with a disability is halved. If they are looking for work, half of it will be in the hands of the federal government and the other half will be in the hands of their state or territory government. So it is a really difficult question to answer, but I will come back to you with an answer on that.

**Senator FORSHAW**—This is not in any way meant to sound patronising, but there is also an issue of budgeting for people with disabilities. If they know they do not have to meet the cost of a taxi, or whatever it is, that may well be better than having a global allowance out of which they need to meet the cost. There is that issue.

**Ms Egan**—That is right. If you are working, for instance, and have to get a taxi to work—and this would go for people who live in remote areas as well—then that has to come out of your salary. The cost of a taxi, as opposed to getting public transport, is quite significant.

**Senator FORSHAW**—I want to go to one other issue which you mentioned as well. It appears from reading your submission that no distinction is made in respect of expenses incurred at which point you can claim the tax rebate. It is \$1,250 a year for everybody. I take it you would argue that there should be some lower amount for people who have to meet disability expenses. To follow that up, I would imagine that a lot of people with a disability could well get over that \$1,250 pretty quickly.

**Ms Egan**—Absolutely.

**Senator FORSHAW**—Putting aside the issue of where the funds come from, maybe an alternative would be to have a higher level of rebate for very expensive items, like wheelchairs, rather than lowering the limit.

**Ms Egan**—It is important to remember that a person with a disability is entitled to a mobility allowance. In the main, people with physical disability get that if they are either working or doing at least eight hours a week of voluntary work. With the mobility allowance of \$62 a fortnight comes a health care card. That is a huge bonus, because that allows a person to go to the doctor and, if the doctor bulk-bills, they can have their cost of treatment bulk-billed. They can also get their pharmaceuticals on the health scheme. That is a big bonus, but not everybody is entitled to that. If you do not have a health care card—which you would lose when you go to work—then you will have all of that to pay. You will also have all of your equipment. If you need an electric wheelchair, the cost is \$15,000 upwards. The cost of a decent manual wheelchair is from about \$2,500 upwards.

**Senator FORSHAW**—Do people generally have to rely upon the benevolence of an organisation or do they have to find that money themselves?

**Ms Egan**—They have to find it. If I want a new wheelchair, I have to find the money to get a new one. There are some ways and means around that but they are not publicly available. It is not an open practice scheme, whereas there could be a system whereby you could get a rebate for the amount of money you put out on equipment, for instance. Some people need hoists. I need hand controls on my car to help me drive it but, once I have those, that then allows me to be independent in terms of transport. Once I have my wheelchair I am independent when getting around. So they are not luxuries; they are necessities. But many people require a hoist to get them in and out of bed, on and off the toilet and in and out of the shower. Some people require ventilators to be on almost all day or at night. There is any amount of equipment that people need, and they have to find that cost themselves if they are working.

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

**Proceedings suspended from 10.26 a.m. to 10.46 a.m.**



**BAKER, Mr Ron, President, Unemployed Persons Advocacy****BRENNAN, Mr Kevin, Director, Australian National Organisation of the Unemployed**

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

**Mr Baker**—I am also the deputy director of the ANOU.

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

**Mr K. Brennan**—I propose to essentially do some highlighting. I should point out that since the original submission was written some of the information that we included has recently been updated. I would like it to be noted that an update of that information is available. It was sent to you as a file. There are two parts to my submission. Originally there was a written submission with attachments sent in February 2003, and then there was some email correspondence with committee members. I would first like to speak to the written submission and reiterate a few points.

I believe Australia knows what needs to be done and has the means to do it but is having a great deal of difficulty mustering the political will to take the necessary action. I believe poverty is the situation where your household income is insufficient to meet the costs of a basic existence in your present location, this situation persists over several years and is unlikely to change, and moving to a more affordable location is neither feasible nor practical. This is consistent with the ‘consistent poverty model’ that we see in various places around the world. This model features a cost of living based measure of indicative budget standards which I have previously brought before the group.

The centrepiece of my submission is such indicative budget standards work. As I mentioned, this item has been updated to take account of inflation up to the figure for June 2003 and for GST. An updated spreadsheet is available. The striking feature of that indicative budget standards work, the reason for making it a centrepiece, is that it actually unveils very high levels of what is considered consistent poverty. It is important—and probably the key factor in highlighting it—that no Centrelink payment, for example, is more than 50 per cent of the modest but adequate household budget figure in those standards. Some payments are actually only 50 per cent of the low-cost figure. The additional factor in that is that many full-time workers are now falling into the consistent poverty category so that an income adequate for basic living is now eluding many—not that it has not eluded many others for a long period of time, but certainly it is now eluding many more.

I have also made available to the committee, if the committee wishes it, some recent work that focuses on some of those things: *Building an inclusive society*, an Irish publication dated February 2002; and *Measuring child poverty consultation*, a British publication dated May 2003.

The key measures that I advocate are these: I advocate full employment and a job guarantee as the centrepiece of national policy—and documents that I have alluded to are available. I also advocate that the outcomes from the current DEWR inquiry on ‘Paving the way to paid work’ be brought into the discussion when that inquiry is completed, that we actually deal effectively with those outcomes. There are probably six to a dozen major key elements. I will not touch on them all, but I just wanted to mention the third one, which is that a major transformation could be had by increasing the tax-free threshold to, say, \$10,000, which would deliver real welfare reform and real tax relief across the spectrum.

One of the problems we have found in our work is that an income of less than half the cost of living is appallingly inadequate. If we could guarantee that the duration of unemployment would not be more than six to eight weeks it might be okay, but after that it is unsustainable for everybody, including business and government. It is my view that unemployment queues, while they may benefit employers, are a despicable waste of lives and talents.

I would also like to clarify a couple of statements that I think are important to make on behalf of people who have spoken to us. Poverty is almost never the result of individual moral deficiency, which is a popular concept with some in political circles at the moment. It is occasionally the result of foolish choices and sometimes a function of personal conviction. My argument here is that some would also say that greed and self-centredness are also matters of individual moral deficiency, foolish choices and personal conviction and that the presence of all three should concern us all. I believe that the poverty we have is a national disgrace. I also believe that another disgrace is the rampant religion of self that now dominates our lives. Poor-bashing just does not cut it.

Along with a number of other measures, I want to highlight three points that I pick up quite regularly on the way through our work. These are mentioned in my submission and I just zero in on them for the purpose of emphasis. The first is poverty of opportunity. Most of the current alleged opportunities are mirages and largely out of reach. The second is poverty of affirmation, where bad fortune should not limit aspirations. Of course, the larger problem is not limited aspirations but the constant ‘no’ to enterprise, initiative and ‘different’ aspirations. The third key point, which I think deserves some consideration, is the popular myth that low wages increase employment. At a certain level, low wages actually foster unemployment.

I would also like to mention the email correspondence I had with Mr Humphery and also with Senator Knowles. The correspondence with Mr Humphery raised the issue of some of those things that I have mentioned, so I will not reiterate them. The one issue that I think is really important and that is very amenable to public policy change is to relate the tax-free threshold claims, the employment declarations that we put together, not to an employer but to an agreed standard working week of, say, 35 hours. If you want to ask questions about that, I am happy to respond, because some explanation is needed. The second issue is that I believe we have a serious problem when we have very poor definitions of a ‘job’ and very poor definitions of a ‘vacancy’. We express the ‘jobs created’ figure as a gross figure, not a net figure, and we do not take into account the fact that most jobs created do not go to people who are unemployed for more than six months.

A final point that was raised in Senator Knowles’s correspondence with me highlighted that some additional money is available to people, and she listed rent assistance and various other

entitlements. I want to point out to the committee—it is not that I assume you do not know, I assume you do know—that rent assistance is not available to struggling families with a mortgage. In other countries they do this—it is called mortgage interest assistance. You cannot sell your house because then you have a cash asset that precludes you from benefits. A family with two children at university is really struggling, is really in dire straits, and in Queensland transport concessions are not available and we would really like some people in Canberra to do something about that. So that is the summary and updating of my submission.

**CHAIR**—Thank you very much, Mr Brennan. Would you now like to make a contribution, Mr Baker?

**Mr Baker**—By way of introduction, I would like to point out that UNEMPA is made up of unemployed people speaking for ourselves and fighting for our rights. Most of us are exposed to the system, so we are living the experience; we do not get our information from books or the media. As an opening statement, I would like to summarise a number of key points that really guarantee that unemployment is a passport to poverty. One of the unusual factors about this inquiry is the fact that there is not any really agreed standard or benchmark for the subject matter. Poverty seems to have a whole range of definitions and each one has its own research methodology and data to support the particular model. Fortunately, there seems to be wider agreement on the causes of poverty and what needs to be done to address such an escalating problem.

I have read about 30 submissions that have been received by the inquiry and most of them identify a number of direct causes of poverty. Five of the most commonly cited factors form the basis of UNEMPA's submission. Those factors are: changes in the structure of the work force; the lack of real job opportunities; inadequate social security payments; the claw-back of welfare recipients' casual income; and the harsh regime of breaches and penalties. We would add a sixth point which is not particularly well canvassed but is very significant, and that is the growth of the government's unpaid work schemes, which actually destroy paid jobs.

The government likes to blame individuals for their situation. If you do not have a job, apparently it is your own fault. If you are poor then that is the result of your own poor choices and your own mistaken lifestyle, according to some ministers. That is the sort of rhetoric that seems to be driving this welfare reform process. Unemployed people are not responsible for the lack of jobs, or the failure of the employment services network and its programs. The decisions in that area have all been made by the government and imposed upon unemployed people. We say that unemployment certainly is a choice but it is not one made by individuals. The government basically is using unemployment as an economic tool to curb inflation, maintain low interest rates, increase government revenue and deliver profits to the private sector. Therefore, we are saying that through a lack of commitment to real job creation and discriminatory policies in the social security system the government has imposed its choice and it is excluding around a million Australians from the paid work force.

In 1998 the Melbourne University Press released a publication called *Australian Poverty, Then and Now*, which reported that 79 per cent of all people who have been unemployed for a year are living in poverty. That situation has definitely worsened in the last five years. The submission by ACOSS picks up on the point that 60 per cent of unemployed people have been unemployed for 12 months or more and, based on those two pieces of information, with 6.1 per cent

unemployment, right now 310,000 long-term unemployed people are living in poverty. It does not stop there, of course, because the real figures are much higher and obviously you have to realise that the hardship impacts on partners and families, so you could double that figure at least.

I would like to conclude my opening remarks with two points. When the maximum fortnightly payment only covers basic living costs for about one week out of two, we say that anyone whose only source of income is Newstart allowance or youth allowance is living in poverty. I will finish my opening remarks by simply saying that the objective must be to create a system where paid employment, social security or a mix of the two provides at least basic living costs and access to services. We should be looking for a system where work and/or welfare provides genuine protection against poverty.

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

**Senator MOORE**—I know you have been following the committee's activities. One recommendation that has come from a large number of the umbrella groups is that there should be a national approach to this issue and that there needs to be some form of task force and planned structure. Mr Brennan, in your recommendation you refer to the drug process and say that you think a similar kind of community-business-government approach could be used on the issue of poverty. I would like, for the record, to have your comments on that proposal. Also—and this is directed at both of you—how could you stop such a process degenerating into a talkfest? You have a large meeting and everyone comes with their views; how would you then take such an activity to the practical level of working on the issues across the community?

**Mr Baker**—A key objective of our two organisations is to get a seat at the table. Sadly, we have not been very successful. Not once have we been invited to join a task force, committee or anything at all. This is the first time we have given evidence, despite the fact that we have provided some 30 submission in the last four years. What we are saying is that the illusions of the social partnerships and coalitions and all the other things that the government talks about exclude the unemployed. We certainly welcome the strong input by umbrella groups, but they are not an acceptable substitute for the direct voice of the unemployed. It is a big difference.

You will notice that in other areas—disability, homelessness et cetera—the government is willing to speak to the peak body and a dedicated body. In the case of unemployed people, the government has been more than reluctant; it has refused any attempts we have made to get onto these committees. If we did get onto these committees, I do not know what sort of reception we would get, because what we have got to say is not very popular. We believe we are entitled to equal representation on these bodies. We need a national headline strategy to tackle policy, and one of the underpinning principles must be a return to the policy of full employment. We will be pushing very strongly to be members of any group that intends to pursue this matter of poverty and employment.

It also ought to be noted that organisations such as ours have no funds and no source of income. Our resources come out of our pockets and, as you know, the Newstart allowance does not allow for very much. That needs to be taken into consideration. It is about time the government started to use some of the high-tech facilities available these days—why can't we be involved in a teleconference; why can't we be funded to go to Canberra? If that does not happen,

it will become a talkfest and it will be dominated by the usual suspects—the ones that provide the funds and the ones with the lobbying power—and we will be left on the margins. We do not accept government funding as such, but we would certainly accept a ticket to attend a conference or some sort of sponsorship to be able to participate. That is about as much as I will say.

**Mr K. Brennan**—I know that these things can be very effective, because I have seen some that are very effective, but I am sure that they could be even more effective than they are. The National Economic and Social Forum in Ireland is a fine example of how things can be brought together and things changed. That, of course, is a function essentially of the European Parliament—all of the members of the European Union have to have such a function by law. The Irish one is one I have looked at—there are others.

In terms of the situation in Australia, you probably have in your hands my thoughts on what I call a national employment strategy task force. That to me is a top priority, because I believe that when that happens and the results flow from that then, if it is successful, poverty is reduced. So I would see the national strategy in terms of poverty as absolutely pivotal, but for me it is a layer of the national employment strategy, a full employment strategy, and various other things attached to it. So I see it as a layer of that. Is that satisfactory for your purposes?

**Senator MOORE**—How do you stop it becoming a talkfest?

**Mr K. Brennan**—One of the things we have looked at is that, to take up Ron's point—and this is by experience: you look at Ireland, for example—when you actually pick up the people who have a real deep vested interest in this they are not interested in the talk, they are interested in the action. And when that influence is strong enough, for a start that will drive the thing to become action oriented rather than talk oriented. Another way of doing it would be that, if such a thing existed, it would be not that difficult to write into its charter certain benchmarks of activity outcomes, as distinct from theoretical outcomes, which could be monitored and made very clear on a regular basis. I believe it is quite feasible to do it.

**CHAIR**—You mention, in relation to taxation, the \$10,000 threshold. Do you have a view about the concept of tax credits?

**Mr K. Brennan**—I do. I should tell you that, in this particular matter, we have only had minimal discussion with other colleagues around the country. My view is that earned income tax credits—I am assuming that is what you are talking about—are very ineffective and very complicated. I believe you would find that in Australia it would not produce the outcomes you want for the expenditure of time and money—but I would suffix that by saying that it would be better than nothing. Increasing the tax-free threshold would certainly be a far better option, in my view.

**CHAIR**—The paper Professor Mitchell did for you and Mr O'Hara talks about the rebuff to the human capital school about education and training. Do you want to expand on that at all? For a number of people, training and all sorts of other things have been seen as a panacea to lower unemployment, and this is a bullseye against that view.

**Mr K. Brennan**—I can talk a little bit about it. I should point out that that was a dedication. We did not commission that paper.

**CHAIR**—I am sorry—it says ‘for’ you.

**Mr K. Brennan**—That was a dedication. I could not stop them from doing that, and it was already out there when I saw it, but it was just essentially a dedication to us in recognition of the work that we have been involved in. We did not commission the article. However, my view for a long time—and it goes back to one of my original submissions, which I think was in 1993, to the then employment minister—has been that training should become part of re-employment, not pre-employment. Where it is part of pre-employment you very often run into the problem that by the time you have finished the training the opportunity that existed at the start to motivate you has gone. That is a very dangerous thing, because people feel like they are just being put through one thing after another, over and over again. It happened to me: I retrained three times, basically to no effect, because by the time the training was finished the opportunity had passed. So I come from that perspective. I would have to take a lot more time to go into it in depth.

**CHAIR**—Fair enough. Mr Baker, do you have any suggestions on how Job Network services or registered training organisations could better assist people to gain employment?

**Mr Baker**—I would be Prime Minister if I did, wouldn’t I?

**CHAIR**—Well, you don’t have to be.

**Mr Baker**—It is a topical issue at the moment. It is clear that the Job Network system itself is failing the unemployed big time. It has lurched from one crisis to another and, after five years, we are still where we are, with over 6 per cent unemployment. Let us not kid ourselves that that is acceptable, because it is not. The Job Network is based on a conflict of interest. Let us face it: you have 2,000-odd organisations out there that depend upon unemployment for their supply of customers.

We know that the supply of jobs is inadequate. Just as a million unemployed people cannot be employed by around 65,000 or 70,000 vacancies at any one time, the Job Network cannot remain viable on fees for placing people in paid work. Therefore, the government has created more and more devices to channel more and more public funds into the Job Network agencies for doing basically nothing. Seventy per cent of all funding goes into intensive assistance, which improves people’s job prospects by a half of one per cent—and we are pursuing this as a model; this is claimed to be successful.

Job Network itself is around 50 per cent not-for-profits and 50 per cent commercial organisations, if you like. There is a conflict for a start. The whole system of fees for services is based on this so-called competition. That discourages cooperation among the Job Networks, that discourages information sharing and that discourages passing on a bit of something here and a bit of something there. It is not happening, because in a shrinking market, no matter whether it is baked beans or jobs, knowledge is power, so you protect your knowledge, power base and profits; it is a conflict of interest.

The Job Network is duty-bound to deliver the programs that the government gives it. Most of the programs the government gives it are unpaid work schemes like Work for the Dole, community work, voluntary work or work experience; everything except a pay packet. Basically we have around 75 per cent of the funding, and God knows how much of the time, spent on

gratuitous schemes that do not lead to a job, or surveillance exercises, or fixing up the damage and the mess caused by both of those devices. Very little of the time and only around 10 or 15 per cent of the funding is spent on placing people in real paid jobs.

To pick up on the point of training, we probably have the best trained unemployment queues in the world. We do not need training; we need some jobs to put the trained people into. There are 15 applicants out there for any job you want. If you are asking me how to tidy up the Job Network, I am saying that it is time to start again. I cannot think of any desirable circumstances where 100 per cent of employment services would be in private hands. I do not know of any other country that does that. I think it is a mistake, it is a backwards move, and the government should never relinquish responsibility for employment services to some degree. The private sector does have a place, probably in specialised areas, perhaps mature age or youth unemployment, or something of that nature, but to carte blanche turn the whole lot over to the private sector is a huge mistake and we are going to pay for this big time.

**CHAIR**—You have said that you are living this. Would you mind if I asked you personally: are you unemployed now?

**Mr Baker**—Yes.

**CHAIR**—How long have you been unemployed?

**Mr Baker**—I was retrenched in October 1991. Since that time I think I have probably scratched together about 12 months worth of so-called consultancy work, whatever. I have done everything from playing as a musician here and there to delivering junk mail and this, that and the other—probably about 18 months work out of 12 years.

**CHAIR**—So you are one of the highly trained unemployed, are you?

**Mr Baker**—Yes, I am overqualified to be unemployed, or full-time unemployed, whichever way you would like to look at it. And it is not getting any better.

**Senator FORSHAW**—In relation to the attachment regarding public employment, the community development job guarantee, which is Professor Mitchell's work, we know that in years past the public sector was a bigger employer than it is today, particularly at state level but also federally. It was an area where a lot of young people were recruited into the public service and could work their way through the various levels and also obtain apprenticeships et cetera. A lot of that has gone.

The proposal in this paper refers to the community development job guarantee. Some parts of it are reminiscent of LEAP, one of the Labor government's programs. It was more of a short-term training employment experience program, but it was very successful. It was one of the better ones that seemed to work. In your view, how can we get the public sector, whether it is federal, state or local government, to actually get back into the business of recruiting and employing people, particularly young people? Do you see any potential areas in which to focus our attention? This would require some pretty major changes in policy, but I am trying to think broader than just some of the areas which might focus upon community work, whether it is environmental or HACC work.

**Mr K. Brennan**—Please be aware that I am not in any position to comment in detail about Bill Mitchell's paper.

**Senator FORSHAW**—I appreciate that.

**Mr K. Brennan**—I have had some dialogue with them about it, because I think it has great merit and needs to be taken to the next stage.

**CHAIR**—Professor Mitchell has appeared before us.

**Mr K. Brennan**—I fully expected he would.

**Senator FORSHAW**—But I am interested in your view.

**Mr K. Brennan**—My view on this process is that the community part of that actually incorporates whatever possibilities can exist at the time to get people into the public sector. I believe that is actually part of the community. That is part of my definition of 'community'. If we are going to maintain current policy on the relative size of the Public Service overall and so on, then I think we need to be creative about finding ways and things to do. My personal view is that we have made the public sector too small.

