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SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

Reference: Poverty and financial hardship

MONDAY, 26 MAY 2003

SYDNEY

BY AUTHORITY OF THE SENATE

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SENATE
COMMUNITY AFFAIRS REFERENCES COMMITTEE

Monday, 26 May 2003

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

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

Senators in attendance: Senators Denman, Forshaw, Hutchins, Knowles, Lees 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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Committee met at 9.01 a.m.

MIFSUD, Mr Mario Charles, State President, Combined Pensioners and Superannuants Association, New South Wales

SKIDMORE, Mr David James, Policy and Information Officer, Combined Pensioners and Superannuants Association, New South Wales

CHAIR—I declare open this public hearing of the Community Affairs References Committee continuing its inquiry into poverty and financial hardship. I welcome representatives from the Combined Pensioners and Superannuants Association. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite you to make an opening presentation to be followed by questions from the committee.

Mr Skidmore—I will do the main presentation. Senators will have to forgive me because I have never done this before and I am extremely nervous—so please bear with me. The Combined Pensioners and Superannuants Association of New South Wales is a peak organisation representing pensioners and low-income superannuants. Our organisation has approximately 8,000 members in New South Wales. We have branches in Sydney and across the state. We have affiliated organisations such as retired union groups and so on. We are in turn affiliated with peak organisations such as the New South Wales Council of Social Service.

On that basis, because of our membership and our terms of reference, our organisation is extremely concerned about poverty in Australia. We understand that poverty in Australia is probably a relative thing. We are not talking about poverty such as exists in Third World countries. Nonetheless, we believe in this country there are many people who are severely disadvantaged. In the submission we took the poverty line as outlined by the Smith Family NATSEM project *Financial disadvantage in Australia: the persistence of poverty in a decade of growth*. They use the Henderson equivalent scales. I quote from that report:

Using this method, we estimate that in 2000 the poverty line for a single income couple with two children was \$416 a week. This means that the 'cash in hand' of such a family has to be more than \$416 a week for this family not to be in poverty.

So when we look at the situation of older people, pensioners and so on, we see that they are not well off. Many older people are age pensioners, so they are not getting a huge income. Other people represented by our organisation include disability support pensioners and low-income superannuants. So we are not talking about well-off retirees who may have investment portfolios or buy into retirement villages. We are talking about people who are not very well off at all, who may or may not own their own home and who may be in public housing.

I just want to talk a little about housing and homelessness because we think it is an important factor when it comes to poverty. In this country I do not believe there is a real commitment to public housing, and there should be. We believe the federal government should be funding far more to the Commonwealth-State Housing Agreement, the agreement whereby the federal

government and the state government put in funds to build public housing. The state governments are doing the actual sort of infrastructure work. There are many people who find that private rental accommodation is virtually unaffordable. There is not enough public housing to go around and many people are paying a huge amount in renting accommodation, and there are many people who are homeless. The Council of Homeless Persons says that, and I quote it in my submission:

It is difficult to count elderly homeless people accurately as many live in inappropriate or insecure housing and even on the streets. Those people aged 60+ who are homeless or at risk of homelessness are estimated at 250,000 across Australia. These are people who ... rent, live in boarding houses or are homeless.

You could add on to that younger people on disability support pension or even people who may have a low wage, part-time income. These people are at risk of homelessness as well, and we would like to perhaps speak for them as well if we are talking about poverty as a whole. Public housing, speaking for New South Wales, is pretty run down. There is not enough of it. I would say that if the New South Wales government was building public housing at the scale that we are seeing Meriton apartments built in this city we would go a long way to actually solving the problem of homelessness. But that is unfortunately not happening.

I will try to be fairly brief because I know we are limited with time and you wish to ask questions. Another important issue for us is residential aged care. Really good residential aged care can sometimes be difficult to come by. A personal example I can give relates to my aunt, who has moved from a retirement village into low-care accommodation—hostel accommodation. It is on the Central Coast and it is a very good place. It is putting in place the government's Ageing in Place policy for older people I think in an excellent way. But I suspect many older people do not have the advantages that she does. She was able to sell a property on the waterfront in Sans Souci in order to get into the retirement village, and then she is in hostel accommodation which is also pretty good, I think.

But many people just do not have that advantage. There are waiting lists for residential aged care. Many people have to leave their towns and move perhaps hundreds of miles away to the nearest place they can get in. This causes stress on their family. If the family is not well off, it is difficult to visit their elderly relative. There are of course government subsidies towards residential aged care, but unfortunately I do not feel enough money is going into residential aged care to bring them up to a standard that all older people have a right to expect. That is a serious problem which means poorer people in that age bracket are probably missing out or putting up with substandard care.

Regarding health coverage, Medicare is extremely important to older people and other poorer people on pensions. Our organisation is passionate about defending Medicare. We believe that everybody should have a right to a bulk-bill doctor and we think it is a terrible situation whereby bulk-billing rates are falling in certain areas, especially in rural or suburban areas of large cities, and some people are not getting the choice of a bulk-bill doctor. We understand that the government's proposed Medicare reforms would mean a safety net would still be there for people who are pension cardholders. But what about those people who are not concession holders? What about those older people who are superannuants just above the cut-off limit to receive a pension concession card? They would not be eligible for that.

The money should be there for the public health system, including Medicare. There is over \$2 billion—\$2.3 billion I think—going to private health insurance via the private health insurance rebate. That amount of money could be put into Medicare and really make our public health system a real world standard. We do not want to go down the American road. Just to give you some figures from some research I have been doing lately, 42 million Americans are without health insurance. That is actually quoted by a conservative analyst, Paul London, with the American Enterprise Institute. That figure is verified by others on the political spectrum. Another health policy analyst and academic from the San Francisco State University, Raymond Castellblanch, is saying around 18,000 people die in America each year as a result of not having health insurance; they cannot afford that. We do not want this situation in Australia.

In terms of our current campaign to achieve a pension rise of 35 per cent of male total average weekly earnings—it is about 25 per cent of male total average weekly earnings—that would obviously be a considerable rise, but we feel that would do a lot in terms of alleviating poverty. It would mean that people would have a better quality of life and they would probably be able to get out more. In case senators are not aware of this, I mention that pensioners have to pay half-fare concession on privately run public transport operating in many parts of New South Wales—many parts of suburban Sydney, Wollongong and so on. If we had a pension rise, people would have a greater discretionary income and being able to travel, to get out and about, and being able to spend on things they are not able to at present would give them a better quality of life. We believe that would be a real step forward in addressing poverty and financial hardship in this country.

There are a couple of other issues I would like to mention. The federal government is introducing age discrimination legislation. We believe that sort of legislation is a positive approach. It would mean that many people would not have to retire, go onto the pension and reduce their income—they would be able to keep working. What prevents them from working now is often a situation where, if you are in your 50s and you are made redundant, it is very difficult to get a job; we really believe there is a prejudice out there. It is being addressed, but there is still a prejudice towards older workers. If many skilled older workers were able to work and they did not face such discrimination, that would be again an improvement in their quality of life. It would be a big step in addressing poverty, and the government's social security bill probably would not be as big if older workers could work as long as they felt they were able to.

Senator KNOWLES—I would just like to clarify there: you actually mentioned in what you just said that the federal government was introducing age discrimination—

Mr Skidmore—I am sorry; I meant the legislation to prevent—

Senator KNOWLES—But it is actually abolishing the age discrimination for retirement age.

Mr Skidmore—Yes, sorry, that was my verbal slip-up.

Senator KNOWLES—Just to clarify it.

Mr Skidmore—Yes. Again, I would say that introducing such legislation is in fact a positive point. Finally, we have a series of recommendations on the final page. Just to make it clear for the record, these recommendations are: that the Commonwealth government fully fund its share

of the Commonwealth-State Housing Agreement so it is fully viable—so that we have a decent public housing system instead of the substandard system I believe we have at the moment; that the pension is raised to 35 per cent of male total average weekly earnings; that the Commonwealth government makes a serious attempt to halt the decline of bulk-billing—to restore Medicare rather than letting it slide; and that the Commonwealth government protect the PBS by resisting the desire of international drug companies to delist life-saving pharmaceuticals—I add there that I believe American seniors do not have access to such a thing as a PBS, so drug prices can be quite expensive there, and that obviously exacerbates poverty in the older age bracket. Our last two recommendations are that dental care should be covered under Medicare, and that Telstra remains under federal government control and the cost of phone calls and phone line rental be priced to accommodate low-income earners. If we had a system where local calls went through the roof when the company was owned by a fully private consortium rather than what we have with Telstra, that would be another thing that would exacerbate poverty. So we are supporting government ownership of Telstra. I have not covered everything in my submission because I know you will want to ask questions. But I will leave it there and my state president might want to have a few words.

CHAIR—Mr Mifsud, would you like to say anything?

Mr Mifsud—Thank you, Mr Chairman. I have some general statements that reflect our membership and anecdotal evidence, which I have received by telephone and by word of mouth, of where our members sit in the situation. First of all, I wish to state that our organisation—and from the messages we get from our membership—has a great concern that the social wage, if I can call it that, and social commitments of the past are under attack, not only by government action—but mainly by government action—but also by what we see as uncontrolled prices under the policy of laissez faire economics, uncontrolled to the point where we have the banking fees debacle, for example, which is a massive impost on the social wage.