**Senator FORSHAW**—Mr Baker, did you wish to comment?

**Mr Baker**—I would like to refer to my opening remarks when I mentioned unpaid work schemes. The intent to create jobs in the public sector is a giant step forward. The first thing that needs to be done is to stop the job destruction. Despite the fact that we have seen massive downsizing in the Public Service, a lot of those positions have been replaced by unpaid labour. It is a fact that state governments, all of them ALP state governments, are major exploiters of Work for Dole in their own departments, including in hospitals, schools, child care, the environment, arts projects and public facilities. These are all jobs that either were or could be paid positions, and these are in government departments. The Queensland government is a major exploiter of Work for the Dole projects. The first step would be to prohibit state and local governments from accessing any form of unpaid labour.

**Senator FORSHAW**—That is interesting. Thank you.

**Senator MOORE**—Mr Baker and Mr Brennan, one of the things you have both said is that it is very difficult to get your voices into the discussion. Do you have any reasons as to why your particular issues are not being given relevance and why you, as people living the experience, are not listened to?

**Mr K. Brennan**—Absolutely.

**Mr Baker**—Firstly, it is very difficult to combat 25 years of negative propaganda that has been directed by successive governments against the unemployed. You all know the slurs that are bandied around. It just happens that the current government is taking this to an extreme new level. Unemployment is not an exciting issue. I have a feeling that people have become



conditioned to thinking that six per cent is okay. Seven per cent is okay if you have long enough to convince people with propaganda and rhetoric and those sorts of things.

There was an article in the *Australian* a couple of weeks ago, and the whole article was simply around the fact that if you mention unemployment everyone yawns. Nobody wants to listen. When they do listen, they do not know what they are hearing. When they have heard, they do not do anything about it. That seems to be peculiar to unemployment. We have our own theories; we think it is based on fear and ignorance. The fear is that we have a complaint. You bet we have. We have a lot of issues to raise.

Some of the situations are so bizarre they are unbelievable and the people we are talking to look at us as though we are making it up. We have nothing positive to say, and it is not our fault—we are always looking for something. We cannot find anything positive to say and therefore we are not particularly welcome in any group. We expose people's ignorance. A great number of times people try to tell us that something is a fact, something is occurring, or that this is how it looks in the brochure. That is not what is happening on the ground. We are here to tell you that it is not, because we are living the experience. Where do you go from there?

**Mr K. Brennan**—I would like to add to that. There is nothing in that that I disagree with. I have had the privilege of being able to speak at a few public forums on odd occasions. One of the amazing things is that people come up to me and say, 'Gee, I never knew it was like that.' The public ignorance is phenomenal. There needs to be a massive public education campaign to tell the truth about the issues that are involved. I can give you anecdote after anecdote which probably are not pertinent here, but I will just refer in a generic way to some correspondence with one of the major groups that happens to have an arm that is part of the Job Network. The person responding to a letter to me said, 'This is how the system functions.' I had to write to them to say, 'I'm sorry, that is not how the system functions at all.' That is where the conversation ended. The simple fact of the matter is that the person was living an illusion. They are in a major organisation that has, as one of its arms, a Job Network agency. I just shake my head. I looked at my wife and I said, 'What do we do? Where do we go?' I do not know.

**CHAIR**—On page 1 of your submission, Mr Brennan, you said:

Income-based poverty measures can no longer adequately express the level or extent of economic and social disadvantage being experienced by Australian citizens.

Then you said:

There is a range of reasons for this, including Australia's Industrial Relations systems, the marketisation and de-regulation of the employment and employment services systems ...

Do you want to expand on that?

**Mr K. Brennan**—One of the problems with our current system is that you can be in full-time employment and be living in profound poverty. That is part of the problem. I have summarised it in other places and I pointed out in my opening statement that we have a situation where an income that references cost of living is eluding more and more people. I have a suspicion that part of this is related to our history—when we abandoned the Harvester judgment as a process

for doing things. Maybe I am wrong but I suspect that it is tied in with that. Incomes—I am referring in particular to wage incomes—are not related to a cost of living relative to that family. Granted, you cannot simply say, ‘I’ve got another child; I need some extra money,’ and expect the boss to pay up. That is not what I am alluding to. I am alluding to the Harvester judgment and my understanding of that—which moderated that somewhat. That seems to have flown the coop. That is the type of thing I am talking about.

Marketisation and deregulation of employment also has a profound effect because it seriously casualises everything. We then run into the problem that I alluded to earlier. If I am working for three employers at five hours each, I can only get an employment declaration and get the tax free threshold for one of the three, whereas if I do 15 hours for one employer I will get it across the whole lot. So I will pay more tax on a weekly basis and get it back at the end of the financial year. That is dumb, because I need the money now. It is only 15 hours a week. It appears that we are beating our heads against a brick wall when we say, ‘We need to change this because it is hurting people badly.’ Those sorts of issues seem to be quite deep and there seems to be a reluctance to expose them and say, ‘Yes, that’s a fair comment.’

**CHAIR**—In your opinion, is this a recent phenomenon, or it is something that has been happening for, say, the last ten years?

**Mr K. Brennan**—My experience of it probably would be over the last 15 years. It has been increasing. Are you familiar with the network concept?

**CHAIR**—If you explain it to me I might be.

**Mr K. Brennan**—The network concept is that an individual cobbles together a portfolio of employment types. He might have a bit of casual work here, a contract there and something else over here. The need to do that and the difficulties that one encounters when one does that also deal with this issue. It is the fact that you have this serious casualisation and you are trying to deal with three or four employers at one time. It is just not a very healthy kind of situation. It is extremely difficult to manage and it is not very profitable. That has been my experience.

**CHAIR**—Thank you very much, Mr Brennan and Mr Baker. It has been quite enlightening for us.

**Mr K. Brennan**—Thank you for the opportunity.

[11.27 a.m.]

**HOARE, Mrs Robyn Anne, Volunteer Fundraiser, Life Education Australia**

**KELLY, Mr Thomas Dudley, President, Social Justice Committee, Society of St Vincent de Paul**

**BEVERLEY (Private capacity)**

**JULIE (Private capacity)**

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

**Mr Kelly**—The two ladies either side of me have asked that their names be withheld and we just use their Christian names. Is that fine?

**CHAIR**—That is fine.

**Mr Kelly**—I am representing the Society of St Vincent de Paul in southern Queensland. While I am just a member, I also represent the Social Justice Committee of St Vincent de Paul in Queensland.

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

**Mr Kelly**—I would like to thank you for the opportunity to talk to the inquiry. St Vincent de Paul in Queensland welcomes the inquiry into poverty and endorses the submission presented to the inquiry through the St Vincent de Paul national council. I assume that the committee would have that, as the society has been represented at most of the inquiries. It is a 90-odd page document from the society.

In Queensland we are very interested in the solutions put for the eradication of poverty in Australia. These are that a national forum be established to prepare a national strategy plan for the reduction of the rich and poor gap, that the federal and state governments and business and community develop a strategy for relieving financial stress among Australians in need and that the funding be provided for research into poverty, wealth and disadvantage. Today we have four speakers. I am giving the introduction and Beverley is on my left. Beverley will introduce herself as a client of St Vincent de Paul. Both Beverley and Julie have freely said that they would be classed as the poor, so they will be talking to you. Like me, they are not used to public speaking.

**Senator FORSHAW**—You are doing all right.

**Mr Kelly**—Finally, on the end we have Robyn Hoare. Robyn is from the Gold Coast and she wanted to talk about the Life Education program. I am from Toowoomba. I have had about 18

years in the society and in that time I think the society has probably met thousands of people who have needed our help. They were generally in crisis and could not cope financially or socially. They either needed material help or advice and encouragement to keep going.

I have a couple of examples that I have had personal experience with. As president of the social justice committee, I can tell you that we get notes from all over Queensland, from our conferences, advising us of some social injustice that they feel is going on in their particular area. A recent problem has been with book hire in schools, and that is a situation that we as a committee investigate. We found that book hire generally is the responsibility of the school and the parents and friends. They make decisions in the schools, and I suppose, while we are not meant to judge people, we have trouble sometimes with the compassion of our society. If parents cannot pay the book hire for their children, the textbooks are taken off them until the money comes. I spoke to the government about that and the state government said that it was not their policy, it is a school policy; but it is still happening in the community. Those children then have to do their schoolwork without textbooks or the use of a computer at school. Generally, what happens with St Vincent de Paul is that we intercede and pay the book hire. It has been reported in one school in Brisbane that there are 50 students whose parents have not paid the book hire and they do not have the textbooks. Unless someone tells us, we cannot help out.

**Senator FORSHAW**—Can you tell us how much book hire costs?

**Mr Kelly**—In this case it was \$179.

**Senator FORSHAW**—Is that for a year?

**Mr Kelly**—That is for a year.

**CHAIR**—Is that primary or secondary?

**Mr Kelly**—It was a secondary school.

**Senator FORSHAW**—Is that for one student?

**Mr Kelly**—Yes.

**CHAIR**—Is that a state school?

**Mr Kelly**—Yes. Another issue that was raised from the Sunshine Coast was the cost of housing. When they become limited through unemployment, people who grow up on the Gold Coast still have to live somewhere. With regard to the cost of housing, particularly at a conference up in Kawana Waters we were told that there were many people living on the basis of three or four in the one house in order to be able to survive.

That applies in Brisbane as well. What is happening in Brisbane at the moment is that there are a lot of inner-city dwellings, boarding houses, being knocked down and the land is being sold, so people are being put out on the street. I think a lot of it is to do with the fact that houses in the inner city with cheap rent for people are being brought under the rule of workplace health

and safety, and the landlords believe it costs too much to bring them up to the standard that has been set.

I suppose I could tell you about a Toowoomba incident. We had a call from a young man in Toowoomba who was going to university there. He got his tuition fees bill from the university, and it said that if it were not paid within a certain period he would have to leave. It was not a great amount, \$750, but for him it was. He was paying rent and he had car expenses. Recently he had a death in his family. He originally came from Lismore. He went to Lismore and his car broke down on the way. He had some extra expenses there. He had no money to pay his rent and he had no money to buy food. This is something that regularly happens; not the whole story, but people do not have money to pay their bills and do not have money to buy food. Also he was getting some part-time work around the place packing in shops and he had his name down with the employment centre trying to get some more jobs. He was receiving benefits, and he was half an hour late for an interview for a job. He got a letter to say that he was in breach and that his payments had been cut off indefinitely. Obviously he did not know the system and that if he appealed it would be okay. He contacted us considerably concerned that he had no income and he was going to be out on the street.

We paid his tuition fees and we gave him some food. We told him about the procedure he needed to do to appeal the breach. However, the young man said to us that he felt terrible. He had never been to St Vincent de Paul before and had never asked for help before. He said he has been broke plenty of times and there have been times he has not had food, but he always managed to get by. To him it was a desperate situation. From my 18 years experience in St Vincent de Paul, I believe things are getting worse. The people that are asking for help are actually getting more used to asking for help and not finding it as difficult to ask. The system at the moment is deteriorating to the extent that people find themselves looking for other ways to increase their income, so they are using welfare organisations. There are the Salvation Army, Lifeline and St Vincent de Paul in Toowoomba. We do not keep a record but I am sure a lot of people in Toowoomba now are clients of each of those charities.

**CHAIR**—Are they people, in your opinion, who are working?

**Mr Kelly**—No, what I have found over the last 10 years is that the biggest percentage are single parents. We did an exercise on the working poor in Toowoomba, and there is a percentage of people who are in full-time employment and are still not able to cope. This document explains what we are talking about when we say that people are not getting equal opportunities. There are many families that I know of whose children do not go on school excursions, and, in the case of book hire, there may be some children who are not telling their parents that they are not getting an opportunity with textbooks or computers. Education to me is a very important process. I can honestly say that there are not too many highly educated people that I give assistance to.

The second instance I want to talk about was a visit to a single lady with four school-age children. She had accumulated bills and was not coping to the extent that she was—and I am not a doctor—depressed. The children were probably not getting the attention they needed, either. She was looking for other ways of dealing with the poverty. She was going into further debt because of a few things. The main debt she had was back rent, she had a phone bill of about \$400 and she had a car repair bill for \$1,200. The bills added up to \$3,000. While I spoke before about people who were probably using some of the charities in turn, there are some people for

whom the initial ask is so hard and who feel as if they have failed. When the debt has become \$3,000, it is so hard to cope with. We generally ask the question: 'Why did you leave it so long? Couldn't you see that you were getting into trouble?' Sometimes they cannot see that things are getting worse. Anyway, she looked as though she was going to be evicted. She needed the car to take the children to school, and her only contact with family was by phone. She had some friends who were taking advantage of her generosity, because she had a house.

In those cases, material needs are fine. Generally, the way St Vincent de Paul works is that we do not have the opportunity to say, 'We'll give this lady \$3,000.' We get her over the hump with a bit of food and so on to keep her going, and we generally go back to our meeting the following week. We contact the landlord and say, 'What will it take to keep her in the house?' Then we talk to the garage owner and say, 'Is there some way that she can pay off the bill?' One of St Vincent de Paul's catchcries is: 'It is about a hand-up, not a hand-out'. I fully agree with that: you cannot just keep giving to people. The majority of our money comes from donations and people's generosity. I do not like to say this—I do not like to say anything nice about the banks or Telstra—but Telstra was actually very comfortable with us helping her and putting her on a program where she could pay a bit off her phone bill at a time.

They are two stories that really affect me. I am not a budget counsellor—I really get lost when the outgoing is higher than the ingoing—but I think that for many of the people, while they may be able to survive on the existing benefits that they get, if there is any situation where an emergency comes up they are lost. The poor do not have new cars. I have a second-hand car, and I know how much it costs. It is one of those situations where the bills keep coming.

I have been talking for probably too long. I applaud Julie and Bev, who were merely asked if they would come along and talk about their situation, and I am sure they are not comfortable like me. If you do not mind, I would invite Bev to speak next.

**Beverley**—This is my story. I live in a housing commission house in Inala with two children, 11 and 15. I am in receipt of a parenting payment of \$435 per fortnight, plus a family allowance of \$279 per fortnight and then a maintenance payment of \$83 per fortnight, which totals \$398.50 weekly. Out of that is paid my rent, which is \$105; my electricity, \$10; and my phone, \$10. ADT Security—which it is crucial that I have, as I have been broken into twice and we have had a drive-by shooting in our street—is \$12; my food bill, which varies at times, is around \$135 per week; and my car, which I have unregistered at the moment and I still pay for, is \$50 per week; a personal loan—which is not through a bank but is through a friend—is \$22 per week; and then I have scripts, as my daughter is an asthmatic and so am I, which average about \$10 a week. My lawnmowing—we have to have it done every month—is about \$12 per week average. That comes to \$356, plus expenses which I budget for weekly. I am now left with \$42 to clothe and educate my children and to put money away for emergencies.

At the beginning of the year I had to withhold four weeks rent to enable my two children—my son in year 6 and my daughter in year 11—to go back to school. I am still catching up with rent. The housing commission have issued me with evictions on several different occasions, but I have been able to negotiate with them to avoid eviction. The threat of eviction places a great strain on my family. I have health problems and have been unable to seek several specialist appointments because the specialists have requested the money up-front and I have just not had the money. I have tried to negotiate with them for the difference between the cost and the

Medicare rebate but they would not agree to this. My daughter also has problems with her feet. I am unable to address this as I cannot afford the orthotics or the special shoes. The orthotics are about \$110, the shoes about \$150—they vary. My son has grown out of his school uniform which I bought earlier this year with the rent money, and he is also on his third pair of shoes for the year. Both my children went on school excursions, and I had to hock my CD player to pay for these things.

We can manage day by day but have nothing left for extras or emergencies which may arise, such as fridge and washing machine repairs—at this stage, my fridge and washing machine are on their last legs—and my children needing extra for school. I place education at the top of my list of priorities and will do whatever it takes to provide them with the education to enable them to reach their full potential and to not have to face the struggles I am facing. That is pretty much all I have to say.

**CHAIR**—Thank you very much.

**Julie**—I have been chosen today to speak to you about my own experiences of poverty and financial hardship on welfare. I feel like a pea in a pod and no-one really gives a damn. I first went on welfare when I became a single mum with two children about six years ago, after a broken marriage, and have found it a struggle with a lot of hardship. I run around in an old '82-model car that is a constant liability as it has needed a lot of work over the years, and it is even in for repairs as I speak. I could not afford to buy later car models due to finances, let alone comprehensive insurance. Over the years I have had several people cause damage to my car, and panel beating costs et cetera were too much, so I drive around in a bunged-up car, which makes me feel bad as people look at you and think you must be a terrible driver. I feel like putting up a sign saying, 'It's not my fault.'

I now have a son who is in high school and I feel he is greatly disadvantaged because I cannot afford to own a computer. There was a situation only recently at my son's school when the computers were down. It affected my son handing in his assignment on time as school was his only resource, whereas if I could have afforded to have my own computer I feel this would not have happened. I often feel that in the education system the low-income families are forced to keep up with the Joneses, so to speak, otherwise your children will suffer. It should not be that way. The banks will not give me a loan because I do not have enough money or collateral to ensure repayments. I live in a housing commission home but would love to be in my own home if only I were eligible for a loan. That way I would be putting my money into my own place instead of just dead cash and it would give me a sense of self-worth. I often feel too ashamed to have people back to my humble abode as most people I know live in state-of-the-art houses.

It only takes your child to get really sick, especially during the winter months, and it throws your finances out as a lot of medicines these days are not on script. I would hate to think where we would be if Medicare finally collapsed. The cost of things like food and so on is constantly rising and I do not think the money that people on welfare receive is keeping up with this and meeting our needs. There is a certain stigma on people like myself, on welfare, as opposed to people who are not on welfare. Society tends to frown on people like me and to prefer not to mix with us—as if we are lepers or something. It makes my children and me feel really hurt and angry and outcast, when often we are no different from them—just lower in our financial situations.

I have now remarried but have a husband who is an ADD sufferer and can only work part time. This also puts a mental and financial strain on us. I feel that if only the government could take that extra time to care for the little or disadvantaged folk, to hear their voices—their outcry—and to accept that we are not often in this position by choice and to give us a better sense of self-worth then this would make us feel there is a better world.

**CHAIR**—Thank you very much.

**Mrs Hoare**—I am the mother of seven children and I am privileged to be here this morning to offer my comments, which predominantly focus on the work of Life Education Australia. I will give you a little background to this organisation to illustrate how effectively it operates in our community. After years of counselling and rehabilitating young drug addicts at Sydney's Wayside Chapel, Reverend Ted Noffs realised that only through providing preventative education programs for children between five and 12 years could any positive and lasting changes in drug-taking behaviour be brought about. Ted, along with a dedicated group of educationalists and leading community representatives, developed the concept of life education centres.

So successful is the program that there are now in excess of 100 mobile and static classrooms in Australia, which reach over a million primary school children each year. Unfortunately, here in Queensland there has been no government subsidy for life education since Peter Beattie took office as Premier. I will further illustrate the demise personally. It has reached our children. My 21-year-old, 20-year-old and 18-year-old children all routinely attended life education through their primary years. My 15-year-old boy has only been twice, my 10-year-old once, and my eight-year-old has never seen nor heard the message that life education has to offer. Who knows, we might get some momentum after a day like today and my three-year-old will see and hear the positive drug message throughout his entire primary education.

There is a need for massive subsidy so that this message can go out to all Australians. Three regions in Queensland have already closed as they cannot afford to maintain their mobile vans, which travel great distances. Children in regional and remote areas are now unable to be educated by this incredible positive intervention program that develops the social skills and the knowledge necessary for effective decision making, communication, negotiation, peer resistance and refusal in drug related situations. A Drug and Alcohol Services Council of South Australia document released in June 2003 said:

Life education has developed a unique profile among the schools to which it provides services. Evidence indicates that it has been effective in conveying its message to students. Using a combination of teaching aids, technology and entertainment, it has demonstrated a capacity to gain the attention of children and engage them in a dialogue relating to drug education.

Furthermore, Magistrate John Costanzo, in a report tabled in Queensland state parliament, said on 23 July 2003:

There has been a very disturbing trend towards people using illicit drugs at a younger age.

John Costanzo revealed that the youngest age of first use of cannabis among those fighting the drug courts here in south-east Queensland was seven, while for amphetamines it was 11 and for



heroin just 12 years of age. Mr Costanzo has called on the Beattie government to make drug education compulsory in all primary and secondary schools.

Poverty just does not happen. There are many factors and variables that create poverty, but clearly a large proportion of poverty and homelessness is created by the use and abuse of all facets of drugs. So, without being particularly bright, one can deduce that by exposing our young to a positive drug education program we as a community can help prevent a cycle that, once begun, has a limitless historical path of a long downhill journey for generations of our future, which begins with our children.

Another hat that I wear is as president on the Gold Coast of an arm of St Vincent de Paul called Healthy Families. It is a program in which we go as volunteers to homes. Forgetting the clinical side of helping disadvantaged families, I go in just with the commonsense I have hopefully developed over the years I have been around and try and help disadvantaged families. Through this I have been exposed to a lot of family dysfunctionality. I do not want to be broad in the way I say it, but a lot of them can be related back to some sort of drug addiction which leads to lack of employment and then poverty.

Being behind the fundraising for Life Education Queensland, the single biggest anti-drug prevention program in Australia for almost 25 years, I find it unconscionable that funding for this program has become a politically motivated forum. This is wrong. No matter what political party is in power, we need to support and educate our young because we need to know as a community that this world is a better place because we have been a part of it. To have a community who have been drug-proofed due to positive learning processes is a win-win situation for us all, as the natural flow-on is cessation of drug related activities, reduction of the pressure on prisons, reduction of the pressure on child welfare, reduction in the drain on public health funds and ultimately more of the population gainfully employed.

So with the compassion that enables leaders to provide long-term solutions that help build human community, not destroy it, let us listen to both the vocal and the inarticulate and, having listened, act with wisdom. It is not easy, but it is our community and definitely our problem. There is one thing about drugs: they do not just destroy lives; they destroy dreams. I thank you for your attention and I sincerely hope that at this venue we can somehow get some motivation towards funding in Queensland for Life Education.

**CHAIR**—Thank you. We have had the St Vincent de Paul conferences appear before us in every venue we have been at. I am not sure whether they will be in Townsville.

**Mrs Hoare**—Yes, they are there.

**CHAIR**—We have had conferences appear before us everywhere, and it is very much appreciated. Also, we had the major submission by the national body, which I think we heard in Canberra. Book hire in schools is something we have not come across before. I have not heard of that in the other states. I can imagine it would be very embarrassing, to say the least, for young children or young adults in the classroom. Has the society made approaches to the Queensland government in relation to alleviating some book costs or giving the books to them?

**Mr Kelly**—I have only made an approach through my local member, who advised me to speak to Education Queensland. I did that and they told me that it was not a policy of theirs; it was a school policy. The reason I raised it was that, I suppose, as a community we are getting harder on people. I was listening to the last speakers talking about what is out there with the information regarding unemployment and saying that we are told that a lot of the unemployed do not want jobs and things like that. I think the community gets hardened. I have a fair bit to do in Toowoomba with refugees, and in my workplace it is surprising how many people say to me, ‘Don’t let them in.’ I am horrified that we as Australians are thinking like that.

Charity to me is very important, including direct charity with your family and your local community. To say to people that are much worse off than us, ‘We don’t want you here,’ is like what I was talking about with the book hire. The actual school makes a rule and the parents and friends say, ‘If the parents don’t pay up, take the books off them.’ We have an ex-principal in our conference in Toowoomba. I said to him, ‘Col, what did you do?’ He said, ‘We asked the people for the money, we asked the people for the money and we asked the people for the money. At the end of the year if they hadn’t paid up, we had to write it off as a bad debt.’ ‘But,’ I said, ‘You never took the books back off the kids.’ He replied, ‘No, you couldn’t do that.’ That was a state school.

**CHAIR**—Is that just this particular school or the school district?

**Mr Kelly**—It is not this particular school; there are a few schools. The St Vincent de Paul did a little survey asking our conferences to tell us of any other situations. The majority of the conferences had said that at some time they have paid book hire for people. I cannot say that it was because the school was going to take it back, but the parents asked St Vincent de Paul if they could help. It is not a lot of money—\$179. As Bev and Julie said, it is those things that crop up. If you get a bill for book hire on top of some medical bills, you have to select what bill you pay.

**CHAIR**—You said that after your 18 years with St Vincent de Paul things are getting worse. The point you were making was that more people were—correct me if I am wrong—getting dependent on welfare organisations. I think that was the gist of what you were saying. In your opinion, is that because people have given up? Is there a lack of hope that they can dig themselves out of this difficulty that they are in?

**Mr Kelly**—It is hard for me to answer.

**CHAIR**—Could you generalise?

**Mr Kelly**—I can generalise because I have an opinion, obviously, like everybody else. It is so hard not to judge people’s situations sometimes. You can always say to someone, ‘This is what you should have done.’ Unless you have had the experience, you do not really know how you would have reacted. I can remember that, when I started at St Vincent de Paul, the only money we ever received was from the poor box in the church and from the secret collection we have at every meeting. I can remember that mostly what we used to do was chop wood for people and help them with advocacy, like speaking for them in some problem that they had if they were not articulate. Maybe St Vincent de Paul have got worse. We tend to fix a problem with a band-aid without getting to the solution. That is why I like the idea of a talkfest, which Senator Moore

mentioned before. I absolutely hate talkfests; I prefer to act. We like to put our faith in action. But I do not know that there is another way, unless you talk about it.

**CHAIR**—One of the things that have been mentioned at conferences throughout the country, if there was any observation, is the plight of single mothers. Is that something that you have seen grow over the last 18 years?

**Mr Kelly**—Yes. I do not know who to blame for that—maybe the bill brought in to make it easy. I have heard so many stories about situations where there are problems within the family. I am the same as everybody, I think: my wife and I have had rows over the years, and we have worked through them. But some of the situations are a lot worse than the ones I have been in, so I cannot judge that. But, certainly, the number of single parents has grown.

The men are terrible, actually. I know that, on a lot of the visits I go to, we speak to the mother and see the children, but a lot of the time the husband is hiding out the back somewhere. I do not know whether it is a pride thing or what it is. I think that the mothers are more practical, in that they say, ‘Well, we need food.’ If they say to their husband, ‘You’re supposed to be helping get the food,’ and the husband cannot, they hide. I have noticed that.

**CHAIR**—We had a conference in Raymond Terrace in New South Wales. Years ago it was probably a sleepy little place, and now because of the expressway it is the first turn-off from Sydney. So now they are finding that, for a number of women escaping domestic violence, that is where they run out of petrol. Are you coming across things like that?

**Mr Kelly**—Yes. I recall what Robyn said before about children. I know that, at our hostel in Toowoomba—where there is food available to get your breakfast, lunch or tea—the youngest we have recorded there was eight. So an eight-year-old on his own was coming in to get some tucker. My notion of a poor person years ago was somebody who was down and out and who had a drinking problem; he would come to the hostel. I was at the hostel last Sunday morning, and there were eight people standing out the back trying to find a sunny spot. They would all have been in their late teens and early 20s.

The problems spill out. My wife and I sometimes have an argument about money. We would be considered pretty well-off because we own our own home, our children have grown up and we have gone through all that expense. But we still have a little snarl at each other every now and then about me wasting money and her spending it. In the context of the poor, they are in financial difficulties all the time and so the arguments may go on as to how they best spend their money. I can tell you that a member of my conference said to me one day that he was talking to a chap that had spent his last \$2 on a casket ticket. He suggested he would be better off buying a couple of loaves of bread—of course, you cannot buy a loaf of bread now for \$2 but, at that time, you could. You mentioned hope before: hope was the thing. He got three weeks of hope out of the casket ticket, and people live on hope. We all buy casket tickets and lotto.

**Senator FORSHAW**—Mr Kelly, I do not think the Vinnies have got worse; I think the magnitude of the problems that the Vinnies have to constantly confront has got worse. Certainly we have had evidence presented to us in a number of places—and I know from my own contact with people who have been involved in the society—that the demands on the society and the complications of the situation you face seem to have grown substantially. For instance, I think it

was in Lismore that we were told by people like you, who are volunteers, that you have people who need financial counselling and a lot more people suffering from mental illness and the situation of family breakdown. The old notion that the Vinnies were there to give that hand up has grown more and more complex.

What I was going to ask you was: in your 18 years, can you point to what the key change has been? It has been put to us that at the end of the day, if you try and bring this complex issue down to a simple sort of solution—and that is probably the wrong thing to do—it eventually relates back to employment: the lack of opportunity for people to get employment and particularly for those with families to get full-time employment to generate that constant source of income. Is that your experience? You have been there 18 years.

**Mr Kelly**—Honestly, I think the community has become concerned about money—more so than the people around them. My view is that education is one of the great things that will take people out of the position they are in. Unfortunately a lot of the poor do not agree with that, and some of the parents do not believe it. Their main objective is to live from day to day and not think about education. To me, Bev is someone that is thinking ahead. A lot of the people that I meet do not think ahead. Education and life education is so important: food parcels, giving someone money to buy food and even teaching people how to spend the money a little bit better.

When I say that St Vincent de Paul are getting worse, I think that we are not smart enough. The community is not smart but we are not smart either, because we cannot seem to get the thing to come better. We were accused recently of advocating a revolution. Hopefully it will not come to that. If the poor cannot have it, they will get it some way, and that is what concerns me. I used to always say, 'I would rather pay taxes so that we can give people money so that they do not steal off me.' The submission talks about crime. I would never have thought that people would throw stones at a passing car, but it happens all the time. The poor kill themselves. They walk off railway platforms and things because everything becomes too hard.

**Senator FORSHAW**—It is not the poor who are throwing stones at cars, I can tell you, in some areas that I am aware of. It is very much the opposite; but I do not want to get too far into that debate.

**Mr Kelly**—That was mentioned not so long ago, about the rich drinking and smoking. The poor drink and smoke, and they should not do it, but it is all right for the rich to do it.

**Senator FORSHAW**—Mrs Hoare, could I ask you about the funding for life education. You mentioned the lack of subsidy from the state government. How is it funded elsewhere? I am familiar with the programs. My own sons have been involved, as have a lot of kids at schools where the program is available.

**Mrs Hoare**—According to the information that I have got, Queensland and Tasmania are the only states where it is not receiving any government subsidy. It is not a lot of money. From what I have been told, \$1.5 million a year is what New South Wales Life Education receives. When Peter Beattie took office, the submission that created a contract was coming to its final days, and that was \$0.4 million a year—a three-year contract.

**Senator FORSHAW**—There has been and there is, in other states, a state government contribution. What about federal government funding or other forms of funding?

**Mrs Hoare**—I have been in contact with a plan called Tough on Drugs, which is a broad umbrella of things. It is very difficult to find out, but I know that quite a bit of money goes to each state. How it is filtered down and how it actually leaks into the young, I do not know. All I know is that this program works. With the work I do with St Vincent de Paul, I find that people get so confronted by the situation—the lack of finances and things like that—that the children's education on those commonsense, everyday things is neglected. A lot of it is neglect because there has been no role modelling to pass that message on. So it is up to a community to offer that so that they can stop-gap any problems of lack of information.

**Senator FORSHAW**—All I was trying to do was to clarify that there is state government funding in some states—not all states at the moment, you say. There is also, as I understand it, a small contribution made by the parents for their children to participate. I know it is fairly nominal. There are fundraising ventures that are undertaken; I am aware of that. But beyond that, you are saying that it would appear that there is no other formal funding from either local or state government or corporations or businesses.

**Mrs Hoare**—Exactly.

**Senator MOORE**—I have one question for Julie and Bev, and for Mrs Hoare as well. I am looking at the parenting aspect. Each of you has mentioned your kids and the things you have done to support them. What are the expectations you have for your kids? What do you hope that they are going to be able to achieve?

**Beverley**—A lot more than I had a chance to, I know that. My daughter wants to be a chef. She is working hard at it; she is taking out traineeships. Between the two of us, we have appointments and meetings at the school all the time.

**Senator MOORE**—She is in grade 11?

**Beverley**—She is in year 11, yes. My son is still undecided; he is still in primary school. He was kept down, which is the reason he is in year 6; he should be in year 7. At this stage we are still working with him. I will not talk too much more.

**Senator MOORE**—Julie?

**Julie**—My boy has just started out in grade 8. I would like to think he had the same opportunities as anyone else to further himself because, more or less, what they get out of high school is going to affect the rest of their lives, so it is important that they have a good start and they should have the same opportunities.

**Senator MOORE**—Once again, it is the education component?

**Julie**—Yes.

**Mrs Hoare**—Yes, definitely the education component is the beginning of what will allow someone opportunities. I think the whole thing ends up being about what opportunities one has, and education certainly opens a lot more opportunities than one has without education.

**Senator MOORE**—Thank you.

**CHAIR**—Are there any further questions? If not, is there anything you would like to say before we adjourn?

**Mr Kelly**—No, we would just like to thank everyone for your attention and the way you have treated us. We appreciate it.

**CHAIR**—It is certainly our pleasure. Thank you very much for coming along today, Julie, Mr Kelly, Bev and Mrs Hoare.

**Proceedings suspended from 12.21 p.m. to 1.43 p.m.**

**AGANOFF, Ms Julie Anne Orme, Manager, Northern Counselling Services, Lifeline Brisbane**

**McLEAN, Ms Mary, Financial Counsellor, Lifeline Darling Downs and South West Queensland Ltd**

**PRESTON, Dr Noel William, Director, UnitingCare Queensland Centre for Social Justice**

**TUFFIELD, Mr Derek Paul, General Manager, Lifeline Darling Downs and South West Queensland Ltd**

**CHAIR**—I welcome representatives from the UnitingCare Centre for Social Justice. The committee has before it your submission. I now invite you to make a presentation, which can take the form of a statement summarising your views or highlighting any issues you would like to emphasise to the committee.

**Dr Preston**—Thank you for this opportunity to have this discussion with you. It is my proposal that my comments be rather brief—you have our written submission—but that we take the opportunity to hear the input of my colleagues from member organisations within UnitingCare. Mary McLean and Derek Tuffield are from Lifeline Darling Downs, which I think will present the bush's perspective on poverty and financial hardship that is critical in getting the full story; and Julie Aganoff is from Lifeline Community Care Brisbane. As Manager of Northern Counselling Services in Brisbane, she has done a lot of work in this area, particularly with people in caravan parks. I think that these perspectives are perhaps more important than my general comments.

From the point of view of an organisation based on values of the Christian faith and linked to the Uniting Church, our concern with the subject matter of this inquiry is that we as institutions in society, particularly government and the parliament, grapple with ways and means to avoid the ongoing and terrible waste, as I would put it, of human potential that we currently see in the Australian environment. I have been in the position of Director of the Centre for Social Justice for less than two years. As someone who has not worked directly in the social policy field before, I am appalled and very concerned for the future at the polarisation in our society between the very rich and the very poor. We hear debates about poverty, and I know a case can be made about the living standards of those in the poorest sections of our community having improved. Be that as it may, it is indisputable—and I think most concerning, if we are to have a cohesive and just society—that the gap between the richest and the poorest is getting wider and wider, and that the middle group, which has been a bulwark of Australian society in its fairness and social vision and which has made us what we claim to be, is shrinking alarmingly.

We bring that concern here. The other thing I want to emphasise is my observation that, by and large, as a community those of us who are doing very well thank you are quite oblivious to the struggle in terms of financial hardship and general quality of life that too many Australians are going through. We have succeeded in developing a society where we have ghettos and where the rest of us do not know how the other half live, as it were. I think this inquiry is very

important inasmuch as it gives us the opportunity to highlight some of those stories of human tragedy.

I will pass to my colleagues shortly, but I want to put on the record that our centre is engaged in two research action projects at the moment that I believe are relevant to your committee's work. One is a report that we have just completed called '*... In the too hard basket*', which looks at the situation of vulnerable children and families in the corridor from Inala, western Brisbane, through to Ipswich. It aims its recommendations very much at the Queensland state government, but the story it tells is highly relevant to this committee. In fact, a message of our presentation will be that we cannot look at any aspects of poverty and financial hardship from the point of view of one level of government. Overwhelmingly, if we are to get a breakthrough in turning this trend around, we need much better cooperation across the three levels of government. I have lodged a copy of '*... In the too hard basket*' with the secretariat.

The other research project, which will not be completed until the end of October, is on family homelessness in Queensland. I think that will have some significant things to offer and, in due course, I will make it my business to forward a copy of that to your committee if you have not completed your work by that date. Derek may be able to fill you in on this, particularly within the Toowoomba context, but the story there is that a lot more parents with children are in the situation of homelessness in this society than we have perhaps traditionally imagined. The image of the derelict man as the homeless person is not by any means typical any longer. I will stop there, Mr Chairman, and let Mary speak briefly about her work and her observations.

**Ms McLean**—What I have done is taken a composite view of a number of different cases that I see on a regular basis and had a look at what is happening in the rural and regional areas. I have done it on a spiral basis to make it a little bit easier to follow it through. Looking at small businesses in rural and regional areas, the compliance and insurance costs have meant that a lot of them have put staff off and resisted hiring. There have been a number of businesses that have closed down or are carrying heavy rural debt, which stops them again from having enough income to hire staff. When staff are put off in rural areas they are put onto the Centrelink benefits, which then means mutual obligations and limited incomes for them. In a small area where there are not many employers, the same people are going around the same employers causing a great deal of interference with businesses in general. The other aspect of it that comes up is that, as people are trying to meet those obligations, a Centrelink debt is happening. I will explain a little bit more about that in a minute.

Inability to meet debts and the higher cost of food in country areas has always caused a great deal of difficulty. When people are on a regular income, they are able to travel to a larger town and take the benefits of the lower cost of food. When they are on benefits they are compelled to work in the local area and they are paying the higher cost for food. The cost of fuel in the areas is much greater. The other aspect which comes in with the mutual obligation is that the distance travelled in one hour in a country area is far greater than the distance that can be travelled in one hour in the city, which then means an increase in the cost of maintaining vehicles at a reasonable standard. The country roads are not the best, so the maintenance on them is often expensive, and there is the higher cost of fuel. So someone in a country area has got a far higher compliance cost of meeting mutual obligations than they have in a city region.



When people are on lower incomes and are unable to meet debts, there is often domestic discord. A lot of domestic violence occurs. Families end up splitting because it is not possible for them to stay where they are. That then results in additional costs and a lot more pressure on welfare. When we look at the benefit for couples and we look at the reduction in the family tax benefit for children and compare two children in a single-parent family with two children in a two-parent family, the actual amount that is left for the second adult in the family is about \$160 a fortnight. So while the benefit looks like it is \$342.80 a fortnight, in actual fact they do not get the full benefit of that because the family tax benefit is subsequently reduced. They also have higher costs to meet before they are allowed the rental component to come in there. I can submit those figures for you if you wish.

The other aspect we have is the call then on welfare. That has been increasing quite dramatically. If a family splits in a country area, it means that housing is a problem and that has been a crisis for quite some time. Moving costs and getting children into other schools is another added cost that continually comes up, especially if the family decide to move from a rural area into a more regional area for access to family or ease of benefits. In that situation, emergency borrowing then comes into play. I am not sure how aware you are of the high interest rates of some of the fringe lenders at this point in time where it is not uncommon to see interest rates of 520 per cent.

Again, this looks at where the federal and the state governments do not quite match up, because in Queensland we do not have a 48 per cent limit on the credit that can be charged. In Queensland, of course, that causes quite a bit of difficulty. Creditor harassment then comes in as a difficulty, and again it is the state versus the federal. Debt collectors are often from out of state, so therefore the state harassment sector has not got any jurisdiction over what they are doing outside of the state. In a difficult situation they tend to book up at the local business for some emergency foods and difficult bits and pieces. They then have an inability to pay that debt, which causes more pressure on the small business, which then becomes almost non-viable and unable to hire staff.

The other aspect at the moment is when the desperation gets to a point where they can see no way out and they have got no way of being able to fulfil their obligations to meet their debts. The one aspect that is still left for them is to go to the gaming machines, to gamble and to try to make some money that way, which as we all know is not really a viable option for them. It really is a downward spiral that has an effect not only on the individuals but on the businesses in the small rural towns as well.

**Mr Tuffield**—I want to just put into perspective the area that we service. Although we are located in Toowoomba, we actually cover about half a million square kilometres of the south-west, so we go right out through Charleville, St George and out to the Northern Territory-New South Wales borders. We have rural teams that operate there and we get grassroots feedback about the issues that are being confronted out there. Rural debt at the moment is certainly being compounded by the drought, which everyone is aware of, but I think one of the points that I wanted to speak about was that the drought for us in the south-west has been going for 13 years at the moment—this is not short-term. What has happened is that a number of the families that we support have been selling their assets off for a number of years. If there is a bit of rain or it looks like there is going to be a recovery, they go out, go into debt again to buy seed and then find there is no follow-up rain and then they have created additional debt again. In the meantime,

the businesses that Mary spoke about are in actual fact housing a lot of that debt. I know in some rural communities some small businesses have actually stopped credit at the moment because they are struggling to pay their own bills or they have gone under.