We have a look at insurance. Insurance is now a matter where I have telephone calls from members throughout the state saying, ‘Morrie, look, what am I going to do? I either choose insurance for my house or I buy these very vital medicines that I have to buy.’ Indeed, my predecessor had to make that choice and chose not to insure her house in order to afford other things during the year. The most important of those other things are medicines, and we see PBS under attack from the government, and we condemn that utterly, because it is affecting our people. It is hurting them not only through the situation of worrying whether or not to buy medicine because they can or cannot afford it but also through the stress that it causes them and therefore further illness down the line.

We see the situation of housing to be an absolutely parlous one when you look at housing in other places in the world. We blame that on the fact, one, that the federal government has cut funding to the Commonwealth-State Housing Agreement and that the state government is not chasing the federal government for what is fair and what should be there in the first place. If some of our people cannot get help from their governments to gain a house through what used to be public housing, they simply do not get a house at all. I see that as indeed reflected with our younger people. I am concerned about my own sons and the sort of world they are going into compared to the sort of world I have known.

We have seen the attacks being promoted from certain parts of our community that the oldies are sucking the blood of the youngies, a very deliberate attempt to split the two generations from one another. We in return say that the younger generation and those people who are putting about these furrphies did not have any problem whatsoever in using all the infrastructure we oldies provided for them—roads, hospitals, electricity generation systems, which will hopefully not be sold away to private enterprise, and much other infrastructure that we provided. We do not hear anybody say that, and yet this wedge is being put out there, and we resent it and argue against it.

Indeed, we want to know what has happened to the 7.5 per cent social tax levy which started with the Curtin years, and no matter how much we search and search we do not find that it was ever repudiated. It went into consolidated revenue about the time of the Snowy scheme and we continued to be levied that 7.5 per cent as the social levy tax. I repeat, because it is so central to this part of our argument, that we can find no evidence anywhere of it. Where did it go? There is no repudiation of the amount. There is no cut in taxation equivalent to that 7.5 per cent over the years. So the only conclusion we can come to is that the government and all the generations in Australia have taken that 7.5 per cent levy and pocketed it instead of giving it back to us as it was intended to be.

We are also most concerned to be lumped away into that second tier of Medicare. We know by looking at what has happened in other places—and in the United States in particular—that the second tier will deteriorate and deteriorate while the other tier will improve and improve, until there is the situation as in the United States where the biggest spending health budget in the world is concentrated on the top 10 per cent of Americans, and the devil take the hindmost. We do not want that. We do not want to be the beggars, the second-raters in the lower tier. We absolutely believe that is an insult to us and the years we have spent doing our work for this country. We are opposed to what the government is doing to Medicare because we see that as being another impost on our social wage—I have already mentioned the other things such as prices and fees and insurance premiums.

Now I mention what we see as a tax on the social wage. There is absolutely no reason why we, in this land of so-called milk and honey, cannot have a pension equivalent to the lowest pensions that are being given in Europe. That is another source of vexation for us. Our research sees that our brethren and sisters in Europe get a much, much better remuneration for their old age than we do. Just to correct a minor thing that my colleague said, we are not asking for 35 per cent increase in the pension; we are asking that it be increased from 25 per cent to 35 per cent, which I might add our research shows to be the lowest standard in Europe. Here we are in the land of milk and honey and we are begging for the lowest standard that the Europeans provide for their people. We resent that also. We are very angry. Most of us have given 40 or 50 years of our life to working in the services, doing all the manual duties and other things for the community—working in railway workshops and at all sorts of jobs—and we come to the end of our lives and we are remunerated at lower than the lowest that the Europeans cop for their end of life remuneration.

The final point I want to make is that where there is smoke there is fire. Senator Vanstone and others, when we can contact them regarding the compulsory pension age increase to 70, have told us, 'No, no; no way,' and we have been told that the government is not contemplating this. Yet the media consistently keep coming and asking us, 'What do you think of this increase of the compulsory age for pensions to 70?' Let us make it quite clear: that is not only insulting us but

also compounding the insults that have already been heaped upon us that we have already indicated to you. We are thoroughly opposed to any increase to the pension age. Yes, if individuals, of their own volition, wish to do a bit more work beyond 65 years of age, by all means; but we are utterly opposed to any compulsory increase in the pension age. Our people are offended by it.

Indeed, has anybody thought about the poor physical workers, such as miners or sailors, who may have broken bones and lacerated parts of their bodies? I am not being overexpansive on that—that is what happens. As a sheetmetal worker, I have got a lot of scars from metal that cut me, but I am relatively little affected physically. There are people in clerical industries where RSI is an issue and people who are tired of using their minds who want to rest, but also there are miners, there are seamen, and there are others like them who are physically affected and cannot go beyond that age of 65. They are stuck; they are absolutely holding out for that time when they can retire because their bodies simply cannot take it any more. What any increase in compulsory pension age does to those people is give them a choice. What a wonderful choice: live in poverty or work beyond the ability of your body. It is stupidity as far as I am concerned and on behalf of my association, and I underline that.

What should be looked at a little bit more closely are the over-40s that are made redundant under a system that does not care about humanity as long as the bottom line is all right. The over-40s—one of whom I have been—who have lost their job through no fault of their own, and who are suddenly thrown out into a market that does not want them, are the ones who should be looked at. Mr Chairman, that is all I have to say in underlining what my colleague has said to you.

CHAIR—Thank you, Mr Mifsud and Mr Skidmore. I will ask committee members whether they have any questions, but I have a few here to start with. Do you believe that the rate of homeless older people has increased in recent years and, if you think that, why do you think this is happening?

Mr Skidmore—I think it is actually hard to know. The Council of Homeless Persons estimated it was something like 250,000. I could not tell you whether that is a dramatic increase, staying the same or whatever. Our older persons tenancy unit probably have more information on that. I think, though, the problem regarding homelessness for any age group is the expense of owning a home. That is one thing.

There is another example I should give. The people living in residential parks in various parts of the state are finding their homes effectively sold from under them as park owners in those areas sell to developers when they can get a better return rather than from just running a caravan park. Many older people have retired to those parks. What they are finding is that while they have the caravan they have no longer any place to put it. So I think that is a contributing factor as well.

CHAIR—So where are they going?

Mr Skidmore—They are probably staying with the nearest relative. In many cases I just do not know what people in that situation do. Perhaps they try for somewhere else. There is a report I have here, *No place for home?*, which is put out by our parks and village service. That actually

gives case studies and details and a few recommendations. It was printed and distributed by the Department of Fair Trading, so it is more New South Wales oriented but it could give an indication of what is happening around the country as well. Nonetheless, I think it is fairly useful in indicating that sort of problem, and that is part of the problem of homelessness that is affecting older people and other people living in caravan parks.

CHAIR—What sorts of bonds are usually required for residential aged care? What is the average rate? Do you have some examples of people being unable to find suitable residential aged care because they have been squeezed out?

Mr Skidmore—We find they are in long waiting lists waiting to get into suitable residential aged care. They may come up with the money by selling their home and so on. But, yes, it is a matter of doing that and waiting ages to get into the sort of care that they need. I think that is the most important part of that particular problem. It can vary, I suppose. It depends on what sort of residential aged care you can afford to get into. Fully privately operated ones like the Moran group of residential aged care establishments are much more expensive than, say, those run by Centacare, and you have government-subsidised residential aged care for non-profit organisations. But our real concern there is the waiting lists and the fact that there are not enough of these places available. People are just making do in their own homes and finding it more and more difficult to cope in that sort of situation when they really need some sort of supported accommodation.

Mr Mifsud—Mr Chairman, may I make a small supplementary statement, something I meant to tell you I forgot all about?

CHAIR—Yes.

Mr Mifsud—The point I do want to make to you is the plight that low-paid superannuants and self-funded retirees find themselves in. Our representations have been going for well over 12 months, and later this week we will be talking to Senator Vanstone's office and Mr Swan's office. This is the situation: there are low-funded superannuants and self-funded retirees who are not exactly in the same position that the CEO who recently retired with \$30 million in his hands for six months work. There are many superannuants and self-funded retirees whose lump sum and assets are just above the assets test line. Because of that, they do not receive a concession card. Indeed, some of those self-funded retirees and superannuants receive a weekly income that is equivalent to, and sometimes even less than, the social pension, and yet they do not receive the assistance of the Commonwealth concession card. These people are really hurting and their plight has been amply represented to me, and all I can give you is anecdotal evidence. But I am one of these people; I am in that position. It is ridiculous, after the years I have given to this country, and that others have given, to watch the \$10 million in hand superannuants and to know what our plight is like. We need help in the sense that concessions should be made available to those low-funded superannuants and retirees. Thank you for the opportunity, Mr Chairman.

Senator KNOWLES—I would like to come to the issue of drugs that you say have been delisted. What drugs have been delisted?

Mr Skidmore—I cannot think of any off the top of my head. We understand there are some drugs that have been taken off the PBS. If you want further information on that we can give it to

you. Our concern is to preserve the PBS as it is and make sure that no sort of life-saving drugs are taken off the PBS in a cost-cutting measure and that the PBS prices are not raised so people can find even PBS-listed drugs less affordable.

Senator KNOWLES—But I suppose my concern is that statements like this are made and carry some air because they are emotive and people make a statement that drugs have been taken off the list. What they do not add is that they have been replaced by new generation drugs. So some of the drugs that are less effective have been replaced by better drugs at the same price—the drug cost itself is in fact greater but that is not going to be passed on to the recipient because it is still on the PBS. So that is why I was concerned that in your recommendation and in both your presentations you specifically honed in on drugs, and I just do not know of any drugs that have been taken off that are life-threatening drugs if not taken and not replaced with anything, and I think it is an important issue.