The other pressure at the moment is certainly on the emergency relief funding in these rural communities. On the Darling Downs, for your information, we received about \$68,000 of combined state and federal emergency relief funding per year. We distribute about \$120,000 per year in aid at the moment. It is like a revolving door. Often we do not have enough to meet demand. In smaller areas, where their allocations have run out, they will refer them back to larger centres like Toowoomba, particularly during peak times of Easter, Christmas and school holidays when a number of split families will be sharing their children between one another. If a sole parent is getting custody of their children, it often becomes a shock, particularly if they are unemployed and on limited benefits. Therefore, they often turn to welfare agencies to help them get through that.

One of the other issues that has certainly highlighted itself in Toowoomba is homelessness. I will just talk briefly about that. It is not uncommon to have a mother and five children turn up homeless in Toowoomba or to be living in a car, under a building or in a tent in someone's backyard. There is a critical shortage of emergency accommodation in Toowoomba which we are trying to address. The new laws regarding boarding houses and hostels that came into effect on 1 July are going to compound that for us. We expect a number of boarding houses and hostels will fail to comply and will probably be forced, in time, to put their tenants out on the footpath. There is then going to be an urgent need to respond to that.

I am aware that there are protocols in place, but in most areas those strategies are still being developed. Then it will be a matter of where you put them, with the chronic shortage. There is an urgent need for additional housing not only in Toowoomba but probably throughout Queensland at the moment, and it is getting worse. It is very difficult when at five o'clock on a Friday a mother is standing there, confronting you, and saying she wants a roof over her head when all the shelters and emergency accommodation are full and basically you have nowhere to place her and her children. The children say: 'Just give us a roof over our head. That's all we're asking for.' As you would appreciate, it is pretty cold in Toowoomba at the moment. That is the other issue we are facing. All in all, through the work that Mary has done, we are dealing with much more complex poverty issues and financial counselling issues in Toowoomba at the moment. Thank you.

**CHAIR**—Ms Aganoff?

**Ms Aganoff**—Thank you. I am going to tell you a story. It is a story about a particular family. I have changed some of the details and names for confidentiality reasons, but this is a story that is repeated in thousands of families in Brisbane right at the moment. A young woman—we will call her Sandy—at 15 years of age was sexually abused by her stepfather. When this information was disclosed, her mother did not believe her and for that reason she was removed from the family home and placed in care. She became a ward of the state. A 15-year-old, angry, hurt, acting-out teenager is not easy to place, so of course she had multiple foster placement breakdowns and ended up living on the streets. At some stage while living on the street she met up with Ken, an older man who managed to take her off the streets, and they found somewhere to live together.

Now we have come into her life. She is 24-years-old and has three children with Ken. They had been living in private housing, but because of Ken's gambling the rent was not paid. Sandy's name is the only name on the lease, because Ken has credit difficulties and would not have been able to be put on that lease. Sandy, Ken and the three children were evicted, and now Sandy is listed on the databases as an undesirable tenant. Therefore, her access to private housing has ceased. Because of debts and other difficulties some of their possessions were repossessed and the rest were pawned. You cannot take furniture with you when you are on the streets. So they ended up in a boarding house. They lived with three young children in a boarding house for a period of up to a week or so, which was not ideal. As you would be aware, most boarding houses cater for single people, but in desperate circumstances often you can get into somewhere like that. We know a lot of people in boarding houses have some very significant issues.

During this process, Ken's violence towards Sandy increased dramatically and at some point Sandy decided she had had enough and managed to move into a caravan park with her three children. Caravan parks are seen as affordable housing options; they are not. The reality is: the advantage of caravan parks is that they are accessible housing options. To get into a lot of caravan parks the only thing you need is a week's rent in advance and some form of ID. They do not check databases and you do not have to have a month's rent in advance, bond and money for all of the utility costs et cetera that you do anywhere else. Currently, Sandy and her three children live in a caravan, which costs \$140 per week plus GST of five per cent plus \$8 for power and \$8 for the use of a washing machine. It costs about \$163 a week for a caravan which has no shower or toilet facilities outside of the ablutions block that is used by everyone. The children—aged seven, six and three—do not go to school because she cannot afford uniforms and books. Plus, she would have to walk them to and from school, which is about a kilometre away, and she does not have a pram for the three-year-old child. The seven-year-old has a learning disability—ADHD, attention deficit hyperactivity disorder.

Sandy now has a new partner, Geoff, who also lives in the caravan park. That is how she met him. He did have a casual job but through ill health he lost the job and is now unemployed. Many caravan parks, because they cater for people who have very few other options, often no other options, are sites that house people with a huge range of mental and physical disabilities. Violence in caravan parks can be quite extreme. There is domestic violence, family violence and also generalised violence between residents. In one of the violent altercations that occurred, a resident who had a psychotic breakdown after a drug overdose went on a rampage with a machete. In that process, Geoff was left with acquired brain damage.

The caravan that Sandy and her three children live in has a small refrigerator and two small hotplates that do not always work. Sandy has to shop for food every day because there is nowhere to store food in a caravan. There is not enough room in the fridge for more than a bit of milk and maybe some butter—that is about it. As she has no transport she has to shop locally, and in her case that means basically the local garage. So the prices she pays there for food are a lot higher and, because cooking is difficult in her circumstances, mostly it is takeaway food, which again is a huge cost.

Sandy is unlikely to ever leave this caravan park, unless it is to go to another one, as she has no furniture or goods to be able to live in a house. She is also currently unwell—she is pregnant with her fourth child to Geoff—but there is no doctor locally who bulk-bills. The only option she has is to go to the public hospital, which costs her \$25 in public transport to take her and the

children. Sandy cannot leave the children unsupervised in the park at any time as there was recently a paedophile living in the park who sexually abused children there. Even though that person has moved on, with Sandy's own experience and history, she is very reluctant to trust people with her children. Sandy is showing signs of depression, but is unlikely to ever seek treatment. That is her story.

**CHAIR**—It is very grim.

**Ms Aganoff**—It is quite grim, unfortunately.

**Dr Preston**—Julie prefaced that story by saying that her best judgment is that there are thousands of people in the Brisbane region who live in circumstances similar to that.

**CHAIR**—Thank you very much for that contribution. On page 6 of your submission, you talk about the working poor. In the first paragraph you state:

The changing profile of jobs in our society, linked as it is to the weakening of labour regulation ...

Would you expand on that from your perspective? I think I know what it means, but would you like to put it into your words?

**Dr Preston**—I think the profile of the labour force has changed considerably in the last 10 to 15 years—there is much more casualisation of work. The capacity for union activity to win significant pay rises has, perhaps, been under stress. All together the balance of those who depend on being employed to have bargaining power in the system has been weakened considerably. My colleagues may want to add to that picture.

**Ms McLean**—Where a casual worker may have one small job, they will also pick up a second or a third small job and they are then paying premium taxation rates on that. They do not have the opportunity to combine all that money, so they are paying much higher taxation rates if they have two or three casual jobs.

**CHAIR**—A number of the caravan parks in New South Wales are by the sea and they are becoming valuable real estate areas to develop. Are you finding that here? How does that affect those people?

**Ms Aganoff**—Yes. There is quite a lot of pressure on caravan park owners to sell for development because of the increasing value of their land, and also to turn them into tourist type parks. You do not generally get a good mix of residential and tourist accommodation—it is either one or the other. There might be a slight change, but nobody would ever want to be a tourist in the caravan park I just described unless they really had a desire for adventurous living. It is not a place to be. With those changes occurring, it is putting huge pressure on caravan parks. If they go the way of boarding houses, and they are—there have been a number in Brisbane that have closed down for those reasons—where are these people going? They really are ending up on the streets. There is nowhere to go from there; there is no way up. The only place for these people to go is onto the streets, and that is the reality.

**CHAIR**—Are the caravan parks a mixture of privately owned and local government owned in this state?

**Ms Aganoff**—In the Brisbane area, I am not aware of any local government owned caravan parks. There is one owned by the state government—Monte Carlo, on the south side—that was bought out some years ago. I certainly think there is room for a mixture of business community owned and government owned caravan parks to address some of these issues. There is a strong possibility that this may be a way to deal with some of these problems.

**Senator FORSHAW**—Ms McLean, you mentioned the exorbitant interest rates that are charged by some of these finance lenders and we have heard evidence about those groups in other states. Could you just expand on that problem here in Queensland? I notice in your submission, Dr Preston, you mentioned the increasing level of credit card debt. We are aware that this is a phenomenon right across the economy. We are supposed to have low interest rates but we have ballooning credit card debt with higher interest rates. What proportion of the people that you see would be in serious credit card debt and have debts to these payday lenders et cetera?

**Ms McLean**—Most of them. There are not many people turning up these days who are just coming to look at doing a budget and simplifying things. A lot of people are turning up with multiple store cards or credit cards. I am seeing it in the elderly, which is of concern as they are being offered the additional credit and taking it up. At some stage, the pension does not cover it. It is then a further burden on the government as they go into bankruptcy because of it. They have no other way of being able to reduce those debts.

Pawnbrokers are extremely prolific at the moment because the only way these people can get by is to sell whatever assets they can get their hands on. The pawnbrokers have always been around but they are also doing payday lending. While we have some limitations on that here in Queensland, it is still not quite enough. The only people who are really using payday lenders are the people who have not got the money to repay the loans. The rates are still up around the 30 per cent mark. It varies from 30 per cent per week, in some cases, to around 30 per cent per month. They have attempted to get around it by writing up contracts. One of the contracts that I have seen recently quite clearly stated that it was 520 per cent interest they had charged on it.

The other aspect is the number of people who are assisting them to get the credit. The charges that some of them are putting on these people is quite exorbitant. It is not allowing them to move from the state of poverty they are in, and once they get caught up in that spiral it is extremely difficult for them to keep paying the rent. Part of my role at that stage is to start doing some advocacy with the real estate company to try and hold them in accommodation, and I think that is a priority above everything else.

**Senator FORSHAW**—I know it is very difficult, because you have issues of people's rights as well to access credit. What would you suggest we might recommend? Do we need more regulation? One would think so in terms of interest rates but also for companies or even the big supermarket and furniture chains that now offer these 12-month interest-free deals. We are living in a consumer credit society, but what would you suggest government look at doing here?

**Ms McLean**—We have a consumer credit code which states quite clearly that creditors should not supply credit to people who do not have the ability to pay without hardship. It is in section 70. It has got no teeth, because you cannot challenge it. The people who are getting credit have not got the money to take that type of thing to court.

**Senator FORSHAW**—It is not in their interest to do that.

**Ms McLean**—It is not in their interest.

**Senator FORSHAW**—If you are looking for credit, you are not going to say, ‘Don’t lend it to me if I cannot pay it back to you.’

**Ms McLean**—Of course you are not, but then there is that sort of expectation. Again, a lot of it is education, but that education needs to come a lot earlier than when they are in trouble as adults. It really needs to come into the school system in some way or other. Will they be interested in doing that? Probably the kids are not overly interested in listening to that sort of thing. If credit is accessible to them, they are going to take it. We need to be put safety nets in place.

I attempted not long ago to work with GE Finance and put a proposal to them, given that they are one of the major credit lenders these days, having taken on AGC as one of their later acquisitions. I have had clients whose debts have all been GE Finance debts. But I have not been able to get GE Finance to do an informal part 9-type of debt agreement, which to me would make perfect sense rather than go to the expense of the formal ruling on it. I have been unable to get them to move on that. It ends up with people going into bankruptcy, which is a far more costly mechanism. We do not have as many finance companies around but we need some other way of getting them to be a little more responsible. At the end of the day, they are the ones who have lent the money and they actually need to take some of the responsibility for the costs when people cannot meet their loans.

**Senator FORSHAW**—In your experience in giving financial counselling and advice, how would you describe the debts that they are incurring? Are they in the main the necessities of living and furniture? We have to be fair here. Are people also prey to—

**Ms McLean**—It is a combination. They start off. They have a job. Some of the classic ones are quite distressing to watch. It is young people—in particular, the young male. He comes out and manages to get a job. At 19, he has reasonable money coming in at that point in time, so he goes and buys a car on finance. Finance is given to him. He loses his job somewhere along the line and goes back onto Youth Allowance, because he has not been working long enough. The car is going to be repossessed, because the family do not have enough money to be able to pay for that type of thing. So he is in dire straits before he even begins to get on with his life.

**Senator FORSHAW**—We have heard a lot about mobile phones too.

**Ms McLean**—Mobile phones are huge with them. Lots of them go and sign up; they do not realise that on the back of most of the contracts are all of the conditions of the contract. It is never pointed out to them at the point of sale. The other aspect I have had with the mobile phones has been that, at the point of sale, they are not actually looking at English as being a

second or third language, so I am seeing people from migrant communities signed up on mobile phone deals who do not have a clue as to what they have actually signed up on. They make it extremely difficult to try to get some of those overturned, and it is just as well the ombudsman is there.

Is it ‘necessities of life’? In the older age bracket they have had jobs, they have used credit for many years and it has been a part of their life. They then get to the stage where it becomes more difficult and they are actually buying food on credit. Usually at that time they have several credit cards which are now maxed right out and they have nowhere else to go. At that point it is too late to really pull them back from where they are. If they have housing, there are no benefits for an elderly person to retain their own house because they actually get a reduced amount of money compared to what someone has if they are out there renting. So it is not happening that they have all of the things that they have. Is it ‘necessities’? Probably not to begin with, but it becomes necessities the more credit they are actually paying out; and the more that they are paying in interest, the more they have to pay out. One of the exercises I have done on a regular basis is to take the interest amount paid to the companies overall and then divide it out by the amount of money that is coming into the household. In some cases there can be two and up to three months of payments just going to cover interest. So it is money that is going out of local economies just into interest payments. That has dire effects the whole way across the board.

**Senator FORSHAW**—Just one other question; we are getting over time. Do you have many people coming to see you who have Centrelink debts?

**Ms McLean**—Yes, that has been increasing quite dramatically and that would be one of the points that I would really like to look at in mutual obligation. While Centrelink seem to think that mutual obligation is, ‘We pay them the money and they comply with all of the documentation, hand in all of the forms that they have to do,’ they are not always getting it right. The person believes that they have handed in the form correctly, they believe that they have complied with all of the obligations that they needed to comply with, but at the end of the day they still end up with quite substantial debts. Those substantial debts, unless we can get them negotiated down far enough, stop them from being able to pay the other debts that they have already. Again, it is another cause of bankruptcy that is increasing. So, yes, I am seeing quite a number of them.

**Senator FORSHAW**—Thank you.

**Senator MOORE**—I could ask a lot of questions, but I will not. Ms Aganoff, the story you told was fairly horrific. What were the answers for a family like that? What could anyone do to stop that cycle and to pull that family out?

**Ms Aganoff**—What actually happened in this particular caravan park was that all the families in that park were evicted, because the owner said that he had difficulty with his insurance: it could not cover families. So they were all evicted. At the time, because there were agencies engaged—our agency was in there and another couple of agencies were actually engaged working there—we could mobilise the community. So we mobilised state and local government and other community agencies and, as a combined effort, those people were able not only to be found houses but to get all of the whitegoods and furniture they needed to set up. The only way that those people ever would get out was through something like that. Probably in some ways the

best thing that ever happened to them was to be evicted when there were workers and processes in place to deal with it. You need a lot of resources.

We are not in that caravan park anymore. There are no workers in that caravan park, so we do not know what is happening there now. Without that information anything could go on. There could be many more families in much worse situations there, and we would not know. You have to have people on the ground to at least be able to mobilise. These are people who do not communicate with government agencies and bodies. They do not even communicate with agencies like ours. They do not trust anyone. They have had such difficult experiences in life that they tend not to trust anyone. It takes quite a long time to build that trust so that you can then start to work with them to assist them to maybe have a better future than they have now. But with no-one there, what happens? They are just invisible.

**Senator MOORE**—I have a question for all of you that leads on from that. It is in terms of the structured welfare community, which used to have very strong links within it and work together—like the caravan park model for different agencies. We have had differing reports about how those relationships are working, particularly since the Job Network competition model came in, taking people into a competition mentality for some parts of support. Would anyone care to mention how the community support networks are operating now in terms of the various agencies that are in place? How are those communities working to do the job? It is too big for any one group or section of groups together. How do you work together, from the Darling Downs perspective?

**Mr Tuffield**—In August 2001 we formulated a gathering of all emergency service providers and welfare agencies in Toowoomba to streamline how we do business. It was really interesting that overall we had a good outcome of good cooperation. I believe that amongst a number of the agencies there still is. From the ground up that is still sacred amongst agencies, and it is protected, and so we need to work on that further. But, overall, communications are flowing. Given recent issues regarding hostels and additional pressures, it is about sharing resources. If we cannot assist a client, it is about having another service provider to refer to to pick up that client and get their needs met, so that the revolving door I spoke about earlier stops, and the family connects and gets some assistance. So we are working on it, but there is still room to go; we can still improve that further.

**Ms Aganoff**—From our perspective, I believe that it is a significant barrier. Competitive funding is a major problem. Lifeline does well because we have mostly self-funding services, so we can be more cooperative and collaborative. But if you are an agency that depends solely on government income, how can you really cooperate fully with any other agency? They might get the funding, and you might miss out. It is just not going to happen, is it? Up to a point it can work well. With a lot of people putting work in on the ground we can all cooperate up to a point, but not to the point where you might miss out on the funding you need. I think that is a major problem with competitive funding models of all sorts.

**Dr Preston**—I think that this point about integration of services and coherence of approach is an extremely important one. I think it is a matter of interagency cooperation being enhanced. As we said once or twice, it is also matter of intergovernmental levels being enhanced in cooperation and then cooperation being enhanced within government. What I have been picking up in my work is that a big missing link is universal family support programs so that perhaps the



situation that Julie referred to can be addressed in a more coherent way as a whole-of-family problem rather than the particular problems—the finance problem, the domestic violence problem and so on. I am not sure that I am getting a clear prescription here, but I think that that is a goal that we should be working towards. As your question implies, more coherence between agencies is needed, but so are more coherent programs.

**CHAIR**—Thank you. Finally, you refer to a scheme in a number of American states called ‘individual development accounts’. Do you want to explain what you have in mind there?

**Dr Preston**—I cannot tell you a lot more, frankly, than is in the submission and in the reference from which it is drawn. But in my quick research in preparing this I was struck by that initiative. I do not think it is unlike some of the initiatives that the Blair government, for example, has explored. Seemingly, we in Australia have not yet really experimented with these sorts of partnerships between government and those who are in welfare dependency in terms of support and incentive to them. I cannot tell you much more than that. I understand they are working in a few states and that they were Clinton inspired initiatives originally. They may not, therefore, be doing very well at the moment; I am not sure.

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

[2.32 p.m.]

**BENNETT, Miss Katherine Anne, Constituent, Queensland Council of Social Service**

**BRENNAN, Mr Matthew, Constituent, Queensland Council of Social Service**

**GAMMAGE, Miss Catherine, Constituent, Queensland Council of Social Service**

**PISARSKI, Mr Adrian, Member, Queensland Council of Social Service**

**TIMBS, Ms Susan, Constituent, Queensland Council of Social Service**

**WATTERS, Ms Shirley, Executive Director, Queensland Council of Social Service**

**WILSON-SZOREDI, Ms Beth, Constituent, Queensland Council of Social Service**

**CHAIR**—I welcome representatives from the Queensland Council of Social Service. Do you have anything to add about the capacity in which you appear?

**Ms Watters**—Under QCOSS's banner this afternoon I will speak broadly about our submission, Adrian Pisarski from Queensland Shelter will particularly highlight some housing issues and everyone else around the table will speak from personal experience.

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

**Ms Watters**—Thank you. I will make some introductory comments highlighting our submission and particularly some of the contextual factors that from QCOSS's position we see sitting behind the phenomenon of poverty, particularly in this state. QCOSS as you know is a peak body of the social and community services sector in this state. We are related to the Australia Council of Social Service at a national level. We represent both the community service organisations and charities who are delivering direct services to people who live in poverty in this state.

Our submission, in a sense, is not a stand-alone submission; we see it as a complementary document to the ACOSS submission, which is a much more substantive document. Our submission highlights some of the work we do at QCOSS at this point in time and some of the issues in relation to children, and Indigenous children in particular.

By way of context, QCOSS undertakes regular work focusing on poverty and regular policy research around where poverty is at in Queensland. We did some work in 1995 and some subsequent work in 1999 that analysed the data and dimensions of poverty in Queensland. Particularly the 1999 work, which drew on 1996 ABS data and the SEIFA index—which is an index of geographic disadvantage—started to highlight what I think is an important feature of poverty in this state and an emerging feature of poverty in Australia generally; that is, the place

based nature of poverty, the experience of poverty for people. That piece of work mapped poverty in the state. The red areas, where people were most disadvantaged, were in parts of the Cape, the Gulf region, the Indigenous communities in the north of the state, some of our regional centres and significant areas of the urban fringe. I think that is an important point to note: poverty is not spread equally and evenly around the state and there are particular localities that experience a set of characteristics that are both disadvantageous to that locality and reflect significant groups in the population who are living in poverty and financial hardship.

One of the key questions for us is why, given the very strong financial and economic performance of this state, does poverty exist in a state as robust and financially strong as this one? I do not feel that I have the answers to that, but I think that today you have heard some of the characteristics of that and I would like to try to reflect from our perspective what some of those might be. Regardless of our strong financial performance, this state continues to sustain high levels of unemployment which are higher, generally, the national average. I think we all know that there is a strong relationship between poverty and unemployment. I think you heard this morning from the union movement that, even for those who are in jobs, there is a strong phenomenon of casualisation and seasonal work. Queensland displays those characteristics in the nature of some of our industries. I think the issue of regional economies—some being more robust than others—is another causative factor in why place is such a strong factor in Queensland in the experience of poverty. I think the dispersion of our Indigenous community is another factor.

In terms of the amelioration of poverty, we have a history in Queensland of significant underfunding and underexpenditure in terms of the range of social services you need to put in place to form the safety net and the pathway out of poverty for people. I think we have come a long way in recent years, even since we wrote the report in 1999, in relation to the set of services in this state available to support people living in poverty and to support people moving out of poverty. Nonetheless, poverty is a phenomenon that is bigger than this state. I think we have just been catching up from historical neglect, really. We are not dealing with the demands of a community, generally, where inequality and poverty are growing phenomena. We are certainly not dealing with the demands of an increasing population—and it is expected that there will be a million more people in south-east Queensland in next 20 years. We believe that poverty and geographic locational disadvantage is a very serious issue that we need to grapple with in the short term rather than over the long term.

That is probably enough of my contextual introduction. I would like to hand over to Adrian Pisarski to focus on housing issues, which I think are a good example of some of the shifting trends we need to grapple with into the future in order to deal with future poverty.

**Mr Pisarski**—Our position is that Queensland is in a housing affordability crisis. It is not the one you see on the front page of the papers today with regard to home ownership, although that is a problem and is a contributing factor—it is more about the real levels of poverty being experienced by people in the rental market. In Brisbane it has been going on for at least 10 years, but it has been particularly accelerated over the last two- to five-year period. Brisbane has had huge rises in land values. In the last two or three years, it has been in the order of \$100,000 per block within a 20 kilometre radius of the Brisbane CBD. That has put home ownership out of the reach of a lot of people on low incomes, but the real impact has been on the rental market. Despite the fact that we have had a property boom in Brisbane over the last five to 10 years,

there has been a mass transformation of inner city areas—which used to be the supply of affordable housing in cities like Brisbane—to a form of accommodation that simply is not affordable if you are on a low income. So, whilst we have had a property boom, which I would say has been fuelled by government policies rather than ameliorated by them, the net result has been a loss of affordable accommodation at the same time as there has been an increase in the rental market. Properties that are being built are simply not affordable for renters on low incomes. By and large they are there for investment purposes, rented to people who can afford to rent them or using various elements of the taxation system to offset losses against that rental.

Within that context I would specifically mention negative gearing. Whilst we do not necessarily have a problem with the concept of negative gearing—it has been shown to be a vehicle that has added properties onto the rental market—we have a problem with the way that it is targeted. If you compare negative gearing with our welfare system over the last 15 years or so—where every single last dollar is screwed out of the welfare system, much like a wringer, to make it effectively targeted, means-tested and going only to the most needy—the negative gearing system is pretty much unregulated and is basically available to anybody who wants to invest in property. If that \$1 billion a year that is spent on negative gearing were targeted at affordable housing, it might make a difference. At the moment, all that it is doing is adding rental properties but doing nothing for affordability and, therefore, nothing for those on low incomes.

This is not just a Brisbane based problem, because prices have gone up all over Queensland. Some of the regions have very particular issues. I know you have had submissions from our branch in Townsville, so I will not particularly talk about Townsville. Often in places like Gladstone, where large-scale mining developments come into town, a lot of housing is snapped up by those mining companies because they subsidise the accommodation of their work force. That means that people who used to take advantage of those properties either cannot afford them anymore or are displaced physically from them, and the price of those properties goes up. Mining companies in a small town like Gladstone have an enormous impact on housing affordability. Mining companies that fly staff in and out, rather than their living where the mines are situated, have a huge impact on housing affordability. In Townsville the Defence Force used to supply all their own housing, whereas they are now pretty widely spread in the private rental market. That also has the effect of displacing that housing for people on low incomes.

There has also been a massive increase in homelessness in Queensland. That is borne out by the supported accommodation data, although that data only counts the number of people that are being serviced by the service system that is funded under SAP and therefore only counts quite a small proportion of the real level of homelessness. Homelessness in Queensland last December was counted at about 28,000 people, and that was on a given single night. It is a much larger problem than that.

As you heard from Julie Aganoff, we have also had a lot of caravan park issues. We have had many caravan parks close in the last five years. There have been two caravan park closures in the last three months in the Brisbane area and I think something like five across Queensland. Those are not necessarily affordable housing, but they are last-resort housing for a lot of people. When their other options have run out, they end up in a caravan park. When those places close, their only options are the street, public housing—which they have often been evicted from before,

they have debt arrears and therefore cannot get back into—or forms of community housing, where the options are far too limited to meet the level of the problem.

We also have—largely through the lack of commitment by the current Commonwealth government to the Commonwealth-state housing agreement—a massive loss of housing in Queensland because we have allowed the agreement to slide away, in reality, since 1996. If we had maintained 1996 levels of the CSHA in Queensland, we would have an additional \$167 million worth of housing on the ground. That is not there, and current predictions under the new Commonwealth-state housing agreement are that we will lose another \$80 million or so over the next five years. So the public housing system is under massive threat and really does need to be propped up if we are going to put a floor under these situations. That will probably do from me. All I am trying to do is give you a snapshot of the kinds of housing issues that underpin a lot of people's poverty. Thank you.

**Ms Wilson-Szoredi**—I want to talk to you today about my personal life experience and how that has left me trapped in a situation of poverty. I was placed in the care of the state in 1975. I ended up in various homes, which is a common theme for people who were placed in care in my era, and then ended up in a detention centre. I was a status offender, which meant that I had committed no crime, but I was incarcerated with others who had committed crimes as bad as murder, so it was probably not an ideal place for a kid. When I left there, I was pretty much on the street. You learnt very quickly not to deal with the department. The department used to provide you in the 70s with \$32 a fortnight to live on, which was not enough, and I learnt very early not to rely on them for anything, because the less contact, the better. I found myself on the street and was in a situation where prostitution became an option and then heroin very much became an option—to block out what I was doing. This spiral went on.

I decided to put the brakes on. I got on the methadone program and I have been pretty much stuck on that program for over 20 years. I have been clean for years. I have a lot of respect for the people at the methadone clinic. In many ways, they have been like parents to me. At the moment it is costing me \$70 a fortnight for my methadone. My chemist gets it for free, but he is charging me \$70 a fortnight to dispense it. I have been told by the clinic not to say anything about it or speak out about it, because they are dependent on pharmacies for the program. So I have come to a big crossroads. I am trying to maintain my daughter at a private school. I am doing all this on disability and I am not managing to cope at all.

Another point that I wanted to make is that there is all that stuff, and then there is the whole denial of an education. That is a big feature of the experience of a former resident of an institution. Every kid who went through care was denied an education, and so many of us live in entrenched poverty and it is very hard to dig yourself out. It is really hard later on to develop some kind of self-esteem and suddenly, when you do not even have the basics of an education, to try, for example, to go to university. I tried to go back and do some study when my daughter was three. I was doing a uni prep course and I found it overwhelming, but other people are going to talk about that. That is pretty much what I wanted to say to you.

**CHAIR**—Thank you. Who is next?

**Miss Bennett**—I have come today with a pretty specific issue regarding parents who are receiving parenting payments and are also studying. The payment we receive from Centrelink is

called the Pensioner Education Supplement. This comes to a total of \$62.40 a fortnight. After paying my child-care costs, I am left with \$3.80 a week to pay all my educational costs. Each semester I have to pay student fees, which are over \$100; there is an average of two or three textbooks at about \$50 each per semester; there is photocopying, transport and other necessary resources such as having the Internet at home. I was finding it hard enough just doing the first year of my daughter's life on the pension alone, living fortnight to fortnight. It is extremely hard now. Given the location of unis and stuff, I have to live there, and I pay a huge amount of rent that comes out of my salary. So I really think that the amount of money involved needs to be raised. Also, incentive needs to be provided for people to get back to study to help break the cycle. I think it is really important. I feel that it is the government's role to encourage this kind of positive behaviour. That is really all I wanted to say.

**CHAIR**—Thank you, Miss Bennett. Who is next?

**Ms Timbs**—I am a single parent, and I am also at university and struggling with the same issues that Katie has with the Pensioner Education Supplement, but I am also working. Until recently, I have been working two part-time jobs. Centrelink make it very hard to be in control of income, because they assess your income on a gross amount, cut back the pension based on that, and then tax is taken out after that. Then the Centrelink payment for the next fortnight is cut out. When I am working a casual job and my Centrelink payment is cut out for the previous fortnight, there is no control over having money in my pocket for the following period. It is disheartening when I am doing my best to create a future for myself and my son, and there is no incentive. It is difficult.

**Senator MOORE**—How old is your son?

**Ms Timbs**—Two and a half.

**Senator MOORE**—And your daughter?

**Miss Bennett**—One and a half.

**Senator FORSHAW**—Just before we move on, so that we clarify this now: you say you are receiving the Pensioner Education Supplement, and I think you said that is \$62.40 a fortnight. Do you also receive a parenting allowance? What other payments are you receiving from Centrelink?

**Ms Timbs**—We receive a parenting payment—

**Senator FORSHAW**—How much is that?

**Ms Timbs**—Mine varies from fortnight to fortnight—

**Senator FORSHAW**—Because you are working; okay. If you were not working, how much would that be?

**Miss Bennett**—I get an average of about \$750 a fortnight, and that is the single parent pension and the Family Tax Benefit—

**Ms Timbs**—A and B.

**Miss Bennett**—Yes. There are a whole lot of costs into that—

**Senator FORSHAW**—I am not disputing that. I was just trying to understand—

**Senator MOORE**—How they all work together.

**Miss Bennett**—The composition, yes. There are a whole lot of different payments that are also factored into that, but at the end of the day you just have the lump sum, so you do not really think, ‘This amount is supposed to be for that.’

**Senator FORSHAW**—Ms Timbs, if you did some casual work during this period, you would lose some or all of your entitlement depending upon how much you earned. Is that right?

**Ms Timbs**—Yes. Say I work a lot this fortnight and I declare my income to Centrelink. They will decide, ‘Okay, you’ve got this much money in your pocket so, next time we pay you, we’ll cut that out.’ But I will not have as much work in the fortnight they have cut it out of. On top of that, I live in community housing and my rent goes up over a six-month period considering the amount of work I did in the previous six months. So there is no control over rent. There is no recognition that that was for that six months and this six months I may not be working very much.

**Senator FORSHAW**—Thank you.

**Mr M. Brennan**—During my time here at St Vinnies, which has been about 12 weeks, I have seen a direct correlation between the unemployed, drug use and poverty. A majority of people here are content to exist day by day—buying, selling and using drugs—with no apparent desire to change. They are content enough to squat or live in hostels, on the streets, under bridges et cetera. However, there are people—like me and many others here—who use these services and facilities legitimately. There is a chemist, a computer technician, a nurse and a successful business owner and there are musicians and uni students. Of course, there are many more, including past users of drugs who are now clean. These people may be out of luck or have been to prison, made mistakes or whatever. The point is that these are good people who want to better themselves. They do not want to be in the situation they are in. They will not use and sell drugs. They are not content to live on the streets. These people are at the bottom of the ladder and are generally trying to climb back up again.

In order to do this, though, something has to give. I receive the disability pension and, everything considered, there is not really enough money to be able to get to that very first step. I am referring to rent, furnishings, food, deposits for electricity and gas, bus and train fares, prescriptions and doctors’ bills. Simply put, there is just not enough money there. As I said, I am on a disability support pension, and I live in my car just here at St Mary’s car park. Last week I was diagnosed with diabetes. Next week I have to see an eye specialist to get a test for glaucoma. I need to pay \$120 up front in order to see the doctor and I will get back \$45, which means I will need to stay in my car for at least another two weeks. After that, I need to see a podiatrist and after that I need to buy a blood tester to test daily my insulin and glucose levels. It is a vicious cycle, and unfortunately I will have no other choice but to stay in the car. I have had

operations on my spine and desperately need to sleep on a real bed. I need to be able to plug in my heat pad to help with pain and inflammation. For the time being, though—if you will pardon the pun—that will have to take the back seat. Something has to give.

Finally, during the last 12 weeks I have discovered first-hand the valuable services of St Vincent's, Micah Projects and other organisations like the Salvos. The services they provide are invaluable. These companies and many alike really deserve a lot more funding than is currently offered. When I do start climbing the ladder again, they will definitely be receiving donations from me. Thank you.

**CHAIR**—Thank you.

**Miss Gammage**—A lot of people that have been here have spoken of how they came to be in poverty. I am speaking as someone who lives in poverty. Poverty is more than a word that has four lines in the dictionary. P is for poverty, which is defined as 'minimum income level needed to get necessities of life'. O should be for the overindulgence, the confusion and the misunderstanding from the media and politicians that say that (1) there is no poverty and (2) we should get on. V is for St Vinnies and the \$1 meals that fill the bellies of vulnerable people who at times find that \$1 is more than they can afford. E is for enabling people to have their entitlement as human beings and citizens. R is to re-evaluate the cost of living. Many representatives of the people are not aware of the difference between lifestyle and a way of life—survival. T is for truth. Y is yearning for things to improve.

It does not matter how a person comes to live in poverty, and it does not matter what it says in the dictionary as its definition; poverty is everything. You cannot afford basic needs. The first thing that you let go of is yourself. If you are born a female—and do not choose to be—and need \$28 a month for hygiene and sanitary costs, that is the first thing that goes. Do you want to tell me how you deal with that? When you are sitting down trying to work out a budget on \$342, straightaway you see \$48 for groceries and \$28 for toiletries and other necessities—that is \$70 already. Then you add rent onto that. That is not having a car—which is a luxury, I believe—or a telephone, because it is not a necessity. The needs of life are not covered by what is put in. It does not matter whether you are on unemployment or a pension. You break it down: it is not enough for anybody to sustain a standard of living.

**CHAIR**—Thank you. Ms Watters, do you want to say something?

**Ms Watters**—Yes, I will just make some concluding comments. I think the people who addressed you this afternoon perhaps gave you some insight into the complexity of poverty, the different routes and the sort of assistance that is required in both adequate income support and also a range of initiatives. I think that needs to be put in place to provide the assistance and incentives that people need to move out of poverty and into education or work opportunities. We see that this is an issue that needs joined up solutions. It does need a national strategy, and it needs governments to be working cooperatively and collaboratively. In my work I see too little of that and too much competition between states and Commonwealth. For an issue like poverty, that collaboration is both the responsibility of the various levels of government and a necessity if we are going to really break the cycle.



**CHAIR**—Thank you. Mr Pisarski, Mr Brennan has talked about health problems in relation to homelessness. What about mental health problems? Is that something you would like to comment on?

**Mr Pisarski**—Yes, I would like to comment. Mental health problems are a huge additional burden for many people within the housing system. If you look just at the make-up of public housing tenancies, you only have to go back to 20 years ago and about 90 per cent of public housing tenants were working and only about 10 per cent were on some kind of benefit or fixed income. Those figures are now reversed. About 90 per cent of people in public housing are on some form of pension, fixed income, unemployment benefit or what have you, and perhaps 30 to 40 per cent of those people also have some kind of mental health issue. It adds cost for the system and it adds cost for the individual, but it adds an enormous amount of complexity around the housing issues. It is not just providing the housing but providing the additional supports that those people need which becomes a huge burden.

The other comment that I make is that our housing and health systems are not well coordinated to deal with that level of problem. The same could be said of a range of other housing and health services. They do not work in the joined-up way which is needed—as Shirley has pointed out—to provide packages of assistance that are much more holistic around the individual. I do not know whether mental health issues are rising in general, but they are certainly rising in terms of the people we see through services in housing.

**Ms Watters**—QCOSS is concerned that, with the new phase of Job Network that we are going to move into, we will see more people with mental health problems being churned through the system. I think that is something we need to be very alert about and very aware of, that in the new phase of Job Network, theoretically everyone who is unemployed will be participating at some level in the system. Yet I do not feel confident that the support services of the Job Network are geared up to provide adequate support for the group of people with mental health issues, who I think will be overrepresented in the group of people who have been long-term unemployed and have not been active participants in labour market programs for some years.

**Senator MOORE**—The range of stories bring the issue to life in terms of being a theoretical exercise. One thing I would like to ask people is: what do you expect from this committee? I know Miss Bennett and Ms Timbs had an issue about that one payment, but I ask all of you: what do you expect from this committee?

**Miss Gammage**—I spoke previously about homelessness with Andrew earlier on. Affordable housing is definitely something that you have to consider. But when considering it, think of what you are breaking down that is going to pay the rent. Do not say that affordable housing is \$105 a week if you are going to have to take it out of \$215 a week. Realistically look at affordable housing. I shall not challenge any politician, but I would like to know how they break down the payment of benefits. How is the amount that is paid decided? I am not saying politicians are not realistic and they do not know how much a loaf of bread is, but I am saying that if they have never done it they do not know it; to them it is a word. It is poverty—what the hell is poverty?

**Mr M. Brennan**—This man said to me outside, ‘If nothing else, Matt, go in there and tell your story, so it is heard. No-one is going to do anything unless there is a voice there.’ I am not really here to get instant changes, but at least I have said what is happening, and if someone out

there is going to hear it, that is fantastic. But if I do not say anything, it is not going to be heard at all.

**Miss Gammage**—Can I ask you a question? We have sat back and answered your questions. What do you define as ‘poverty’?

**Senator FORSHAW**—This is why we are having this inquiry.

**Miss Gammage**—What is the one thing in your life that is not a want but a need? If it was taken away from you, you would see that you had lost part of your basic lifestyle. What would it be?

**Senator MOORE**—Can we take that on notice? We will have to think about it. One of the issues, Catherine, in this inquiry has involved a debate about how you define ‘poverty’, and sometimes debate about the definition diverts the argument from the stories that you tell. That is one of the questions I wanted to put to Shirley, and I will throw this in there now. You know that there has been the recommendation for a national poverty task force and for a process of looking at a way that we move forward. I would like to get some comment. Firstly, do you think that is a good thing? Certainly the umbrella groups have been supporting that idea. Secondly, how do you stop that being just a long-term talkfest, where people argue about what defines ‘poverty’ and what line to use, as opposed to putting things into place? That question is open for everyone to have a go at.

**Ms Watters**—Yes, we do support the call for a national poverty task force. I think that the debates we have been having about how to define poverty are some reflection that we no longer have any national consensus about some of those core issues. A national strategy would make us address those issues. I think until we have (a) some sort of broad-based consensus that poverty does exist in our community, and (b) some understandings about what it is and how we can address it, then we cannot move forward. I see that we have not been moving forward in poverty, by and large. When I look at government strategies these days I rarely see the word ‘poverty’ and explicit expressions of government trying to address and ameliorate poverty. So I also see that a strategy provides a focus for us. I think it does need to be more than a vision and an expression; it needs to be pretty concrete. There are good examples in Europe that we can draw on where the vision is linked to some very definable benchmarks and achievables. I think that is where we need to head. I understand ACOSS put that forward as its key recommendation; we would certainly support that. I guess the proviso would be that, when we say ‘national’, it does need to engage the state governments. They do have a very critical role in the delivery of services to people on the ground, so it is not just a federal government initiative, it does require at least those two levels of government to be working and steering in the one direction in relation to a national strategy.

**Mr M. Brennan**—If you had asked me that question 12 weeks ago, I would have had a completely different answer to what I know now after spending 12 weeks like this. It has totally changed my perception of poverty.