Mr Mifsud—As much as you can answer, we all know that what the federal government tried to do last year was defeated by the Senate, and we applaud the Senate for doing that.

Senator KNOWLES—Hold on, I am not with you. To do what?

Mr Mifsud—Senator Knowles wants specifics; I will be specific in a minute. After all, all we can refer to is the information that we get because we are trying to act before it is too late; it is too late when we can tell you the specific medicines that have gone by the board, Senator Knowles. However, there is the situation where Pravachol, for example—is that specific enough for you, Senator?—is going to be delisted if the government gets its way. That was in the media. It was actually—

Senator KNOWLES—Does that mean it is right?

Mr Mifsud—No, it means we are acting before it is right; that is what it means. It is no use us coming to you when you have done it, when the deed is finished.

Senator KNOWLES—Sorry, I just need to try to get the specifics, that is all I am asking. I do not know what you are referring to as being defeated in the Senate last year with regard to delisting of drugs. I do not have any recollection of any legislation that prevented anything being delisted that was not being replaced. So I do not know what you are referring to there. But, if you can provide the information, I am happy to receive it because it is part of your submission.

Mr Mifsud—I refer again to, Mr Chairman—

CHAIR—Mr Mifsud, what the association may wish to take on board is to take Senator Knowles's question on notice and reply to the committee secretariat.

Mr Mifsud—It certainly will. However, the information is out there that Pravachol is going to be delisted, and that will be deathly to our people. That is as specific as we can be at the moment without notice.

Senator KNOWLES—I think it would be fair to say that if any life-saving drug was to be delisted and not replaced that a government would be held culpable for any death that occurred

thereafter. So I would just be interested to see the ones that you are referring to; it would be fascinating. Can I just ask what the association does about the high levels of gambling among pensioners in a way to try to minimise that which affects their wellbeing and also their financial wellbeing.

Mr Skidmore—Is there a particularly high level of gambling amongst pensioners in particular?

Senator KNOWLES—What the statistics are showing is that a lot of pensioners go and gamble their pension and the rates of gambling are increasing all the time. So I am just wondering whether the association has taken that on as an issue that they would like to see turned around.

Mr Skidmore—It is probably one issue we should take on, although I am just not sure about the exact statistics when it comes to gambling. But, having said that, obviously it is a problem for people who are low-income earners if they obviously have less income to spend than higher-income earners. Just let me clarify: you are referring to all pensioners across the board or a particular group of pensioners?

Senator KNOWLES—All pensioners across the board, but specifically more the age pensioners, and specifically it seems more women than men.

Mr Skidmore—I think any sort of project on that particular problem we would give some support, if it were going to be an initiative of either state governments or the federal government. We would have to have a look at it first, but I would agree that where low-income earners gamble and gamble compulsively it is a serious social problem.

Mr Mifsud—Mr Chairman, that is an interesting point and we would be most happy if Senator Knowles could please forward that information to us. We certainly would want to know such information. However, through our normal processes, and that means contact with our members—we get a constant flow of letters, emails et cetera—that particular problem has not shown up. Maybe it is because they have to admit it themselves, and maybe that is the reason it has not shown up on our radar at all. We would like to hear—

Senator KNOWLES—Maybe because what?

Mr Skidmore—It has not shown up on our radar before.

Mr Mifsud—Maybe because it has to be a self-admission. Maybe they have not done it, but it has not shown up in any of our feedback apparatus. I repeat that if Senator Knowles does have such information we would be most happy to hear from her because we deal with social problems as well as the other aspects.

Senator KNOWLES—Just finally, Mr Skidmore, I think you were referring to the housing agreements.

Mr Skidmore—Yes.

Senator KNOWLES—And that you believe that the federal government should be putting more money into the housing agreements. What have you seen in relation to the state input for the housing agreements and their continuing funding levels vis-a-vis the Commonwealth?

Mr Skidmore—The state governments fund less, as I understand it, and indeed we would like them to fund more as well. But perhaps we would like to see from the federal government less emphasis on the Commonwealth rental assistance scheme and more money tied to the actual building of more public housing. Existing stock is getting rather old and there just needs to be a lot more stock of low-cost government housing to assist low-income earners.

Senator DENMAN—You spoke about bulk-billing in rural and regional areas, and as a Tasmanian I know we have problems in my home state. Do you have problems attracting medical practitioners to rural and remote areas?

Mr Skidmore—Yes, I believe it is a serious problem that a lot of rural areas are not getting the doctors they need, or they might get one and that doctor cannot afford to bulk bill. So he might have a medical service but it is not a bulk-billing service.

Senator DENMAN—So if you have an age pensioner who needs to see a medical practitioner and there is not one in their area, how do they get there if they do not have transport?

Mr Skidmore—Yes, there is community transport available in certain areas. I suppose in some areas it might be public transport—if you live, say, in Goulburn or Yass, you can get a bus to Canberra. People just have to find ways and means of getting to a bulk-billing doctor or else they accept the medical service that they have.

Senator DENMAN—Do you know whether there are many voluntary services in those sorts of remote areas that will transport people?

Mr Skidmore—Yes, there are. Actually the people at NCOSS could probably give more detail about that this afternoon. Many older people themselves are volunteer drivers working for community services and councils transporting people who need that sort of service.

Senator DENMAN—Coming back to the dental waiting list, do you know how long the waiting list is for age pensioners in this state? Years?

Mr Skidmore—Yes, for what is regarded as non-essential services I think it can be at least six months, or maybe a year and so on. It would depend on the problem. Our concern is that a problem which is not much of a problem to start with becomes a serious one six months down the track.

Mr Mifsud—If it is any assistance to Senator Denman, I recently did a tour of our branches in the central west. That is not as remote as all that. I spoke to the members of some 12 of our branches, and the most constant problem was the inability, firstly, to find a doctor who bulk bills and, secondly, once they have found one, to get there. Indeed, in one case I was told about, the original ailment was exacerbated only because that person, firstly, could not find affordable medical help, and, secondly, could not get there. By the time that person had gotten to the doctor,

the doctor's statement was, 'Had you come earlier we would have been able to help you a bit better.' I spoke face to face with these people.

Senator MOORE—I have only two questions, and I will throw them both out there first and then we will go where it happens. You spoke about the anecdotal relationship you have with your members. I am interested to see from your point of view how seriously your members are concerned about the issues you have raised. Your submission actually raises a number of issues, but what I would like to find out is how serious your members concern is and what impact it is having on the people that you look after and represent. The second point is: your recommendations are all very strong, but they all involve considerable federal government expenditure. The minister has been very public about the fact that every bit of expenditure has impact on everybody, so that every increase in one area then means a monumental increase to how much money the government is paying. Have you any suggestions, in terms of the significant expectations that your recommendations would make, as to how that would be funded by any government?

Mr Mifsud—I want to refer to one aspect of what you are asking: how important is the concern, how much has it resonated. I want to refer to Medicare. I am relatively new to our association, but I have attended the last two annual conferences—what people call annual conferences—and by far the number one issue—clear by a mile—was their concern about what was happening to Medicare. This is two years back; they started to smell something going on at that time. At the last conference I was the chairperson, and the concerns were constant: Medicare, Medicare, Medicare. So you can go no further than your annual conference where your members—the delegates representing branches—are saying things clearly and concisely and by motion, and by far in those two conferences Medicare was number one.

You ask a question: how do you think that can be addressed? Well, we believe that money has been misspent in the health sphere; \$3.5 billion I think is quoted as the subsidy to private insurance, and our research shows us that that money has gone mainly to private hospitals. In effect that \$3.5 billion, which should have gone into the public health sector, has somehow or other flowed away into a billabong somewhere out in Privatesville.

On the other issue, we ask you senators to look very closely at it and, indeed, the people may be so enamoured of Medicare that they may want to pay that little bit extra to keep it. So, in answer to that second question, have a close look at what the people are saying. They may be happy to pay a little extra.

Mr Skidmore—I was also going to say that we get health issues, transport issues and other matters continually raised at our conference. Our branches also do work themselves. Our Bathurst branch, for example, put in submissions alongside us when it comes to invitations such as for this inquiry. I do not know whether they have put one into this particular inquiry but they have to other inquiries. They have also campaigned on Medicare in Wollongong and Newcastle, for example. Our organisation have been involved in campaigns on Medicare, and I remember a campaign last year on the bus service in Newcastle. So the passion that is felt by our members is not simply directed towards us to do something; they themselves are out there doing things as well.

In terms of the second question, it may well be a rise in taxation on certain issues. Even a small rise in the Medicare levy may be enough to shore up bulk-billing and put dental health into Medicare—we think it is rather strange that dental health is somehow separated from the rest of human health. It may also mean that the government will have to prioritise spending. For example, the argument can go on forever whether \$700 million was worth while using for a war against Iraq, but that is \$700 million, and then there is the government's fetish for having surpluses all the time. There is money there, a considerable amount of it coming from GST revenue, that can be used. These things have to be prioritised. So we are not in a position to tell the government what to do, but we are in a position to say that there are funds available.

CHAIR—As there are no more questions, I would like to thank you, Mr Mifsud and Mr Skidmore, for coming in today.

Mr Mifsud—Thank you, Mr Chairman and senators.

[9.56 a.m.]

BROCK, Ms Jane, Executive Officer, Immigrant Women's Speakout Association of New South Wales

CHAIR—Welcome, Ms Brock. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite to you make an opening presentation to be followed by questions from the committee.

Ms Brock—Good morning. The Immigrant Women's Speakout Association of New South Wales, also known as Speakout or IWSA, is the peak community body representing the interests of immigrant and refugee women in New South Wales. Since its inception 20 years ago it has been providing direct services and advocacy. IWSA plays a community development role assisting emerging ethnic women's groups and educating the broader community about immigrant women's issues and perspectives. Now, as I was instructed, I will give a summary within 10 to 15 minutes.

It is our submission that the nature of poverty observed regularly by Speakout in its work with immigrant women often involves causal or related factors that are very specific to certain sectors of the immigrant population or certain localities. This submission draws on a number of case studies based on our experience. As you might observe, our submission contained a lot of anecdotal references from our direct service and case work. Among three-quarters of primary humanitarian visa applicants and about two-thirds of primary family visa applicants had weekly incomes of less than \$230 a week within four to six months after arrival. For independent and business applicants, the number was one in six and one in five respectively. For migrant family units as a whole, humanitarian and family visa applicants tend to be the majority in the lower weekly income bands, though access to social security and other benefits tends to lift humanitarian applicants out of the lowest categories while family applicants without such access predominate at this end of the scale.

The unemployment rate is generally above the national average in all categories except business, and it is worse among humanitarian visa holders. This must be read against participation rates where more than 80 per cent of the humanitarian visa holders are not in the labour force from four to six months after arrival. These characteristics of migrant families have a significant impact on immigrant women and this is reflected in our experience of service provision.

One issue that we frequently face is that of women who marry Australian citizens believing that their husbands have taken care of visa arrangements. Often there are cultural reasons that result in the women leaving all bureaucratic dealings in the hands of their husbands. Whatever the reason, the women remain in Australia without a spouse visa unwittingly. They do not progress to permanent spouse visa and citizenship. If domestic violence arises and their situations become intolerable, they leave for their own personal safety. As they are in effect illegal non-citizens without a spouse visa, they have no access to the domestic violence

provisions of Australian immigration law which only applies to temporary visa holders or temporary spouse visa holders. Many prefer to stay on illegally rather than return to their country of origin. Some return to their situation of domestic violence, enduring further abuse in the hope their husband will arrange their temporary spouse visa allowing them to remain legally. There are husbands who use this gap in the law as a method of intimidating women and enforcing their compliance to the wishes of the men and silence on the issue of violence. We believe an expansion of the domestic violence provision to cover such cases is urgently needed in the interest of addressing the injustice and threats to these women and to address the poverty facing these women when they choose to escape domestic violence.

We also want to address the issue of paid maternity leave. Paid maternity leave is a issue of special importance to immigrants and refugees. Women from non-English-speaking countries who have immigrated to Australia find the experience of raising children in Australia difficult and challenging because of factors associated with the migration process and their relative isolation in Australian society. While in their country of origin families, friends and relatives will be able to support and assist and often child care would be affordable. Women find that in Australia it seems to be that it is all up to the mother.

A further issue is the different cultural expectations and norms women face—for example when they come into contact with health workers, childcare workers or new Australian-born family members. Paid maternity leave would provide some help to women in this challenging context, by reducing financial stress and providing encouragement to return to firm work rules. Many immigrant women who are working face poverty. A variety of factors limit the access of immigrant women to jobs with decent salaries. Certain NESB groups are more highly concentrated among the categories of employer or own account worker and contributing family worker. This pattern becomes significant to the extent that different models for paid maternity leave exclude or include these categories of workers in their coverage.

Working immigrant women often face costs not generally faced by the rest of the community. Poverty in their own community means informal support, including meals, babysitting, assistance with housing, transport and education, is less available and if needed must be paid for. Poverty in their community means those with employment are asked to contribute to community needs at a greater rate, and poverty in countries of origin mean many immigrant women are sending money out of Australia. In a lot of cases before they came here they incurred a lot of debts to cover their fees, the processing of their visa and, most of all, to cover their airfare. So the first few years that they are here they are still paying those debts.

Loans only applying to immigrants, such as those related to English language skills and testing, translation of documents, waiting periods for health and other benefits, the payment of fees in educational institutions, mean immigrant women incur costs while they are waiting for the two-year waiting period to pass. As immigrant women are more likely to be mothers with young children and English-speaking peers, poverty among this group has particularly negative impacts on their children, increasing the risk of child neglect and abuse and increasing the risk of offending behaviour in adolescence and beyond.

The cost to the community and the effects of the crime, policing the justice system and incarceration and the provision of mental health and therapeutic services, in our view far outweigh the cost of simple, well-designed, well-targeted measures as suggested by the Bureau

of Crime Statistics and Research. There are a lot of cases reported on the impact of underemployment and unemployment, and we would like to point to the subcontractual arrangements that are common in manufacturing sectors, in the clothing industry in particular where a lot of newly arrived immigrant women are employed.

I am sure there are already other groups that have reported this to you—I have not looked at the list of those who have made submissions—but the findings are that the vast majority of clothing outworkers are migrant women. As well as the human cost of low wages and poor conditions, outwork constitutes unfair competition against employers who abide by the terms and conditions of awards. Many clothing industry employers say that this is a bigger threat to them than cheap imports.

Immigrant women, especially those from non-English-speaking backgrounds depend on male relatives from certain visa categories. For example, humanitarian, skilled, general and family categories tend to access income support and special welfare support from the government and non-government sectors at the higher rate than the Australian population. But these families have endured miles of impoverishment before seeking help and the effects on families and especially children are marked by the time agencies are contacted. Needs are greater, especially in areas of psychological health, and costs are consequently higher.

Too few NGOs, non-government organisations, service high need groups. Funding levels are too low and processes for application for funding and acquittal and refunding are very cumbersome and very complicated. Income support should be viewed as an investment in Australia's future. With well-designed income support, many of the negative impacts of poverty can be avoided. Immigrant communities and immigrant women in particular would have the chance to build their employment possibilities to move out of poverty in a way that affirms their dignity and empowers them as members of their community and Australian society.

Negative correlates of poverty in our experience are situations of violence or abuse because there is no economic alternative obvious to the immigrant woman. Flow-on affects the children in incapacity to take up training and educational possibilities that would have long-term benefits. In some cases we see very poor and inadequate diets that affect health and performance in daily life. These negative consequences give rise to social and economic costs, many times greater than well-designed early interventions that would prevent the negative effects of poverty arising.

In the United Kingdom research shows that because of the persistence of lower labour participation and employment results for non-white immigrants, women from these backgrounds never achieve labour market parity with the general population, though men from the same background achieve parity after over 20 years. Education and English language training are decisive factors for both men and women, with immigrant women benefiting to a greater extent. That research shows that investment in education and training of immigrants has long-term benefits and calls into question restrictions on educational access for migrants, including requirements that certain visa classes are subject to full fees.

To finish, I would like to put again into focus the number of casual and contract workers among migrant women. In the 1990s the number of casual workers in Australia increased by a factor of two to over two million. The decade until early 2001, 60 per cent of new jobs were

casual and two-thirds of casual workers today are women. We believe casualisation of workers parallels the trend of more working people living in poverty.

Finally I would like to point to our recommendations. First, cancel the two-year waiting period for newly arrived migrants and replace it with a job-seeking financial assistance scheme making sure the program will extensively reach migrant women. Second, monitor and assess industries and businesses that employ outworkers; strict compliance to best-practice standards in workplaces should be implemented. Third, undertake an urgent review of the procedures for recognition of overseas qualifications and fairer and more accessible skills for upgrade of qualifications where this is necessary. Fourth, a program for job search that will include three months of relevant work experience for new migrants, skilled and independent, starting from one week after arrival and paying the equivalent of Newstart allowance until such time as alternative permanent employment is found.

Fifth, additional funding of childcare in the skilled placement program of the New South Wales Department of Education and Training to support effective job search of migrant and refugee women. Repeal the temporary protection visa and comply with the United Nations convention on refugees. A deepening of measures of income support and poverty elevation to take account of differential cost regimes and obligations with impact on disposable income and others. Support and encouragement of Medicare bulk-billing. Increased funding for more training of mainstream services dealing with non-English-speaking background women experiencing domestic violence. Lastly, that comprehensive information be given to women in their own language on arrival in Australia regarding their rights, and hopefully that will include our own services. Thank you very much.

CHAIR—Thank you, Ms Brock.

Senator KNOWLES—Ms Brock, whom is your association funded by?

Ms Brock—We are funded by the New South Wales Department of Community Services through two schemes, the Community Services Grants Program, and the Supported Accommodation Assistance Scheme Program. And we have a small amount of funding that we receive for our skilled migrant placement program from the Department of Education and Training of New South Wales.

Senator KNOWLES—In addition to that there are the migrant resource centres. The migrant resource centres in my state of Western Australia I know provide incredibly good assistance and advice, predominantly to women, for employment and domestic matters. Are the migrant resource centres active here?

Ms Brock—The migrant resource centres in various suburbs have, of course, their community settlement scheme programs but some of those actually have been defunded already. One Community Settlement Scheme Program that we have, for example in the eastern suburbs and that was based in two community centres, was actually defunded and they do not have that now. The Botany Migrant Resource Centre is actually facing a problem of decreased funding as well.