**Mr Pisarski**—I would agree with everything that Shirley said. I think we do need some kind of task force—I always hate that term, but we need something—to have a really proper look at it, but I wonder if it ought not to be a bit broader than poverty. I heard a very good explanation

of why the UK government had gone down the road of looking at social exclusion or, if you wanted to turn that on its head, inclusion and what we can do to include people rather than exclude them. That seemed to provide more scope than just a simplistic look at poverty. Poverty, I think, tends to come down to dollar figures and amounts that you can live on, which obviously has to be a part of it, but dollars are not the only pathways into poverty. We need to look at a range of the ways that people get themselves into those sorts of situations.

There are also other things governments can do. Once again, to look at the UK, there have been two versions now of the Homes Act in the UK. The most recent one and the previous one both actually legislate against homelessness, so effectively every homeless person in the UK has the right to housing through their local authority. None of this is provided directly by government anymore but through a set of arrangements with community housing bodies in the UK and through private businesses as well, whereby any homeless person can front their local authority and be housed, by legislation—and it does happen. If you cannot do the housing, it is very difficult to do anything else.

**Senator MOORE**—If it is legislated that people have the right to housing—and there are people who are homeless in the UK; it is not working perfectly—who is breaking the law: the homeless person or the provider?

**Mr Pisarski**—As I said, people fall into homelessness through a variety of ways; it is not only about dollars. If you have a mental health issue, for example, you can easily become homeless, but you can get a redress against that by fronting your local authority and asking them to house you and they are obliged, by legislation, to house you.

**Miss Gammage**—Well, even the compensation for homelessness—I offered for any politician to come and spend a week. I would make sure their backside was safe, so they would be in no danger, but they would arrive here with what I have—that is, not a dollar in their pocket. Not for one night, not for two nights, but for a week. That was for homelessness. I will re-ask any one of you, come out for one week and then give your definition of what poverty is, or what is the standard of life you are supposed to have, for those who do not know what poverty is.

**CHAIR**—I can tell you that none of us were to the manner born.

**Miss Gammage**—The invitation was extended through television and radio. There was a member of parliament who was there at the time to whom the invitation was extended. So if it has not come across your table, I apologise.

**CHAIR**—No.

**Miss Gammage**—Then I shall personally extend the invitation—not for one night, not for two nights but for a week. And all I will do is make sure that you do not get harmed. Above and beyond that, your survival is as mine: on your own.

**Senator FORSHAW**—We have talked about the issue of income and how much money a person needs to live on. You made the point, Mr Pisarski, that there are a whole range of other issues. I suppose this is more by way of comment, but we have been hearing through this inquiry that a lot of the things that have been happening have been exacerbating the situation. For

instance, there are the removal of the Commonwealth dental scheme, the continual haggling and withdrawal of funding from Commonwealth-state housing agreements, the declining levels of bulk-billing and a whole range of other things that, of themselves, may not directly cause people to go into poverty, they actually cause people to head in that direction. We are hearing a lot of evidence about people who cannot afford to get their teeth repaired, which can produce a whole range of other health problems. We are conscious there are a whole lot of areas which governments can and should be focusing on, and I think those are some of those things that we will be looking at in our report as well. For example, programs have been in existence and have either been abolished or are seriously underfunded.

**CHAIR**—Ms Bennett and Ms Timbs, did you want to comment on Senator Moore’s question?

**Ms Timbs**—What I would like to see come out of this is for it to not be such a struggle to get out of poverty—out of the trap and out of the cycle. I would like for my peers to not look at their situation and think that it is beyond hope to get an education; that they can do something for their future and their children’s future. I would like for my younger siblings to not have the struggle that I have had; for there to be choices.

**Ms Bennett**—I would like to know what you intend to do with all the knowledge that you have gained from this inquiry. How is it going to be processed and are changes actually going to be made? How long is it going to take and what is the procedure?

**CHAIR**—The inquiry was set up by a resolution of the Senate. It was not supported by the government. As with a number of inquiries, we will make a report to the Senate, and hopefully the government will take notice of the recommendations we come up with. I am sure that in our minds we are already formulating ideas as a result of the hearings and submissions that we have had. We hope that we will come up with some commonsense and practical recommendations to the government not on a political or partisan view, just practical things that the government can do to make things a little less difficult for the citizens.

**Ms Bennett**—I would like to thank you for your effort.

**CHAIR**—As there are no further questions, thank you all very much for your attendance here today.

[3.20 p.m.]

**ARNDT, Mr Peter, Executive Officer, Catholic Justice and Peace Commission, Archdiocese of Brisbane**

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

**Mr Arndt**—Thank you. Firstly, I would like to welcome the committee's hearing here today in Brisbane. We welcome it because our commission feels that an inquiry into poverty and financial hardship is a very important thing to happen for our community here locally and nationally. Our submission is not a very detailed one. That is for practical reasons—because, despite the grandiose title of our organisation, we are not a well-resourced body in terms of either staff or finances and because we are also given a wide range of issues to deal with by the Archbishop of Brisbane, Archbishop Bathurst. Nevertheless, this inquiry has given us an opportunity to focus on perceptions of the issues rather than provide a detailed analysis and a large raft of proposals to address poverty. An important thing that this inquiry can deal with is perceptions about poverty and its causes and possible solutions, as well as the perceptions that people who are poor and disadvantaged have about their situation, community attitudes towards them and the attitudes of government towards them.

As I said before, we welcome this inquiry because—as I think other witnesses have suggested and perhaps the committee has also suggested—poverty does not seem to be a very important issue on the national agenda, whether it is in the government, the media or the general community, and that is a great concern to our commission. We believe poverty is something that does exist and is a significant problem for our community. It has been sidelined as an issue over the past couple of years because, if there has been any discussion about poverty, it has been about how you measure it and what levels of poverty actually exist in the community. That is disappointing to us because, whatever measures are used by various academic outfits, the reality is that poverty exists and, whether there are 1.5 million or 2.4 million Australians living in poverty, it is a reality for our community—a significant number of people are faced with poverty.

So anything that can bring poverty back onto the agenda is important to us, and we think that leadership is necessary within our community to bring it back onto the agenda so that the problems that are faced by people living in poverty are addressed and are addressed substantially. Leadership could come from the national government, as has been suggested in other submissions, through some sort of a major group at a national level focusing on poverty, a poverty task force, a poverty commission or whatever you might like to call it. Some sort of group that focuses on poverty and the various issues that affect people living in poverty would, we think, start to bring the issue of poverty back onto the agenda.

It probably would help if not only this commission was formed but also the leadership of our nation, in terms of the Prime Minister and the government, said more about poverty and established some targets for themselves. The government of the United Kingdom established some targets for a whole range of social and economic indicators, including poverty. If the Prime

Minister and the government did something dramatic like saying: ‘Yes, poverty exists. There may be debate about the levels of it but it is real and we want to establish the conditions socially and economically in our country to start to reduce that to certain levels,’ and so on I think that would be a big sea change in what is happening in our community in terms of attitudes towards and even awareness of poverty in our community.

The second thing in terms of perceptions I would like to raise is perceptions about what is fair in our community. Committee members may know that in 1992 the Australian Catholic bishops published a major report, which was the result of a lot of consultations around the nation, into wealth distribution. It was called *Common wealth for the common good* and, as part of our marking of the 10th anniversary of its publication last year, we invited Robert Fitzgerald to deliver an address in retrospect on that major document from the Australian Catholic bishops. One of the things that he pointed out—quite rightly, I believe—is that perceptions about fairness have changed, at least for many in the community. We have quite a number of people in the community these days whose attitude is: ‘If somebody else has something then it is only fair that I have it,’ or ‘If I do not have it then it is not fair if somebody else has it.’ That is a shift away from the concept of fairness being about need for a benefit or a service or some sort of support. There needs to be a lot of work done by the leadership of our country to start to change attitudes so that our community understands that fairness is about providing what is needed rather than equality being about sameness.

In our submission we point to a range of government policies and decisions that smack of unfairness in terms of providing support for other reasons than need. We have made some suggestions about areas the government could look at dealing with to provide greater fairness on the basis of need. We pointed to, for example, the failure of the government to take action on family trusts. In spite of the fact that the government had identified reform in the family trust area in 1998 as a significant area to deal with in its taxation reform package and in spite of the fact that its own review of business taxation in 2000 identified it as an area that had to be dealt with, in December last year the Treasurer announced that the government would effectively not deal with this issue adequately. For some reason there was neither the will nor the capacity to draft appropriate legislation to stop people using family trusts as a means of minimising their taxation unfairly.

We point, too, to other current policy settings that smack of unfairness in terms of need. For example, the private health insurance rebate: over \$2 billion set aside without any sort of means testing and so on, for the most part for people on the higher end of the income scale, and this when people on low to middle incomes are now faced with extra imposts to gain basic health services and pharmaceuticals.

There are imposts being placed on low- and middle-income families in terms of getting their children higher education. This seems to be sending the wrong sort of signal in terms of fairness. ACOSS has estimated almost \$7 billion worth of unfair benefits are being dished out to people in the upper income brackets, yet at the same time more and more financial imposts are being placed on people on low to middle incomes. This is unfair on the basis of need.

Finally, the third perception I want to talk about is the perception of people who live with poverty and experience poverty on a daily basis. I suspect from talking to people who are disadvantaged and people who work in various services and agencies with disadvantaged and

poor people that they have a very negative view about attitudes towards them. They will play the system that they are forced to be a part of to get whatever it is that they can get to survive. It is not a recipe, as far as I can see, for people who are living in great disadvantage to lift themselves out of poverty. I think there needs to be a change in perception and a much more inclusive, participatory and collaborative approach towards overcoming poverty in our community. Giving positive encouragement to people to take responsibility within their capacity to do so will, I think, in the long term provide much more benefit in terms of people lifting themselves out of poverty than will imposing a range of harsh penalties, rules and regulations on people who are unemployed, who are sole parents or who have disabilities and so on.

Perhaps the sea change in the relationship between the federal government and at least some Indigenous community leaders recently in relation to the issue of Indigenous family violence is a pointer in the right direction. I am sure senators would be aware that the relationships between the Prime Minister, in particular, and many Indigenous community leaders for some years have been tense because of the approach and attitudes that the Prime Minister took. But his recent response to Professor Mick Dodson's speech at the National Press Club on Indigenous family violence was to bring some Indigenous community leaders together, sit down with them and listen to them. His follow-up visit to Cape York—the Prime Minister is going to Aurukun to look at what Indigenous communities are facing and the sorts of things that they are doing—is giving more encouragement to Indigenous community leaders that the Prime Minister and the government are people they can work with.

The thing I want to stress, though, in relation to Indigenous communities—and I think this is something our submission highlights for people who are not Indigenous and who are living with disadvantage and poverty in different regions of the country—is that there has to be greater trust in the people at the grassroots in those communities to participate in the processes that will overcome the poverty and disadvantage they are facing. Certainly there are disagreements within the Indigenous community about some of the things that are happening in the Cape York justice project, but that only serves to highlight the fact that each of the individual communities in Cape York wants a greater say in what happens to overcome the problems they are facing.

I think that it is a really important general principle that needs to be encouraged in the way the government deals with poverty, unemployment and disadvantage generally. It has to look at more emphasis being placed on grassroots communities playing a greater role in making decisions about the sorts of measures that can regenerate their communities. There are all sorts of examples of that in the Indigenous and non-Indigenous communities to show that some benefits can actually accrue from that participatory model. With that I might end my statement and answer any questions you have.

**CHAIR**—Thank you very much, Mr Arndt. You mentioned the perceptions of people in poverty about themselves. They had a negative view or attitude towards themselves, I think you said. In your experience, do you think that the people coming and seeking assistance from voluntary agencies such as St Vincent de Paul, Anglicare, Mission Australia et cetera, are changing from 10 years ago when the bishops commissioned that report? Secondly, in that 10 years, do you think the attitude of people who are coming and seeking assistance from those agencies has changed towards those agencies?

**Mr Arndt**—From what I have seen from personal experiences of people and from what I have heard, I suppose attitudes have changed to being perhaps even harder-nosed—if I could describe it that way. Things become more desperate. In an atmosphere in which mutual obligation means many more restrictions and regulations imposed on people facing hardship, people have to survive in any way they can and it has become more an attitude of playing the system. There is not a sense that there is any positive encouragement or inclusion in efforts to deal with their situation.

**CHAIR**—Do you think that a number of the agencies have become part of the system? I know some are not involved with any government assistance or contracts.

**Mr Arndt**—In terms of the Job Network, for example, I know of one employment agency of long standing, St Mary's Employment Group, in Ipswich—where I come from—who steadfastly refuses to be part of such a system because they feel it imposes too many restrictions on the way they operate and that in some sense compromises their philosophy, why they are in it—helping unemployed people to find employment. The person who is in charge has stated that to me on several occasions. I think there is a lot of searching of the heart amongst many people in my church—and in other denominations—who are involved in such services as the Job Network and so on who feel in some sense that they are constantly under pressure to serve two masters, as it were. They have got their own philosophy from their faith commitment or their view of the world, but at the same time they have got other strictures imposed on them by what the government or the department stipulates for them to get funding to be a provider of services, whatever those services might be.

**CHAIR**—Thank you.

**Senator MOORE**—You made statements about participation and having a collaborative approach. One of the key issues at the moment is that the government is trying to legislate to enforce participation on people in the social welfare system. Can you suggest any way in which we could have a system where participation and collaboration operate without the punitive approach that you referred to in your paper?

**Mr Arndt**—I certainly want to say that that sort of forced participation is probably counterproductive. It is only going to generate more of the same sort of attitude that I spoke of before—a very negative hard-headed, hard-nosed attitude of doing what is necessary in order to get whatever income support and benefits are available to people. Those sorts of things have been proven, I think, to be counterproductive. For example, I have seen figures that indicate that people who are put into the intensive program for employment simply get recycled through that program, some as many as three, four or five times. It is ridiculous. It is a waste of resources, time and energy. The people who are participating in the program are only doing it so that they can continue to get the benefits they get. It is a waste of time and energy on all parts.

There is more benefit in developing projects or ideas that local grassroots communities come up with. I am thinking of a project that is not related to poverty, one which we are still involved in with a federal government agency, the Australian Greenhouse Office, and that is the Cool Communities Project. We are working with the Greenhouse Office and the Queensland Conservation Council to encourage individual households to modify behaviour and to make changes in their homes to reduce greenhouse gases. The Australian Greenhouse Office has



provided a broad framework and an overall set of goals, but individual communities around Australia have applied for funds and have been given the opportunity to develop their action plan within their own context. A lot of leeway has been given to us in terms of the initiatives we would undertake to promote these changes in the community.

If you are using community organisations as mediators—such as the Queensland Conservation Council in terms of the environment, and QCOSS and other major bodies in terms of poverty and disadvantage—and if you are entrusting local communities to develop programs for social or community regeneration or whatever you want to call it, there is a much greater prospect that some people who are living with poverty and facing severe disadvantage will get together, get on board and do something constructive for themselves, for their families, for their neighbours and so on, than through these sorts of punitive measures. It needs to be explored a lot, but we have to break the understanding that punitive measures can in any way force people to pull themselves up by the bootstraps. I do not think that works; it is just going to entrench the survival mentality of people who have become hard-nosed because of their experience and the great difficulties they are facing.

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

**Mr Arndt**—Thank you. I thank you once again for coming to Brisbane, and I thank the Senate for caring enough to put this issue on the agenda. I have had dealings with a number of Queensland senators of different political persuasions, including Senator Moore, and they have been very helpful. I would like to place on record that Senator Moore alerted me and a wide range of other community groups to the committee's inquiry, and if it were not for her doing that we would not be making a submission. She has been of great support to many community groups like ours in helping us to do some of the work we do in the community. So I thank all of you, and Senator Moore in particular, for what you have been doing.

**CHAIR**—Thank you. We are only here because of Senator Moore's agitation.

[3.47 p.m.]

**CARR, Ms Angela Eileen, Evaluation Officer, School of Criminology and Criminal Justice, Griffith University; and Representative, Pathways to Prevention Project, Mission Australia**

**FREIBERG, Dr Kathryn Jeanette, Research Fellow, School of Criminology and Criminal Justice, Griffith University; and Representative, Pathways to Prevention Project, Mission Australia**

**HOPPER, Mr Lincoln Howard, Operations Manager, Community Initiatives (Queensland), Mission Australia**

**LAMB, Ms Cherie Suzanne, Project Manager, Pathways to Prevention Project, Mission Australia**

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

**Mr Hopper**—I would like to start by presenting apologies for Professor Ross Homel, the Head of the School of Criminology and Criminal Justice at Griffith University. He would like to be here but cannot be. Mission Australia is one of Australia's leading Christian community service organisations with a focus on helping families and children, young people, homeless people, communities and providing employment services. The underlying aim of Mission Australia's work is to help individuals and communities strengthen and increase their capacity to help themselves. Mission Australia is developing and delivering new and contemporary services to tackle the new social problems facing our society. As a result of more than 140 years of working with economically and socially disadvantaged citizens, Mission Australia believes that poverty is much more than an economic status and encompasses emotional and spiritual dimensions. Reducing and eliminating poverty therefore requires a multidimensional approach.

Following on from the Mission Australia response to the inquiry into poverty earlier this year, we would like to discuss in more detail an exciting initiative that is being operationalised in a highly disadvantaged community in Brisbane. To give some background, the past decade in Australia has seen the emergence of more than 10,000 family support and early intervention programs tackling the root causes of serious social problems. At the state and federal government levels there has also been an increasing move towards prevention and early intervention in addressing social problems. Examples include the Victorian government's Best Start Strategy, the Families First Strategy in New South Wales and the national Stronger Families and Communities Strategy.

In 1997, the national campaign against violence and crime unit and the national anti-crime strategy commissioned a seminal report known as *Pathways to prevention*. The report reviewed the research here and overseas on early intervention and prevention approaches and provided a policy framework to guide and enhance existing programs and services as well as aiding in the development of new services in Australia. The *Pathways to prevention* report was commissioned

in part due to concerns about rising crime levels as well as the concern about the rising costs of crime, both social and economic. *Pathways to prevention* outlined four approaches to crime prevention: criminal justice, situational prevention, community or social prevention, and developmental prevention.

The developmental approach championed in the *Pathways to prevention* report sees life as a series of phases with transition points from which several pathways can be taken. Different outcomes wait at the end of each pathway. The transition points are the key to improving people's circumstances, life chances and crime. At a time of transition—for example, from home to school or from school to work in later life—if people are not provided with the necessary information and social support they are at risk of taking a pathway which leads towards negative circumstances. It is also at the transition points where intervention or assistance has the biggest impact.

Confirming the critical importance of the early years of a person's life, the developmental research shows that what happens at a particular transition point depends on not only a person's current circumstances but also how they coped with earlier transitions, including those in the first five years of life. Reducing these risk factors and strengthening protective factors at transition points early in life reduces the likelihood of later antisocial behaviours. The developmental approach recognises that a person's social context is a crucial factor in their development. Individuals are not solely responsible for the outcomes of their life. Their family, school and community all play a vital role.

Following on from this research is the Queensland Pathways to Prevention Project—a pilot project that began conceptually in late 1999 and was then initiated in 2001. The project is a partnership initiative for Mission Australia, the Key Centre for Ethics, Law, Justice and Governance and the School of Cognition, Language and Special Education at Griffith University with support from the Queensland government, the Australian Research Council, the Criminology Research Council and philanthropic partners, including the Barnes Foundation, the Westpac Foundation and the Viertel Foundation.

The project targets preschool age children, their families, schools and community with early intervention programs designed to help children make a successful transition from home to school—a transition which, if disrupted, can lead to the later development of antisocial behaviours and crime. A suite of early intervention programs have been developed and implemented within a community development framework. This means that there is a strong emphasis placed on the views of parents and other key stakeholders. Staff work to empower the local community to develop and implement their own solutions to identified problems. At the same time, there is also a very strong emphasis on ensuring all strategies used are based on solid research and with rigorous evaluation.

The Queensland Pathways to Prevention Project is grounded in the original *Pathways* research—that is, developmental prevention and early intervention theory. It aims to strengthen the community where the project is situated through empowering children and their care givers, developing more inclusive child friendly schools, neighbourhoods and community services, and enabling children and their care givers to more effectively participate in schools and the wider community. The project is situated in a highly disadvantaged community in Brisbane's south. It targets children attending seven preschools attached to the seven local state primary schools as

well as children from the local Indigenous preschool and year 1 children from the local Catholic school. Approximately 200 children took part in the project in the year 2001 and 300 in 2002, along with parents and care givers.

The project aims to provide opportunities for immediate and positive changes to the lives of participating children and their families. It also aims to build the foundations for sustainable change within the wider community. The long-term ambition of the project is to strengthen the protective factors in the lives of children, which will lead to a lower incidence of crime during teen and adult years. A further goal is to use the findings of the project to transform institutional policies and practices.