Senator KNOWLES—Funding for migrant resource centres is actually going up across the board, as is the money that is being spent on multicultural assistance. Can you suggest to the

committee a better way of spending that money if the money that is being increasingly put into those areas is not providing the outcomes that you think are best?

Ms Brock—We have not had any consultation with the migrant resource centres as far as the issue of, for example, domestic violence that have I pointed to here and also in the case of the Skilled Migrant Placement Program which we have as a program because many of the migrant resource centres do not have the kind of domestic violence support program that we have as well as the Supported Accommodation Assistance Program that we have.

As you know, in effect we are all underfunded and there are many interagencies we attend, but we can only do so much. We cannot attend all interagency centres, where we exchange information on the way we serve the community, the exchange of how to improve our service delivery. But at the end of the day you will have to look at your service agreement with a funding body and pinpoint the outcomes that you are required to do. Sadly, the attending of interagency meetings is not as big as facing other outcomes that you have to do, like dealing with case work and domestic violence and dealing with problems of migrant women in domestic violence situations, and that is where 70 per cent of our project officers spend their time. We cannot really have more time spent on talking with other service agencies; that is the reality of our work.

Senator KNOWLES—Let me share a secret with you. I have been in this job nearly 19 years and I do not think there is anyone who has walked across my doorstep saying ‘Excuse me, but I think we are funded a little bit too much. Can you cut our funding and give it to so and so,’ so I would say that everyone would argue that they are underfunded. What I am looking at with your presentation, knowing what also is out there in the field and how many multicultural associations have extensive funding, is your advice as to how better governments can spend that amount of the cake that is devoted to resolving these issues. You may want to take this question on notice, but it seems to me that there is a wish list of things that revolves around additional funding as opposed to an action list of how better that existing funding, which increases every year, can be spent. Do you think the association is able to provide the committee with a way in which the overall slice of that pie can be spent better?

Ms Brock—We will have to deal, first of all, with the question of consulting with the migrant resource centres—if they have that money for example, and we need to know what kinds of increases they have received in what programs.

Senator KNOWLES—It is not just the migrant resource centres—it is all the other associations—the multicultural associations, the interpreter provisions and so on. It is all of those things to which you refer in different ways in your submission. The interpreter service is a very important one. Also, the low levels of English among many women who are seeking to break into the work force is also a barrier; can you comment on what you believe should be done to lift that barrier where the inability to be able to speak and write English is a problem for them.

CHAIR—I think Senator Knowles is offering you the opportunity to take that on notice and write back to us in a reply, if you would like to do that.

Senator KNOWLES—Only if you want to. It is just a question that if there are solutions we can come to solutions as opposed to knowing what you want for more money.

Ms Brock—Of course, we have to look at priorities as well. It is very obvious that to access any services you really have to be able to communicate, and I guess communication is not just a simple knowing of the language but really learning the culture of the particular workplace, for example, or even the culture of any service providers, and that is where we have difficulty. So we will be happy to look at that. In fact, we are already working on consultation with other groups because we have received some initial information from our member organisations that the translator and interpreter service will not be providing free interpretation for some case work that we do. So we will have to look into that. I think we received that information before the weekend.

Senator LEES—Is that where you support people who need medical treatment?

Ms Brock—It cuts across those people who are in need of case work services—women in domestic violence would be affected by that in our case. So we are still going through consulting other member organisations of our Immigrant Women's Speakout Association, and hopefully we can give you more advice on that.

Senator LEES—Are some of the people that you work with and support on no income whatsoever if they are within the two-year period?

Ms Brock—I will only speak of the casework that we do. There are those who have income but not on the basis of their overseas qualifications, and there are those who have income but on a casual basis—on a cash-in-hand basis—but most women who come to us are dependent on their husbands, at least for the first months that they are here. I am talking about temporary spouse visa holders.

Senator LEES—I am just interested in your third recommendation regarding qualifications. How do you believe that that can be facilitated? How can we as a community make the most of the skills that people coming here have? What would be your recommendation as to how we can actually put that in place?

Ms Brock—I believe that we should be assessing their qualifications in such a way that we look at their experience rather than counting their number of years of education, which most of the time does not really work within the frame of the Australian qualification framework.

Senator LEES—But is language one of the major issues, that their English is not of a standard that would actually enable them to do a particular job—say, nursing?

Ms Brock—I just want to illustrate how it is done, as I have heard from someone who intended to come here but decided not to later on. She presented to the assessment office for clerical employment. She filled out the form and attached all of the educational certificates and diplomas she has. But she was rejected by the assessing agency, who said that they cannot actually go to the first step of assessing her because she does not come into the Australian qualification framework in terms of education, that her number of years from high school to college—and in fact she has a university degree—does not fall into the category of qualification to enable her to apply for a skilled migrant application.

Senator LEES—So she had a university degree but because in the country of origin there was a different number of years in primary or secondary school that ruled her out?

Ms Brock—Yes, that is her understanding of what happened.

Senator LEES—So where would you recommend we begin with the process of trying to facilitate? Is there a base sort of level of examination we should set across a range of different professions?

Ms Brock—I believe that job experience in the particular skilled occupation that they are applying for should outweigh the number of years or whatever titles that certificate has because if you are comparing it to the Australian system of course it will be totally different from other countries.

Senator LEES—Thank you.

Senator MOORE—Ms Brock, in the anecdotal evidence you have presented to us with the people you are working with, one of the things that comes out is that they did not know what they could receive and by the time that you got to speak with them they had missed out on considerable support that could have been available to them. Do you have any suggestions for how that gap of information could be alleviated?

Ms Brock—With the domestic violence provision for example, many of the women who come here under the temporary spouse visa do not know that they can actually access domestic violence provision when there is domestic violence in their situation. So during that time, when the husband keeps on threatening them that he will not sponsor them any more, in order to access the permanent residency visa they just have to stay home and bear the abusive situation. In this time, if they have access to the domestic violence provision and they are given the chance to be heard, and if DIMIA finds that their claim is genuine, then they can be granted permanent residency. That is the paper they have to bring to Centrelink, and Centrelink looks at their status as a permanent resident and therefore they can access most of the services. Of course a two-year waiting period applies as well.

Senator MOORE—Your recommendation 10 suggests that information in the primary language is provided. How would that be done? You say:

Comprehensive information given to women, in their own language, on arrival to Australia regarding their rights and will include IWSA's contact details.

Is the expectation that that would be on the point of entry?

Ms Brock—Of course, that is the expectation of many of the migrant women we have consulted regarding information that they receive upon their arrival or even before they come. In fact, I know that the department of immigration gets them to watch this video on how newly-arrived migrants would be accessing these types of services, but most of these are dot points and in many ways dot points do not really translate into the actual way a person understands general headings of services.

Senator MOORE—You mentioned Centrelink and in the anecdotal information you provided there was information about Centrelink. Does Centrelink seek the information and support of organisations like IWSA in developing their own outreach programs to provide information to customers?

Ms Brock—We only have one type of dealing with Centrelink and that is when we ask them to consider issues of special benefits for women in domestic violence situations. We really have not had a chance to go into more extensive consultations with them regarding the possibility of having information sessions for our clients. We have not got into that because I know migrant resource centres have community development workers or generalist workers who invite Centrelink to their information sessions.

Senator DENMAN—Do Centrelink provide interpreting services for women who come in for assistance? Is there a phone service that they can access to interpret for them?

Ms Brock—Yes. Even in our case there is the TIS whom we call—we book for an interpreter and we access that. But may I just point to certain processes that happen along the way. Many interpreters actually interpret many of the problems in a very inaccurate way. I believe many of those interpreters who are given accreditation have been away from their country of origin for so long and there are certain problems with the context of the problem being presented that they do not understand, so their interpretations are inaccurate and in fact lack cultural appropriateness.

Senator DENMAN—The other question I want to ask is about domestic violence. What happens to those women who escape from domestic violence but do not know where to go for assistance?

Ms Brock—Many of them just go around their friends and in many situations they are being exploited by their friends. In fact I know two people who have been in such a situation. They were asked to babysit the children of this family who give them refuge and sometimes they are just 24-hour service domestic helpers.

Senator DENMAN—Do many of them have to turn to prostitution to support themselves?

Ms Brock—I do not have any data on that.

CHAIR—Ms Brock, on page 11 of your submission, you say:

IWSA perceives casualisation of workers parallels the trend of more working people living in poverty.

Then you go on to advise us of an advertisement that was in the *Sydney Morning Herald* in June 1999. Do you want to expand on that as to particularly how it might affect migrant women who work in the textile, clothing and footwear industry?

Ms Brock—Of course there are organisations who are more expert than this but I would be looking at anecdotal references.

CHAIR—Can you give us an example?

Ms Brock—One case is actually a friend of mine who had worked in the hotel industry for a long time—in fact she had worked there for more than 14 years. She was promoted from a housekeeping job to the position of supervisor of the housekeeping team. Two months after she was made redundant. The reasons given to her were that because of September 11 there were less customers and that the company is not earning much as a result of the September 11 tragedy so they have to restructure, and one of their restructured jobs is her position. Then what were the alternatives offered? Well, she could go back to her job before as a housekeeping person on a casual basis.

Senator MOORE—Had she been a permanent worker before that?

Ms Brock—Yes.

Senator MOORE—So her conditions changed from being a permanent worker to a casual worker to retain her position?

Ms Brock—Yes. She is a single parent as well.

CHAIR—Regarding the temporary spouse visa, you refer to cases where a husband denies a woman a temporary spouse visa. Are these husbands Australian born?

Ms Brock—They are Australian citizens. He is not Australian born in the case I referred to here; he is also a migrant. It seems that there is already a history that this man has sponsored many women in fact. We have not gone into researching if this is also a case of serial sponsorship, but this man is not really interested in getting residency for the woman he married. This woman also did not know that the husband has to sponsor her and apply for a temporary spouse visa for her. She just thought that if they were married then her visa would just continue on. Her visa is actually a tourist visa and she thought if the husband has reported it to the department of immigration then the department will just sort out her papers.

CHAIR—Is this widespread?

Ms Brock—This is only one case that we know of, but there are other stories that we have heard but we have not had a chance to interview the women themselves.

CHAIR—Thank you very much, Ms Brock, for giving your evidence today.

Proceedings suspended from 10.35 a.m. to 10.43 a.m.

LEEMAN, Mr Adam, Member, Australian Manufacturing Workers Union

TAYLOR, Ms Sally-Ann, Coordinator, National Research Centre, Australian Manufacturing Workers Union

CHAIR—Welcome, Ms Taylor and Mr Leeman. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera, if such evidence is considered by you to be of a confidential nature. The committee has before it your submissions. I now invite you to make an opening presentation to be followed by questions from the committee.

Ms Taylor—Thank you. I will start off for the AMWU this morning and then I will pass to Mr Leeman, who is a member working in the labour hire industry. I apologise for Bob Graham, who was also to represent the AMWU today, but unfortunately Mr Graham is not available to assist the committee.

My submission this morning highlights the issue of increasing casualisation, the rise in labour hire, the government's legislative agenda and the impact that these issues are having on the quality and reward of work of our members. Twenty-five per cent of the Australian work force goes to work each day not knowing whether there will be a job at day's end. Twenty-five per cent of the work force are engaged as casuals, regardless of whether the work performed is irregular or ongoing, a phenomena which has seen the oxymoron, 'permanent casual', appear in the IR dictionary. The growth in casualisation is not simply a reflection of a growth in the service industry traditionally employing casual workers; the increase reflects a rise in the use of casual contracts per se.

Historically, casual employment has never been a significant feature of the manufacturing industry, yet in the decade 1988 to 1998, casual engagement, as a proportion of employment in manufacturing, doubled, and currently at 15 per cent is on the rise. Supporters of increasing casualisation will argue that it creates flexibility and assists the growing number of working mothers to balance the demands of work and family. The supply side argument, however, is not supported by the facts. Over the past decade, male casual employment grew by 115 per cent to represent 894,000 workers, compared with a 43 per cent increase in female casual work.

More alarming than casualisation itself to the job security and wellbeing of Australian workers is the increasing trend for casual workers to be supplied through agency or labour hire arrangements. Labour hire workers now represent 19 per cent of the manufacturing industry work force—that is nearly one in five manufacturing workers having no employment relationship with the person directing their work. Research undertaken by the Australian Industry Group estimates that 97 per cent of labour hire employees are engaged as casuals. The labour hire industry has evolved from one predominantly sourcing supplementary labour at peak periods to increasingly becoming an alternative system of employment.

Labour hire is proliferating, not as a short-term solution to meet seasonal demands and flexibility of requirements, but as an alternative to the employer/employee relationship, around

which our award safety net of minimum wages and conditions is structured. As permanent workers in the manufacturing industry leave their jobs, they are replaced by labour hire casuals. New jobs are automatically filled by body hire. This shift is producing a profound affect. As the level of precariousness attached to a job increases, there is a proportional decline in job quality and reward. Research and the experiences of casual labour hire workers have identified the features attached to casual work. These traits, combined with employer practice, combine to drive down wages and conditions.

What we know is that casual workers, and in particular casual workers sourced through labour hire, are much more likely than permanent workers to be paid at the minimum award rate rather than the enterprise rate paid to permanent workers. We know that they are likely to be paid at the lowest classification or skill level, even though they are equally qualified and perform work of equal value alongside permanent employees paid at the appropriate higher paid classification. We know that they are denied access to training and advancement through skill based award classification structures. We know that they are denied opportunities to increase their earnings through overtime, as permanent employees are favoured in relation to the allocation of overtime. We know that they are required to provide their own safety gear, tools and protective clothing, when these are supplied free by the employer to permanent workers. We know that labour hire workers are more likely than permanent workers to have more work related accidents and to have more serious work related accidents requiring longer periods off work. We know that casuals are less likely to be represented by a union and are not included in the consultative arrangements and forums at the enterprise. We also know that casuals are less likely to receive the appropriate award based allowances. The above list is not exhaustive; however, it clearly demonstrates how casualisation is forcing wages down.

The Hunter millennium skills report confirmed that the decline in the average weekly earnings of Hunter Valley manufacturing workers was accompanied by the rising rates of casualisation. Most awards contain a loading for casual work. The loading has the integral function of translating between a permanent worker and a casual worker some of the minimum benefits and rewards of the award.

Any one of the features of casual employment, to which I just referred, can completely annihilate the value of that casual loading. In reality, casual workers are losing the value of compensation for not receiving the entitlements due to permanent workers, such as annual, personal, long service, job, search and carer's leave. Casual workers are not being compensated for working in precarious positions, and they are not being compensated for being denied the safety net of termination and retrenchment pay. Casual workers are, however, cheaper to employ. Increase in casualisation and labour hire arrangements are not about peaks and troughs, they are not about quality management: they are about cheap labour and exploitation, and it is becoming the norm.

I would like to briefly refer to examples of labour hire contracts. These are labour hire contracts that workers in the industry are forced to sign up to if they want to access the work that is being offered through that labour hire agency. I do have copies for the committee's record later. The first contract, which I will refer to, is for a labour hire company, Baytech Industrial Vic Pty Ltd. One of the provisions of this contract that a worker has to sign up to, at 2.1, is:

The Worker warrants to perform the services with due care, skill and diligence and that in the event of the services which it performs for the Client being unsatisfactory, it will make all good all defects in the performance of the services at no further cost to the Client or Baytech.

That is a fairly open-ended sort of arrangement without any disputes procedure in which the labour hire worker is saying that if the client, or the labour hire employer, determines that their work is not satisfactory, then they will be required to make good that work without any further charge to the client or the labour hire employer. At 2.4, the worker agrees:

In return for being given the opportunity to provide the casual services, the Worker agrees that during the period of work and any extension thereafter, and for a period of six (6) months after the termination or completion of the contract, the Worker will not enter into any arrangement with the Client, or any related company of the Client, without the prior written consent of Baytech, which we may in our absolute discretion withhold.

So in the event that the client of the labour hire employer was impressed and pleased and had a permanent position to offer the labour hire worker, Baytech has the right to deny that permanent employer relationship to commence.

My second example of issues arising with the labour hire industry in relation to the sorts of contracts that labour hire workers have been forced to sign is a statement put out by Advantage Personnel. The statement begins:

You must never discuss your rate of pay with anyone on site. To do so will lead to instant dismissal.

So here we have for labour hire workers the everyday work parlance at the site, ‘What are you earning? What is the rate for this job?’ is now for labour hire workers an issue of summary dismissal. Another document which Advantage Personnel requires their labour hire employee to agree to is called the ‘collection statement’. The collection statement is about the sorts of information that Advantage demands it has the right to gather from the prospective labour hire employee before that labour hire employee is put on Advantage’s books to gain access to jobs. Advantage states:

Personal information is any information or an opinion (whether true or not) about you ... Personal information includes sensitive information.

Sensitive information is a special category of personal information. It is information or opinion about your:

- racial or ethnic origin;
- political opinion;
- membership of a political association or religious beliefs, affiliations or philosophical beliefs;
- membership of a professional or trade association or membership of a trade union;
- sexual preferences or practices;
- criminal record;
- health or disability (at any time);
- expressed wishes about the future provision of health services.

Advantage states:

Your personal and sensitive information will be collected by Advantage Personnel for its own use.

This is illegal. Permanent workers are never asked these questions in a job interview because it is discriminatory. These are the sorts of issues that labour hire workers have to put up with if they want access to a job—one in five jobs in the manufacturing industry.

I turn now to industrial relations legislation. The impact of industrial relations legislation should assist low-paid workers in precarious employment, not facilitate them into a position where retaining minimal award rights is dependent on their non-existent bargaining strength. The Workplace Relations Amendment Act 1996 stripped awards of protections and entitlements. Labour hire and directly employed casuals are regularly forced into casual contracts as no permanent position is offered, despite the work being regular and consistent. The minister's response to this was to have stripped from awards limits and guidelines on the numbers and use of casual employees. The act also introduced a bargaining stream into awards by requiring the insertion of facility provisions. One of the impacts of this in the metal industry award is that shift penalties can be facilitated away by agreement between an employee and employer.

Low-paid casual workers are not in a position to say no. They have no bargaining power or security of tenure, and they are dismissible at an hour's notice. Losing a 20 per cent shift loading for commencing work at 5 a.m., which is now possible under the metal industry award, disposes of the compensatory effect of the casual loading. One of the cruellest aspects of this act is that it has a disregard for the reality faced by precarious workers.