The project is made up of several integrated programs focusing on family, family independence and school based intervention. The development, planning and implementation of the programs is an ongoing process which involves continual consultation with parents, care givers and members of the wider community. A key factor in the implementation of the project is that it aims primarily to add value to and strengthen the existing initiatives and services on offer in the community.

The community is already resourced with a wide range of activities and services on offer. The schools involved also are extremely active in running behaviour management and similar programs. The success of the project is therefore heavily dependent upon the development of good relationships and links with community based organisations and government departments already operating in the area.

I would now like to introduce to you Cherie Lamb and Dr Kate Freiberg who will briefly outline the elements and results so far of both the family independence and school based interventions of the Pathways to Prevention Project.

**Ms Lamb**—Poverty is a major factor affecting the development and progress of children's education and increases the probability that such children will have more negative life outcomes. According to the *Pathways to Prevention* report, authored by Ross Homel and his colleagues, the young child at risk of school failure or with behavioural difficulties cannot be viewed in isolation but needs to be seen as a member of a family unit located within a specific social and cultural community. Alleviation of poverty, therefore, must not only focus on relief from financial hardship but also on strengthening social networks and supporting initiatives which improve the capacity of communities to cope in an era of social and economic change. The Pathways to Prevention Project attempts to address poverty in the community holistically. Rather than directly providing monetary assistance, we attempt to increase knowledge, improve skills and build resilience. Our goal is to build upon the existing social capital within the community and, by doing so, expand its capacity to assail the forces of underlying poverty.

Families in the project's target area endure a relatively high level of disadvantage compared to those in other Brisbane suburbs. The area is characterised by low levels of work force participation, low levels of home ownership and a higher proportion of low-income families than in most other regions in the state. According to ABS census data, half of all dwellings in the area are currently Queensland Housing stock. Sole parent families comprise one-third of the total population, and almost a quarter of the population is unemployed. The median household income stands at one of the lowest levels in Queensland, being approximately \$412 a week. The

community is very multicultural, with substantial Indigenous, Vietnamese and Pacific Islander populations. Fifteen per cent of the Indigenous population in the community is under the age of 15.

Children who are reared within an area of concentrated economic disadvantage face the likely consequences of decreased social, physical and cognitive wellbeing, poorer than average academic achievement and an increased likelihood of involvement in crime. The juvenile crime rate in the area, according to Professor Ross Homel's research, is one of the highest in Brisbane, with 158 court appearances by resident children per 1,000 children aged 10 to 16 years, with the average rate for Brisbane as a whole being only 20 court appearances.

I want to speak a bit more about the Family Independence Program, which is managed by Mission Australia. It is the family support component of the Pathways to Prevention Project as a whole. It assists parents, care givers and families of four- to six-year-olds in our target schools to create a stimulating home environment that is harmonious and conducive to learning through the provision of culturally sensitive services. It is designed to impel our families to take control of their lives and therefore concentrates on three main areas: family support and counselling, group programs for parents and community development activities.

Development of parent programs in 2002 and 2003 was guided by extensive community surveys. These surveys were specifically designed to explore the needs of the different ethnic groups in the area with regard to families and their links to schools and to provide the foundation for the design and implementation of family support programs and community development initiatives. The program supports families in a holistic way through the combination of services such as individual and family counselling, parent skills training, behaviour management training, referral and advocacy, and the set-up and support of a variety of group activities such as playgroups.

Ultimately, by involving parents and families in group activities the project aims to reduce social isolation, increase involvement in social and recreational activities and contribute to the eradication of social poverty through the building of a healthy, well-functioning community. Our aim is to provide attractive and accessible services based on the needs identified through our extensive consultation process. These services are available free of charge to all families with four- to six-year-olds in our target area and they are designed to be, above all, non-stigmatising to parents and children. The project operates within a community development framework.

In order to ensure that our services also meet the needs of people from culturally and linguistically diverse backgrounds, especially those I have already mentioned, we have employed appropriate bicultural and bilingual community support workers from the same cultural and linguistic backgrounds. These workers are invaluable as team members because they build bridges for other program staff as we work towards more effective cross-cultural communication, more equitable service delivery and better outcomes for those who are often ignored or placed in the too-hard basket. As far as possible, project interventions are run through a wide variety of group activities. Groups themselves, in addition to the specific skills and knowledge imparted, ensure that social isolation is reduced, barriers to participation are removed and that the wealth of local knowledge and experience held by each individual group member is shared. Transport, child care and refreshments are provided free of charge for each of our group

activities in order to overcome the main barriers to participation usually experienced by people from disadvantaged communities.

I want to quickly list some of the group programs we are currently running. We run approximately seven behaviour management programs, based on the Triple P Positive Parenting Program model. We try to run one in each of our program schools throughout the year. We run five playgroups: on Mondays we run an Indigenous playgroup, on Tuesdays we run a Samoan playgroup, on Wednesdays we run a Tongan playgroup, on Thursdays we have an English-speaking generalist playgroup and on Fridays we have a Vietnamese playgroup. In each of those we encourage people to speak in their first language, because there is a body of evidence which says that this is particularly good for then learning a second language, which in this case is English. We run an Indigenous family support group in our local Murri elders' hall once a week. This is attended by approximately 12 to 17 care givers plus four elders and children. That is quite an effective group and it has a lot of support from other agencies in the area. We run English classes for Vietnamese parents who are socially isolated and we run dance classes twice a week for youths between the ages of 13 and 16—I think we have got a youth group for younger people as well. We run a variety of different school holiday activities during breaks.

Previously, we have run behaviour management programs for Vietnamese parents, adult computing classes for our parents, a multicultural playgroup based in a local school and an Indigenous mothers' social club. We have also run two very large family fun days, which have involved all of our families and the local community. We have run a multicultural picnic to celebrate Harmony Day and a variety of other community development activities. Next semester we are planning a parenting for survivors of abuse group, and a program to deal with separation anxiety for Vietnamese children who are starting school. We are also planning Indigenous and Vietnamese after-school youth programs.

We think that the project has made very good headway in working towards the reduction of risk factors leading to abuse and neglect in the lives of families currently accessing project activities, especially by addressing issues of social isolation, poor parental supervision inside and outside the home, unsafe home environments, and harsh and erratic child-rearing practices and family violence, including domestic violence. Feedback from parents and observations by school teachers and project staff have revealed that the project has not only developed a range of effective prevention and early intervention strategies, which are currently being evaluated; it has also already contributed to a reduction in childhood behaviour problems amongst children whose parents participated in behaviour management programs, especially if this was coupled with children attending a school based communication or social skills program.

According to parental self-reports and home monitoring by project staff, the program has also contributed to improved parenting skills and competencies for parents who attended group and individual interventions. The program has improved links to appropriate agencies, community resources and other social support networks, thereby contributing to the reduction in social isolation. We believe that the project has strengthened community networks and achieved better outcomes for children and families in accessing other services and, in general, it has improved the integration of early childhood, child protection and family support services in the local area by strengthening these links between service providers.

More specifically, we have developed a comprehensive range of child and family programs that have been established for a cohort of nearly 300 preschool children in seven schools, and we have incorporated the children's families into those programs. Through our parent surveys and extensive community consultation, we have designed and implemented programs. We have achieved an acceptable level of participation from parents in project programs, with more than 50 per cent involved in one or more programs or activities. This is much higher than is often achieved in projects in very disadvantaged communities.

Of the 46 Indigenous families in our preschool and year 1 age group, 27 have accessed our program—which we think is quite good. Successful implementation was achieved of child behaviour management courses, or Triple P for parents, including Vietnamese parents with limited English, and extensive community development activities have been commenced. Some innovative programs have been developed at the instigation of the local community. I will hand over to Kate Freiberg.

**Dr Freiberg**—One of the key organising concepts of the pathways project that Lincoln and Cherie have been talking about is the fact that it is really not possible to promote and sustain young children's development without promoting a positive and nurturing context for that development. An important feature of that model is that the social context for kids' development is multilayered. It includes their family, their neighbourhood, their school, community and so on. In developing the pathways framework of intervention we have had to bear that in mind and realise that neither problems nor their solutions can be seen to exist in any single context for development. Since that is the case, any intervention also has to span those multiple contexts for development. That clearly, as Lincoln has mentioned, involves a collaborative approach.

Cherie has mentioned the family programs, and they attend to the family and community as contexts for children's development. But also, as Lincoln has mentioned, there are school based programs within the overall pathways framework, and they focus on the school as another significant context for children's development. Because we recognise that schools provide a hub for connecting to children and their families, we include the preschools and primary schools within the local area that we are working in as part of the overall pathways partnership. The preschool-year 1 transition has been identified as a significant period for intervention because that is the time during which attitudes and behaviours relating to education and learning are being set. The foundations are being laid during that period, and research tells us that children who fail to make a good adjustment to school in those early years often continue to experience academic and social problems as they progress up the ladder and go on in their schooling.

So, for those reasons, the school based programs have some specific aims that focus on some of the fundamental skills that children need to develop in order to do well at school at that point of school entry. Those are things like the ability to control disruptive and aggressive behaviours, to communicate well with other people, to form positive relationships and get along well with peers, and just to have a positive interest in learning and school. There are three main school based programs within the pathways intervention framework. Basically, the key goals or aims of those programs are to enhance children's communication skills, to enhance children's social skills and to build strong, equitable relationships between families and schools that empower parents to participate actively in their children's education.

Those school based programs sit alongside the family programs that Cherie has discussed. But I think the important thing—which is sometimes overlooked when we list the programs for people—is that the real strength of the program lies in the fact that it is more than the sum of its parts. Each individual component is important, but I think the innovative and unique aspect of the pathways program is the way in which the different program elements fit together and are mutually supportive. As Lincoln has mentioned, that requires real collaboration from the key players.

Another fairly distinctive aspect of the pathways project is the very strong belief in and dedication to evaluation that underlies what we are doing. That commitment to evaluation is seen in the dedication of time, effort and resources to the evaluation activities, and I think to a dogged perseverance with evaluation that we use as a way of ensuring the accountability, quality and effectiveness of the programs we are delivering. The evaluation incorporates assessment of both short-term and longer-term outcomes and program effects. Some of the outcomes for children are evaluated by means of standardised tests or measures of things like children's language ability, social skills and behaviour, but we also collect data that will allow us to follow the progression of the children as they advance in the primary school years. So we collect data about their performance at school and attachment to school via things like attendance rates, motivation to achieve, attitude to school and behaviour in school.

For parents, outcome data is collected by means of self-report data—as Cherie has mentioned—and surveys, which enable parents to report to us things about their parenting practices and any concerns they are experiencing about their child's development. They could be in areas of language and behaviour, but also they could be in areas of health, physical development and so on. Also, the parents are able to tell us about their satisfaction with the services that we offer and the opportunities that they feel are available for them to be involved in their children's school.

Some of the outcomes that we have been able to show to date—and I think I should preface this by saying that the evaluation is ongoing and we are only part of the way through the program, so these are tentative findings rather than conclusive ones—are that the parents have been very satisfied with the family programs that Cherie has been talking about. We have also found relatively greater levels of improvement in the skills of children who participate in the programs as compared to children in the comparison groups who have not participated in the program elements.

What we have found is a relatively greater improvement in the language skills of children who have participated in the school based programs. We have found evidence of improved peer relationships in the program children. Teachers have rated the program children as more attentive in school and they have indicated that there has been a greater reduction in behaviour problems shown by children who have participated in the programs compared to children who have not. We have seen positive program effects on the children's prosocial skills—things like cooperation and sharing with their peers—and also their tendency to use peaceful solutions to problem situations that come up rather than trying to resolve problems with conflict. There has been a generalisation of some of those social problem solving skills to the cognitive domain. We have found that kids who participated in the social skills program were better at solving certain problems that required you to think a couple of steps ahead and do some forward planning, so there has been that generalisation of problem solving skills to a wider sphere.



As I think I mentioned, favourable reports are increasing from the parents about their satisfaction with the services that are being provided. Families are now beginning to report greater satisfaction with their interaction with the schools now the program has gone into its second full year of implementation. So overall we are fairly positive. Even though, as I said, these findings are not conclusive at this stage, I think we have good reason to be fairly optimistic that the program is achieving the types of outcomes that we had hoped it would achieve. Overall I think it is a fairly positive outcome to date.

**CHAIR**—Thank you, Dr Freiberg. Would you like to say anything, Ms Carr?

**Ms Carr**—No.

**Mr Hopper**—I will add some comments. Mission Australia's belief is that the issue of poverty is complex, multifaceted, extends beyond material deprivation and encompasses social, psychological and spiritual dimensions. Viewing poverty this way has strong implications in terms of the nature of proposed solutions. Mission Australia is convinced that the development of adequate early intervention and prevention strategies available at the known steps of social and economic disadvantage and at significant life transition points would significantly reduce the impact of poverty for many Australians.

The Pathways to Prevention Project demonstrates how this can be done, not as a stand-alone project but rather as a community based model to tackle the problem of social and economic disadvantage. The research reviewed in the *Pathways to Prevention* report found the following aspects were common to all successful early intervention programs: there are no single solutions, different methods are appropriate for different life phases, one-off interventions and programs are not effective, and the strongest, most durable results come from programs which begin in a child's early life. Child abuse and neglect are important risk factors in the emergence of later problems, including aggression, juvenile offending and substance abuse, particularly in environments of poverty and socioeconomic stress. Many risk factors tend to occur in combination and can be interrelated. They can also have a cumulative effect, meaning the combination of risk factors is critical. Again, the Pathways to Prevention Project discussed today engenders these characters and demonstrates a clear way forward as a model that is showing promising results and having good success.

Mission Australia are also aware that the responsibility for addressing the issue of poverty is not solely with governments. Our experience with the Pathways to Prevention Project and other joint ventures is that the best solutions are based on effective partnerships between government, non-government, universities and the private sector. Involvement of non-government and other sectors should not be seen as an alternative to government initiatives but as a means by which government can add value to their programs.

A recent review of policy of three Queensland government portfolios—Education, Families, and Premier and Cabinet—found that a number of strategic directions relevant to the Pathways to Prevention Project were common to these departments and are best categorised into four areas: creating the 'smart state'; providing opportunities for improved pathways and transitions for young people; building partnerships between government, communities and organisations; and creating safer and more supportive communities. At the federal level the same congruence of aspirations is found across government. In conclusion, Mission Australia and Griffith

University—along with our valued partners—believe much can be learnt from the experience and outcomes so far of the Pathways to Prevention Project and offer it to the inquiry as a successful, evidence based model with which the multidimensional issues of poverty may be addressed. Thank you.

**CHAIR**—Thank you, Mr Hopper. I have not had a chance—and I do not think Senator Moore has either—to look at the documents because we did not receive them before today. I am not being critical. You mentioned in your opening statement the emotional and spiritual dimensions. You said you ran a positive parenting program, and it appears from what you have said that elements of it are aimed at parents. The evidence we have received over many hours and days is that in poverty people probably commit that greatest sin of despair. As an observation: the parents who make a commitment to going into this program probably are not those people who have despaired; they are still fighting. How do you get to the people who have drug problems, have turned to alcohol, have gambling problems, are on the verge of becoming homeless or are violent with their children? How do you get to them? Do you have that magic wand?

**Mr Hopper**—I will also throw this to Cherie, who works on the ground. A universal issue with community service programs is recruitment of people—that is, how do we get this good stuff we know to the people who need it most? The outstanding success we are finding with Pathways to Prevention, where we are doing it, is in recruitment of people. There are participation rates I have never seen in projects before. Half the Indigenous population we can access—and Cherie was talking about this—are coming to our projects. We have a lot of people coming to look at us—we are a bit like a fishbowl—and wondering what it is. Those elements you spoke about are issues for the people we are working with. Those issues are common to the people we are working with. How we do that is from a bit of an insight. Cherie can talk through some of the detail of how we have engaged and built trust and relationships with people to enable them to access those programs we have created. At the end of the day, those elements you have spoken about are part of the lives of the people we are working with. They are everyday issues for these people.

**Ms Lamb**—We run a multidimensional, multilayered program. I did not have time to tell you about the different layers. We have our group programs, but underpinning those we have an individual counselling service and that counselling service does a lot of one-on-one work with the people you are talking about. A lot of our clients are from those backgrounds. We run a universal program. We do not want to stigmatise people, so it is open to everyone in our target group. It being opened up means that people who do have more specific problems are able to come without being stigmatised.

Initially we tried to get direct referrals of those particular families from schoolteachers, but we found that did not work because the teachers, first of all, did not want to broach the subject with parents and, second, because it was like saying, ‘There’s something wrong with you as a parent, so go and see them and they’ll fix you up.’ So we stopped doing that. Now, because we have opened up the program, people want to come to a playgroup or whatever; it is not stigmatising to bring your younger children to a playgroup. You can even come along to a Triple P Positive Parenting Program, because everyone else does and so you think: ‘Those parents aren’t so bad. I can go too.’ More than that, when people have come to one program they have then chosen to go on and get more individualised help. We have quite a few families who have experienced

domestic violence and we have Department of Families referrals. Certainly, we have a whole range of crises that occur on a daily basis and we work with those people.

**CHAIR**—Would you like to say anything, Dr Freiberg?

**Dr Freiberg**—I think the trust that the team has been able to build up is in part due to the longstanding nature of the program. It is not a fly-by-night program, so I think parents are willing to commit to coming along because they realise that you will still be there tomorrow. I think the trust the team has been able to build up is also in part due to the fact that many of the workers are themselves members of the local community. I think that has been a key feature of it as well.

**Ms Lamb**—We have workers who are Indigenous, who are Vietnamese or who have a Pacific Islander background, so they can identify with and relate to our client group—and that has been phenomenal. I think that has really been very important in bringing groups that are otherwise marginalised into a mainstream service.

**Senator MOORE**—I think it is great. The more I read about it, the more I like it. Is the project still a pilot?

**Mr Hopper**—Yes.

**Senator MOORE**—What is the time frame for the pilot?

**Mr Hopper**—June 2004 is when funding as we know it ceases from our philanthropic and other partners. That is what the initial pilot, Safe, was geared towards—producing some results and some evidence to see if what we are doing is working. Because of the encouraging results that we have seen to date, we are in the process now of searching for other funding sources that may be able to carry on the project in that area and, further afield, looking at replicating the concepts—not necessarily the entire project—in other places and using it as the blueprint for other committees to do so.

**Senator MOORE**—As Dr Freiberg said, one of the ways to encourage trust and involvement is by not being another pilot but something that is embedded and that people continue to have. So you have your ongoing evaluation strategy through until next year, with the next 12 months being critical to try to get funding to follow through.

**Mr Hopper**—At the same time we are building sustainability into some of the groups. We were talking today about some possibilities. Some of the groups are actually producing some very exciting parenting material that they have developed themselves, which there is some interest in licensing and generating some income from so that they can continue the group. So we are looking at really broad strategies for sustainability.

**Senator MOORE**—Is it an expensive program? You have all had experience with lots of programs and you know what constitutes a high-cost program and what does not; where does this one fit on the scale?

**Mr Hopper**—There is never enough money for these things, as you know. It is not the highest cost program that I have experienced; however, it is the most complex. If you added all the elements together, it is expensive in the sense of putting resources into evaluation and those sorts of things, as Kate said. We are in the process of doing a cost-benefit analysis, which is already showing great promise in terms of the return to the community for investing in the project. So it is complex, it needs to be long term and it is about investing.

**Senator MOORE**—And it is about the possibility of extension, too, so that the things you learn from this particular community can then be shared with others.

**Mr Hopper**—Correct.

**Senator MOORE**—That is very positive. We heard evidence earlier from the Uniting Church and they referred us to a document, which we have a copy of, which is about children and disadvantage in that western corridor that includes your area. Were you aware of and part of that?

**Ms Lamb**—We were contacted. I was actually interviewed as part of that.

**Senator MOORE**—So that would actually give you a road map to where you could go next. Congratulations. We will read the documentation. We were very keen as a committee to have you present today because at the Sydney hearings your program was mentioned. I think it is really important that things that are positive and are possible solutions are part of this inquiry, as well as the problems.

**CHAIR**—Indeed. Thank you very much for coming along today.

[4.31 p.m.]

**DAVOREN, Dr Peter Michael, President, Queensland Branch; and National Vice-President, Doctors Reform Society**

**SCHRADER, Dr Tracy, National Committee Member, Doctors Reform Society**

**VAN LIESHOUT, Dr Theodorus Antonius, National Committee Member, Doctors Reform Society**

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

**Dr Davoren**—The Doctors Reform Society is an organisation of Australian doctors interested in the delivery of good quality health care to all Australians. We believe that universal access to health care should be available to all Australians, irrespective of their ability to pay. We believe that funding of the health system from taxation is the fairest and most equitable way to ensure such a universal system and we believe that access to health care free of charge at the point of delivery is vital in ensuring that the most vulnerable and those most immediate can be assured of reasonable health care.

Until recent years Medicare has made a reasonable fist of delivering a fair and equitable public health system, but the policies of the current federal government are making access to health care more difficult and sometimes near impossible for those most in need. Poverty and ill health are intimately associated. It is a well-recognised fact that poverty begets ill health and ill health begets poverty. Access to general practitioners, specialist care, hospital care, pharmaceuticals, allied health and dental care is all becoming more difficult and more expensive, while at the same time the federal government is spending billions of dollars promoting an inefficient private health sector that does nothing for the health care of those most in need.

Those people with the greatest need for health care in general, and chronic health care in particular, are those with chronic illnesses. The cornerstone of health care is general practice, and until recently the opportunity to visit a doctor without an up-front fee has been reasonably, although not universally, available to most Australians. Access to bulk-billing doctors is being savagely reduced, and a consequence is that people are not going to their GP. I can personally confirm as a specialist—and many of our members report the same—that many patients are failing to visit their GP because their old GP has stopped bulk-billing. They cannot afford to pay a fee and they cannot find a reasonable alternative. The consequence is that people are not getting proper treatment for illnesses, and they are not going to a doctor to get their prescriptions filled and repeated. This is particularly common for people with chronic illnesses, such as high blood pressure, diabetes and heart disease, where good preventive treatment goes a long way to preventing further heart attacks, strokes and, in the end, death. It goes without saying that those with limited incomes are the ones who are most likely to fail to visit a doctor as the price goes up.

An area of chronic health care that requires special mention is that of mental illness. The ability of those with mental illness to access a bulk-billing doctor is critical to their long-term wellbeing. Without such access they miss their treatments and become even more marginalised in society.

Public hospitals cannot meet the demands put on them. Despite promises that propping up the private health industry with an enormous public hand-out—somewhere between \$2 billion and \$3 billion annually—would take pressure off the public system, the demands are still increasing. This is no surprise to the DRS, and we predicted the same when this policy was introduced three or four years ago. Despite the opinions of some that the idle rich spent their days lying around in public hospitals using up beds that could have been better used by the ill, the major users of public hospitals have always been those people with lesser incomes because they are the ones who suffer from the chronic illnesses. It is the same people who cannot afford private health insurance who do not get the alleged benefits of the private health insurance rebate. Public hospitals are in crisis because the money spent on the private health insurance rebate is not being spent on health. Now public hospitals are attracting even more work as those who cannot afford to visit a GP are turning up to their local hospital casualty seeking advice and treatment.

The Pharmaceutical Benefits Scheme has long delivered to Australians good medicines at a reasonable price. As part of the free trade negotiations, the provision of pharmaceuticals is under review and it is possible that we will shortly see our government sell out our current system and let free market forces take over. This will result in an enormous increase in the price for us all and will price out those with limited ability to pay for their medicines. This is not fanciful thinking but the status quo in the United States.

The last issue I would like to mention is dental care. The abolition of the federal dental health scheme has resulted in a shocking scarcity of dental care for the low waged. State funded systems cannot cope and the consequences can be devastating. Poor oral hygiene leads to loss of teeth, chronic ill health, poor nutrition and great damage to self-esteem.

Poverty, ill health and health care are intimately related. The consequence of low income is commonly poor health and the consequence of poor health is low income. Those affected are not readily identified by possession of some government card, and good access to health care free of charge at the point of delivery is vital to ensuring that all those in need get access to decent quality health care when they need it—an ideal most Australians recognise as a great benefit that Medicare has, until recently, provided.

**Dr van Lieshout**—I am a GP out in Ipswich, which is about 45 minutes drive west of here. I work in a population which has income in the lowest fifth percentile and I would be working with those people who are classed as in the poverty group. I find it a great privilege to work among that community. When you talk to people at a human and real level you find that they have exactly the same wants and needs and desires as every other member of the community—they have just had a lot of circumstances which have prevented those things happening.

If I had to give a kind of stereotyped chronology of what I see happens with my patients and I look at just an 18-year cycle, what I can see is a patient who might have sporadic antenatal care because their mother does not get proper antenatal care, they are not breast fed or are only breast fed for a week or two, they are put onto cow's milk too early and are then put onto solids and

given largely a sugar and trans-saturated fat diet. Then by preschool and when I see them—when they are four or five or younger—they have terrible teeth, which are like a window to their health. They have dental caries, recurrent upper respiratory tract infections, otitis media and a kind of obesity we are seeing now among the poor, which I will mention briefly.

There is no one-on-one language development for many of these kids and no books. There is an environment of violence at home, late nights, no sleep and sporadic attendance at school, with them leaving school at grade 8 or 9 or 10 virtually illiterate and virtually innumerate. They then have the option in the work force in Ipswich to work in the abattoir, with the Ipswich City Council, in a semi-government organisation, in a nursery or as a casual labourer. If they are fortunate enough to get out of that cycle and get work, things can improve. But the unemployment cycle starts for those people who leave and who really have very little opportunity for work—with pregnancies at age 16, 17 and 18, which lead back to poor, sporadic antenatal care for the next generation.

As GPs we see that on a daily basis, and there are some points to take from that. We tend to be brought up with the notion that people get obese because they eat too much good food, whereas what is being evidenced now in the literature is that people are eating too much junk food and getting fat but they are malnourished. Despite the fact that they are overweight, they are malnourished because of a large diet of sugar in various forms—soft drinks and so forth—and transsaturated fat intakes. There is a lot of evidence to suggest that peri-natal nutrition—nutrition during the first few months of life—is vitally important to long-term health care. I am thinking of a long-term study done in Gambia which looked at people, born at various times, in the mid-20th century. Those who were born during harvests when there was decent food had longer-term health outcomes at age 50. It seems that peri-natal health, nutrition and breastfeeding are extremely important for long-term health outcomes.

So what is the GPs' role here? We try to get people to eat well. We encourage them to stop smoking, moderate their intake of alcohol and do preventative work like Pap smears. We link in with all the agencies—Centrelink, workers compensation and family services—and of course we refer people to specialists and hospitals. The other day I went to a meeting which was called 'a general practice workshop on A Fairer Medicare'—which is the proposed package that the Commonwealth wants to introduce. What was allegedly called 'A Fairer Medicare package' seemed palpably and manifestly obvious to all the GPs in the room not to be a fairer Medicare. In fact it is something that will destroy Medicare as we know it. It will introduce a system for haves and have-nots—a user-pays health system—which everyone in Australia does not want. This government said to the people of Australia that it would not destroy Medicare and that it would keep Medicare in its entirety.

While the package is called A Fairer Medicare, it is not a fairer Medicare package. It is not even a Medicare package because people have to be pensioners to get free bulk-billed care, have to pay a fee or have to ask for the GP's charity should the GP want to bulk-bill them. It is not Medicare. It is not universal. It will not affect those Australians at the bottom of the pile—they will get bulk-billing services. But it will affect those people who manage—almost miraculously—to get out of the social circumstances that they find themselves in and who get a job. It is those working poor people who currently come to a GP and have a Pap smear every two years who will be put into a situation where they will not be eligible for health card benefits but who will have to pay an up-front fee or plead for the GP's charity if they want to be bulk-billed.

Those women, because they are not sick, will stop having their Pap smears done, and Australia's proud and enviable record of being among the greatest in the world in treating cancer of the cervix will end. It is obvious that the rates of cancer of the cervix will increase because of government policy making people pay to see their doctors.

As a GP, I would like to see bulk-billing maintained in this country. There are enough studies to show that it would cost about \$500 million a year to increase the bulk-billing rates of the average GP by about \$5 a session, and that would restore bulk-billing to this community. It will be argued that that is too expensive and impossible to achieve. However, we have to bear in mind that the government now pays \$2½ billion a year to people for private health insurance rebates. I think that anyone in the Senate who thinks someone earning \$200,000 a year should get a government handout so that they can buy private health insurance is not living in the real world, when there are patients in my community who are not getting appropriate care.

The Medicare card that has been a kind of talisman for many years for patients on low incomes, in that it will help their health care and give them access to a doctor, will become a useless piece of plastic, another welfare card that they have to carry in their wallet, rather than a system in Australia that we could justifiably be proud of. I really encourage the Senate to look at the maintenance of a strong health system to reduce poverty in this country.

**Dr Schrader**—Thank you for the opportunity to speak today. I am also a general practitioner and I work at Brisbane Youth Service, which is a health clinic for homeless and at-risk young people. I have worked in a women's prison and in private general practice. I would like to submit a background paper and also an example of a young person's story.

As doctors we are concerned about health and therefore we are concerned about poverty and social justice. Every day that we work we see the effects on the people we treat. There has been a lot of debate about what is poverty—absolute poverty, relative poverty, below which line, above which line. What is often not appreciated is that it is relative poverty that has the big impact on health. There is not one line below which there is an effect on your health and above which there is no effect. It is a linear effect, and it was the famous Whitehall study in the UK of the British civil service that highlighted this effect. The study showed that health is dependent on where you are on the ladder of socioeconomic status. They expected to find that civil servants higher up the socioeconomic ladder would have more stress related illnesses and cardiac disease but they found the reverse—it was those lower down the scale. The higher up the scale you were the better your health was. So socioeconomic status and inequality are powerful factors in themselves that affect health. This is even after individual risk factors—such as smoking, alcohol and poor diet—are taken into account. Also, the more inequality there is, the steeper the gradient of these health inequalities.

The effects of absolute poverty on health—such as malnutrition, exposure and other illnesses—may be more obvious, but the socioeconomic inequalities are seen in over 75 per cent of all causes of death and in all age groups. This becomes a negative cycle as well, where, as Peter was saying, poor health contributes to a lower socioeconomic status. This inequality is increasing, both within societies and between nations. It is seen here in Australia as well, as I am sure other submissions have testified to. The socioeconomic policies of governments are contributing to this inequality within our society. The diminishing of public services such as health care, education and public housing all contribute to a decrease in the social wage and



diminishing social capital which can offset the effects of income inequality. In Australia, with our health care system, there has been a move away from the taxation base to a private insurance and user-fee system which hurts the less well-off and benefits the wealthy, both in costs and access. As my colleagues have pointed out, this is being seen with the decreasing rates of bulk-billing and increasing copayments.

I would also like to talk about health promotion, preventative health and health behaviour, and how there has been a big push towards this. These sorts of lifestyle choices are actually a privilege for the middle and upper classes. If your social and economic circumstances are poor and there is little hope for the future, people are disempowered to make healthy decisions about such things as smoking, drugs, alcohol, diet and exercise. You need a healthy environment and circumstances in which you can make healthy decisions. It has been found that people from the lower socioeconomic status groups make less use of preventative health services.

Before I go on to some examples, relative poverty and inequality do matter and there is relative poverty and growing inequalities in Australia. This is increasing in part due to government policies. If we want to improve population health, we should aim to reduce wealth disparities within our society. From my experience as a GP working with homeless youth and people who have been in prison, these are forgotten and hidden groups that do not have much political clout. They are either ignored, not seen or unpopular. They have low community understanding of support and they often become political footballs in political campaigns.

I will now talk about homeless youth and their experiences with Centrelink breaching and unemployment. This system is very punitive and victim blaming that causes stress and hardship. The youth allowance for young people under 21 years is \$310 a fortnight—that is, \$155 a week. The Newstart allowance for people 21 or over is \$380 fortnight. Currently, in the private rental market, accommodation can cost around \$100 a week so that is about two-thirds of their income and they are left with \$55 for everything else, including transport.

In Queensland, there are no concessions for transport—it is only for people on disability and age pensions—so young people have the same costs as a person who is 21 or over. They do not get a discount on housing, because they are under age or whatever. This \$100 a week is very basic accommodation. It is in boarding houses that could be totally inappropriate for a young person because they are unsafe or they are in share accommodation with older people where they can be exploited. Lots of young people decide that they cannot afford this, so they become homeless. They can wait a long time for community housing and have to pay four weeks bond and two weeks rent in advance. So on this sort of an income they have to save up and wait. And what do they do in the meantime? Many have not got any family support. People under 21 need their parents to sign the form before they can get the youth allowance from Centrelink. When a lot of them are leaving home because of family dysfunction and parental problems, this can be quite difficult and some of them are left with no income at all.

Also, when they go for interviews to apply for a benefit, they have to go through a questionnaire to see whether they are job ready and these young people have multiple problems. They have difficulty answering these questions. There is a lack of trust that this could be used against them, so they often do not answer truthfully and just say, 'No, no, no.' All of a sudden they are pronounced as job ready and they have to look for 12 jobs a fortnight. Sometimes they get all these different letters. They have to attend different agencies, because they are not under

the same roof now with the privatisation system. They get sent these letters but they may not have a fixed address, so sometimes they do not get the letters. They have literacy problems, so they might not respond to the letter and they could be breached and lose part of this \$155 a week. If a letter is returned twice to sender, benefits are cut off completely.

Another factor is that pregnant women are not excluded from this breaching, so this brings in the issue of prenatal care during pregnancy. So pregnant women can be breached as well. It is only after 36 weeks pregnancy that they are exempt from all these requirements, unless they have a medical condition. So the consequences are that they rely on non-government organisations, food parcels and vouchers. They become homeless or have inadequate shelter and diet. They have difficulty accessing health care, lots of health consequences and then they often come in contact with the criminal justice system. All this confounds further this poverty and disadvantage cycle of stress, low chances of finding employment or accessing education.

The next area, where I work as well, is where you really see where society has failed—that is, within the prison system. You see patterns of poverty, homelessness, substance abuse, mental illness, intellectual impairment, low levels of education, unemployment, sexual abuse and domestic violence. It is all part of this poverty cycle. You see recidivism. I was working in the women's prison, but I also see young men who have been in prison. Especially with women, you see that they go into prison, for short periods of time they are out and then they go back in again. The whole pattern just repeats itself. When they come out they have lower chances of finding employment and have to go Centrelink straightaway to register so that they can get some money. They may have no housing and low self-esteem. It is just this awful cycle.

I gave you one example earlier of a young woman who became homeless and I want to mention another couple of examples from my experience. There are numerous examples, and the young woman's example I have given you is quite typical. There was one young woman who had a mild intellectual disability—and this is not unusual in the prison system—who had a past history of abuse and drug use. At some stage she had an altercation with her partner and the police and she spat at the police. She had started to get things together. They had applied for and were about to get housing. She had reduced her drug use. She was also found to have an abnormal Pap smear—we are finding more abnormal Pap smears in young women—and, with a lot of difficulty, we managed to get her to access services. We got her along for a colposcopy. She had treatment, but was due for follow-up treatments. Then the court case came along. They were hoping that she would not end up getting a prison sentence, but she ended up with a prison sentence—I think it was for six months. I do not know what happened about her Pap smear after that; we are trying to follow that up.

I have seen another case of a young woman with a mild intellectual disability. She has lots of mental health problems such as self-harming and drug use. She has the same story of abuse. She has no family support and insecure accommodation. She had multiple short-term prison stays—she would be in and out all the time. I think she actually started to like being prison. She became institutionalised. It was sort of a substitute family for her. That cycle is still continuing now. In another instance, young mothers have tried to access health care for their children. I had one young woman tell me that she had been told that if she used the private health system then she could get treatment for her child within a week but if she used the public health system then she would have to wait maybe six or 12 months. So she got a job in a brothel—she said it was as a receptionist—to try to get enough money to pay off bills for private health care. I dealt

with a few young women in similar situations around the same time. One woman was trying to get a Centrelink loan so that she could pay for health care and another woman was given some sort of inheritance from her grandmother that she was not supposed to access until she was 18 but she was trying to get access to that to pay for medical treatment for her child.

We see a lot of people coming in who are unable to pay for their medications for asthma et cetera. We supply a service where we pay for their pharmaceuticals, but we are limited in how much we can do with our funding. There must be numerous other people out there who do not have access to that service and are missing out on their medications because they just cannot afford to buy them. I have seen people with infections who put off getting their antibiotics and then end up in hospital with more serious complaints. Dental care is the other big thing. At least young people can get on a waiting list for this, but it is very rudimentary acute sort of care for their teeth and it is a long wait. For all sorts of other reasons, they have serious dental problems anyway. It just makes the problems worse. One person said to me, 'Who would give me a job with my teeth like this?' So it reduces their prospects again.

It is not just the homeless people, either; many Australians, even ones with jobs, are unable to access public dental care. They do not fit the means testing and are unable to afford private dentists. All GPs who work in poor areas find themselves providing piecemeal dental treatment with antibiotics and painkillers for large numbers of people. The government subsidises private dental services, mainly for high-income earners—over \$100 million through the private health insurance rebate. Yet they axed a quite successful public dental scheme back in 1996. It is not acknowledged but this is a real thing. Failure to provide public dental services results in probably many millions of dollars of public money because GPs—who are not dentists and cannot provide dental treatment—are providing stopgap treatment and bulk-billing patients.

**CHAIR**—Dr Davoren, you were talking about the decline in bulk-billing and saying that more people are starting to visit the emergency wards at local public hospitals. Does the Doctors Reform Society have any figures on that at all?

**Dr Davoren**—We do not have any figures as such; I think that it is all anecdotal at the moment. But it is a recognised phenomenon that is occurring.

**CHAIR**—It certainly is anecdotal—I am from Sydney—that doctors are starting to charge fees for people to see them, whether it is on Saturdays or whenever. In Tasmania we had some pretty enlightened people come in and say that they charge \$5 for patients to see them. I am sure that you are making a submission to the Medicare inquiry.

**Dr Davoren**—The number of bulk-billing consultations is going down quite dramatically—from I think around 80 per cent down to 69 per cent. So the number of consultations that are bulk-billed has gone down by 12½ per cent in the last couple of years. That is mostly because a lot of general practitioners are finding that they cannot continue and are stopping that service completely. They are either shifting from being a completely bulk-billing doctor to one who charges everybody, or they have stopped bulk-billing those people they used to bulk-bill and are now charging everybody.

**Dr van Lieshout**—The bulk-billing rate in Ipswich is now probably 50 per cent, where previously it was 80 per cent or so. The remaining bulk-billing doctors cannot see the overflow,

so of necessity people go to the public hospital and are there for four hours at a time. The idea of a modest copayment being some kind of solution is something that I completely disagree with. It might be conventional wisdom—and we have heard this for the last 20 years—to say that, if there are bulk-billing services, people get it for nothing; therefore, they will abuse it. What we are finding—especially among the poor—is that, when there is a copayment, necessary treatment is not being sought, because there is a financial disincentive to do so.

The copayment in fact dissuades people who desperately need the service from having that service—for the want of \$5. I could give you 20 clinical examples of that, but I will not. This is particularly true of preventative measures. When women are charged a copayment to have a Pap smear, the evidence is that the working poor of those women will not have their Pap smears. So early detection of cancer of the cervix will not occur. There is good epidemiological evidence to suggest that. I am just following your point that, when the bulk-billing rate goes down, it does have consequences for the general health outcomes of patients. But, in the process, people of necessity go to the public hospital.

**CHAIR**—We had evidence from a general practitioner who was a member of the Catholic Women's League in Tasmania. She was talking about the patients she saw and the comment she made was—I hope I am not quoting her out of context—that it was her view that men are lost, it is the men who have the low self-esteem, confidence and expectations. That was her view about her patients, that it was men who had real difficulty with losing their jobs and all that. Would you like to comment? I suppose in a big beefy town like Ipswich, you might have—

**Dr van Lieshout**—It is very true in Ipswich. If there is an unemployment rate of 17 per cent, among the lowest one-fifth of earners that is 70 per cent of my patients. I would say if 70 per cent of those people are unemployed that is because of the kinds of work available in Ipswich: the abattoir, the Ipswich City Council, a few nurseries and some casual labouring jobs. People with low literacy skills and people who finish school at 15 kind of walk into an unemployed situation—men in particular—and they have very little regard, whereas women end up having children and they have a job so it gives them a sense of stability and they keep the whole community together. The men tend to be lost and are actually just a drain on the financial budget, particularly if there is drug use. So kids fall through the cracks, but men are the ones that are lost I suppose.

**Dr Davoren**—I am not an expert, but I think in the area of youth suicide the association between the inability to get a job and the lack of some vision of where you are going in your life is one of the big contributors to youth suicide. That is why it is a bit more common in more regional areas than in the inner cities. That is my understanding.

**CHAIR**—Is there anything else you would like to say before we wind this up?

**Dr van Lieshout**—Thank you very much for your time today.

**CHAIR**—Thank you for giving up your time today as well.

**Subcommittee adjourned at 5.07 p.m.**