The minister has introduced a raft of industrial relations bills into the legislature. Individually and collectively these bills are legislating towards poverty. The minister argued in the recent living wage case that anyone earning more than \$525 per week should not receive a wage increase unless they are able to win one through bargaining. Fortunately for the low paid, the AIRC found against the minister. Mr Abbott's erroneously entitled Workplace Relations Amendment (Protecting the Low Paid) Bill is about ensuring that in the future the commission is constrained so that no-one earning above the federal minimum award wage of \$448 per week receives a wage increase unless it is through bargaining. This bill, if passed, will increase poverty levels amongst the 20.5 per cent of Australian workers who are not able to bargain and rely solely on their award for their wages and conditions. The Australian Industrial Relations Commission states:

The provision of skill based career structures in awards is a significant way in which employees are encouraged to improve their skills, contribute to productivity and advance to higher wages.

One would think that increased productivity and higher wages would be excellent. However, Mr Abbott's award simplification bill proposes to strip from awards skill based career paths and the training provisions that support them.

What motivates the minister to remove the skill pathway out of poverty for the working poor? Can the minister actually believe that casual and labour hire workers are in a position to bargain their way to higher pay, or is it simply that Tony Abbott picked up where Peter Reith left off? Peter Reith made no secret of the motivation behind his legislative agenda. His legislation was about 'never'—and I quote—'forgetting which side we are on.' He said:

We're on the side of profits. We're on the side of people owning private capital.

Well, Tony Abbott has been a good apprentice. Before closing, for the benefit of the committee I wish to read extracts from witness statements provided to the AIRC by labour hire workers. That particular case has been concluded, but the statements are testimony to the two tiers of entitlements operating between permanent and casual workers. The statements reinforce the need to legislate for the principle of equal pay for work of equal value, regardless of employment type, and to adjust award rates as outlined in the AMWU's written submissions and recommendations to the inquiry.

The first statement I read is from a casual employee with Manpower in Newcastle to work at a company called ADI. It states:

I started working at ADI for Manpower in October 1997 and was employed as a casual fibreglass employee on a continuous basis from October 1997 to January 2000.

When I first started working at ADI I was paid \$15.15 per hour. All of the casual workers, regardless of skills or qualifications were paid the same rate—

CHAIR—How many statements do you have, Ms Taylor?

Ms Taylor—I have five.

CHAIR—Do you propose to read them all out?

Ms Taylor—I propose to read extracts from the statements.

CHAIR—We have some other people waiting, so you could table them as well.

Ms Taylor—Yes.

CHAIR—But just get on with reading out the extracts.

Ms Taylor—It states:

No competencies assessment of each worker was ever conducted by Manpower. I and the other casual workers never had the same access to the competencies system as the permanent employees had.

Whilst working at ADI, on the day shift I was paid the EBA rate of \$16.71 ... I was not paid the 20% casual loading on the afternoon shift.

The extra payment that I received—

through the casual loading—

was supposed to cover me for all the public holidays, annual leave and annual leave loading etc that the permanent employees were entitled to. I have recently been dismissed and have worked out that if I was a permanent employee I would have been entitled to redundancy pay of \$8,000. I am not entitled to receive that payment because I was a casual worker. The extra payment I received working as casual did not compensate me for the fact that I was not entitled to

redundancy pay. It also did not compensate me for all the times I was sent home without pay by the company because of a downturn in work. The permanent employees would be sent home with pay at these times.

The only training that Manpower ever gave me was to induct me into occupational health and safety at the company's site before I started working at the company.

Although I was employed by Manpower to work on the site they rarely visited me or checked to see how I was going ... I even supplied my own safety clothing including boots and overalls for about a year and a half ...

Once when the manager of Manpower himself came to visit I had an argument with them and complained that Manpower never visited the casuals. He just responded by telling me that I had obviously never worked for a labour hire firm before.

Instead of being converted to a permanent employee which I always expected ... I was dismissed on 16 January 2000 by ADI and not given a reason why. At the time of my dismissal I had worked as a casual worker for Manpower at the company for over two years on a continuous basis.

When I was dismissed by ADI I called the contact person at Manpower and they told me that they were sorry but they did not have any other work to offer me.

CHAIR—Would you like to table those? Even though I know you may not wish to read them now, we will get to read them later.

Ms Taylor—Yes, I will table them. However, I will just briefly refer to the statement of a woman casual employee. She states:

I am currently employed by a labour hire firm called Prestige, Brisbane, at a company called Southcorp Packaging.

Last year in October I swapped labour hire firms. I changed from Integrated to a firm called 'Prestige' because Prestige were paying their casual workers more money. The majority of casual workers on the shop floor are either employed through Prestige or Integrated.

As a casual worker I am paid the award rate for my classification of C13 plus the 20% casual loading which comes to \$12.69 an hour. The permanent employees have been receiving the EBA rate with 2% increases. The permanent employees are receiving \$13.44 per hour.

I have not attended any company staff meetings whilst being a casual worker because I am not sure whether I can go or not as a casual worker. The casual workers are never invited anyway. Casual workers are also excluded from EBA meetings where the company talks to the permanent employees about the EBA during the negotiations. The EBA is coming up for review and casual workers are not involved at all in any meetings relating to the review. I was told by a person in management that the EBA has nothing to do with me because I was a casual.

As a casual worker I have not worked overtime because it is company policy that only the permanent employees are offered to work overtime. Casual workers only work overtime when the permanent employees can't work it.

That ends my presentation.

Mr Leeman—I would like to start by briefly explaining a bit of my work history and then go through some of the issues that have come up over a period of time. I have worked for about four

different labour hire companies and I have signed up to 12 over that period as well. With those four I have worked at six different workplaces over the last five years, and I have also had a couple of permanent jobs during that time as well. The things that I have been concerned about during that time as a labour hire employee are issues of occupational health and safety, of being able to know what my rights are as an employee—particularly I could not even get hold of the award that I am covered by—and also the quality of work, and obviously that leads to the quality of life as well: not having much control over the hours that I work and being forced to work a lot harder than I normally would because one is not quite sure when the work is going to come again.

One of the things that has come up about occupational health and safety is training. It depends on the workplace where I have been working as to the level of training that I have received for occupational health and safety. The current labour hire company that I am working for, Action James, when I first signed up with them just very much skimmed through all of the training, the video and all that sort of stuff, and got me to sign the document to say that I had received that. They were able to send me to some workplaces on that basis which did not have much concern for work occupational health and safety. At the place where I am currently working I did have some further training, but only because I was one of the employees they saw as a future permanent employee. A lot of the employees who are labour hire at the company that I am working for at the moment have not been given occupational health and safety training because they do not expect to keep them. They are backpackers from the UK and they only expect them to be there for a month or so, so they do not receive that training.

It is very hard to get information on what rates of pay we should be receiving and what loading and that sort of thing. When I was working at BHP for skilled engineering we were required to fill in our own time sheets. Unless you actually knew what rates of pay you should be receiving at different times of the day, over the weekend, award rates and so on—the different loadings—you did not receive them. There were a number of employees who did miss out because they did not know what those things were. It was very much up to each individual to go and get that information.

Also another part of that is being a union member: every time I sign up for a labour hire company I lie about being a union member. I do not know whether or not it is actually going to affect my employment, but the chances are that it will. The current place where I started working for UPS, on the very first day the manager there told us, 'There is no place here for a union because this is an international corporation. We could not have any New South Wales based union coming in and having an influence over our business.' So I think I made the right decision in order to get work by lying about my membership. Certainly, from talking to other workers there, yes, people do want a union there but no-one is actually willing to talk about it with people they know directly.

About four years ago I was working at Dairy Farmers for Advantage Personnel. I was working an average of three to four days a week, and they had a pool of casual labour hire workers. So they gave everyone some work each week if they could, but no-one actually had a full-time job there. So along with that often came double shifts that I would work because I did not know when I was going to receive work again. So I would often get to the end of the shift and they would say, 'We have no-one else to fill this next spot. Do you want to do it?' If it is 11 o'clock at night and you have just been working the last eight hours and you do not know when you are

going to work again, then often you do say, 'Yes, I will take that work,' because you need the money. So, yes, obviously occupational health and safety relates to that as well. I will leave it there.

CHAIR—Thank you very much.

Senator MOORE—Mr Leeman and Ms Taylor, I am interested in the conditions of people who are in casual work and the interrelationship then with Centrelink. If you are on a form of casual work, how does it work? How do you find the interaction between the workers who are casual, not picking up a full week, and any entitlement to Centrelink payments?

Mr Leeman—While I was working at Dairy Farmers I was also registered with Centrelink. Usually I would earn just over the threshold. I was getting maybe \$300 a week on average, and it was worked out on a fortnightly basis. Sometimes I would get a small amount of money from Centrelink, but because I was receiving that money I was not able to get any of the benefits of unemployment—concession transport rates or anything like that.

Senator MOORE—You actually said in your submission, Ms Taylor, that many of the workers have to provide all their own specialised equipment, uniforms, that kind of thing—at their own expense?

Ms Taylor—At their own expense, that is right. From memory, in relation to your first question about Centrelink, I think one of the deponents has referred to that issue. But what I understand from the evidence of labour hire casual workers is that one of the issues is that they never know how long they are going to be employed. So the labour hire might say, 'This job is for three months,' and then it might only last a week or they will say, 'No, it is just for a few days or you are going to be permanent.' That is one of the big issues because the casual worker is not sure what to tell Centrelink.

One of the other issues is that it takes so long to get back on the books of Centrelink that some people are starting to think it is not worth all that effort. You might spend a week travelling to and from the Centrelink office trying to get your statement that you have left this particular situation and trying to go to interviews to other jobs. So it becomes all very problematic trying to manage this precarious lifestyle.

Senator MOORE—And your figures indicate that it is an increasing percentage of the work force that are in this situation?

Ms Taylor—Definitely.

Senator MOORE—But still the interaction is complex?

Ms Taylor—Yes.

CHAIR—Regarding AWAs in the labour hire industries, were you required to sign any yourself, Mr Leeman?

Mr Leeman—No.

CHAIR—I think you were saying that you were never exactly sure sometimes what award you were being paid?

Mr Leeman—That is right.

CHAIR—It was never spelt out on your pay sheet?

Mr Leeman—The hourly rate would be spelt out, yes, but the conditions that came with that were not. Sometimes you even have to try to work out on the job exactly when your breaks are and that sort of thing after you have already started.

CHAIR—Ms Taylor, did the labour hire agencies you went through have much more of a preference for AWAs?

Ms Taylor—They do not appear to be offering AWAs under a structured industrial relations scene; they are not having them certified. They offer sorts of written contracts which have very little information. In fact, the ones I have seen contain no information about the actual rate of pay but say that there will be a rate of pay paid, there will be four hours notice of terminations and very limited conditions—no formal AWA within the industrial relations system, but a contract.

CHAIR—Mr Leeman detailed a few industries in which he worked which would be covered by a variety of awards. So the labour hire agencies do not have a limitation on casuals or part-timers because they are not necessarily covered by any one particular award?

Ms Taylor—That is right. The union at the moment is preparing to try and establish a labour hire award. I would have to say that the current legislative framework is not conducive to that activity. But what we are trying to do is to rope a lot of the labour hire companies into the labour hire industry award, which will then have as its provisions that the relative award—and we might list them, metal industry award, graphic arts award and so on—that applies to the class of work being covered by that employee will apply. So that will import the conditions of the relevant and appropriate award into the labour hire industry award.

CHAIR—So no-one is actually a permanent employee?

Ms Taylor—The figures at this stage indicate that 97 per cent are casual employees. The labour hire company may have permanent employees who may be on the administrative staff, but the evidence is that there are very few employees who are then on-hired by the labour hire agency who are permanent.

CHAIR—I think you said that one of the labour hire agency agreements said that people were barred from trying to get themselves a permanent job at that work site.

Ms Taylor—That is right. That was Baytech Industrial. Baytech are interesting. They are part of a broader group, Baytech Personnel; recently Baytech put a submission into the ACCC—which was looking at the Recruitment and Consulting Services Association—and Baytech submitted that a code of practice would be much better for the labour hire industry than costly legislation. When you look at the sort of contract that they are providing, it actually is a restraint

of trade, and it is trying to restrain that worker from entering into a permanent job. Even when the contract may have been terminated by the labour hire agency, it still says that for six months after that that worker is restrained from seeking permanent employment with that client or a related company of that client.

Senator DENMAN—You mentioned that you were looking at negotiating with labour hire companies; is that right? Are you looking at having things like entitlements and long service leave and so on built into those labour hire conditions?

Ms Taylor—We are looking at establishing an award in the Industrial Relations Commission. What we would do there is have the conditions of the prevailing and relevant industry award apply, so that the provisions of casuals, long service leave et cetera would apply. But because of the nature of the industry we need to be creative in this situation. So we are looking at within the labour hire industry award creating a provision for employee entitlements so that the ‘permanent casual’, which is now a feature of our labour force, actually can accrue an entitlement to severance and redundancy and notice.

Senator DENMAN—Mr Leeman, when you were working casually for one of the labour hire firms, did you have to sign one of those contracts that Ms Taylor referred to that I think were discriminatory—union membership was mentioned, religion, those sorts of things?

Mr Leeman—I have not had to sign anything as bad as that. Often I am asked whether I am a member of a union, and that is about the only one from that list.

Senator DENMAN—Ms Taylor, has anyone followed that up as far as discrimination is concerned?

Ms Taylor—Not at this stage, Senator.

Senator DENMAN—Are they going to?

Ms Taylor—Yes, we are going to. One of the problems, and it is the same problem that is reflected in the legislation, is that labour hire workers and casual workers are very unwilling, almost unable, to come forward and ask us to prosecute matters because the recrimination is that they will not work again.

Senator LEES—We heard at another hearing a few weeks ago from a group that discussed how part-time workers were treated whenever there was an increase in the minimum wage, in that suddenly their part-time work went from 30 hours a week back down to 28½ or whatever so that their pay packet was exactly the same, but they were expected to do the job—it was a cleaning job, from memory—within that lesser time, and they saw no benefit whatsoever from a general wage increase. Is that your experience here in New South Wales?

Ms Taylor—The experience for manufacturing workers in the casual and labour hire industry is that the jobs are increasingly becoming 38-hour jobs—they are full-time jobs, but they are simply not permanent jobs. So the particular matter that you have talked about is not necessarily one that features a lot, though I certainly have heard instances of that. For example, we were successful in our graphic arts award in having a provision inserted into that award that if you

were casual for longer than 12 weeks you had a right to permanent employment. When we started implementing that clause at the workplace we found that people's hours were cut back. But then we were able to arrange around that.

Senator FORSHAW—Are you able to give us some estimate of the size of the labour hire industry within the metal industry or the manufacturing sector that your union covers? How many employees would we be talking about here?

Ms Taylor—The latest figures that I have on labour hire per se is around 300,000 workers.

Senator FORSHAW—Is that across all industries?

Ms Taylor—Yes, that is right. I can take that question on notice. I did mean to get the exact answer to that before I came.

Senator FORSHAW—If you wouldn't mind. But I gather from what you are saying it is an increasing feature of the manufacturing and metal industry.

Ms Taylor—It certainly is. A decade ago in the manufacturing industry less than 10 per cent of employees were engaged as casuals. It is now 15 per cent, but significantly 19 per cent of the work force is labour hire.

Senator FORSHAW—You said that these contracts are not really AWAs. To some extent what we are dealing with here is the middle man, if you like, or the contractor between the employee and the ultimate client or the workplace where the employee will work. So what we actually have is a contract of some description, which is essentially the same for all the employees of the particular labour hire company irrespective of which work site they will go to within that industry. Is that correct?

Ms Taylor—There are two ways that are observable to date in my experience about labour hire and the relationship that the labour hire company has with the worker who is joining up to that labour hire company. One is that the labour hire worker will become a casual employee of the labour hire agency. They should be covered by either a state common rule award or, in some very rare instances, by a federal award. However, alongside that there will be a contract that that labour hire employee will also sign. It is a common law contract; it is not registered in any of our commissions under any of the provisions of the state or federal legislation. It will run in conjunction with the award provisions.

But, really, most of those workers would not know what their award provisions are, and even if they did know them they would be unwilling to pursue them if they have signed this contract which says, 'To work, here is what you will sign.' It is not really an option. The other thing that happens, and this is even harder, is that the labour hire employee will be stated by the labour hire company to be a contractor too. So that relationship is even more tenuous.

Senator FORSHAW—I was trying to get at the fact that it could well be, I assume, that the workplace that the labour hire employee works at may well be covered by a completely different set of industrial relation arrangements—including, for instance, the AWAs which Tony Abbott is

so keen to promote—but employees may be going onto that site who are not covered by an AWA or have no say in it. Is that right?

Ms Taylor—That is exactly right. Certainly within our submission and within the evidence of these statements, time and time again it will come up that the labour hire employee is not paid the EBA rate, if there is an EBA operating at that site, but will be paid the award rate. They will be paid the award rate at the lowest classification level in the award, regardless of the skill level attached to their own skills and to the work that they are performing. That is a very significant feature. They will be working alongside permanent employees, paid an EBA rate, doing the same work and being paid at a lesser classification.

Senator FORSHAW—Do you have any details that you can provide to the committee of the contracts or arrangements between the labour hire company and the client—for instance, as it relates to the rates that they receive per employee?

Ms Taylor—No, we are not able to obtain that sort of information.

Senator FORSHAW—Do you have any information at all about it? Let me put this to you. In an industry that I was previously very familiar with, shearers would be employed by shearing contractors. The contractor negotiates the contract with the grower. He has a contract rate and he would obviously pay his employees, the shearers, the award rate. But you would be able to work out, if the employee was on an \$X rate, that the contractor was getting \$X plus \$Y to cover all the other components. I am interested to try to find out what it is that the labour hire company is getting from the client per employee compared to what the employee is getting. What is the multiple? Do you know?

Ms Taylor—We are very keen to find that out too. But what we do know is that—and one of the witness statements that I read out referred to it—you will have a variety of labour hire companies providing labour to one site, not just one company, and what we also know is that companies regularly change their contractors. So, for example, BHP does it a lot and some of the other bigger companies do it a lot. They will have a contract for labour hire to be supplied through a particular company and then, because a better rate is offered, they will bring a new labour hire contractor in. But the employees of the first labour hire company will need to transfer over to the new labour hire agency that the company has determined to contract its services from. So what this results in is that labour hire employees can work at the one company for one, two or three years but will work for three, four or five different labour hire employers. So they never have access to continuity of service, even though they have worked at the one site, because they have been engaged by numerous employers.

Senator FORSHAW—You mention at page 7 of your submission movements in award rates and average weekly earnings statistics. You might want to take this on notice if you cannot tell me now, but I would be interested to get some indication as to what has happened with the key award rates under the metal industry award, or any other major awards or key awards of your union, in relation to average weekly earnings over, say, the last 10 years or more. Can you tell me generally what has happened? Has it declined as a percentage term?

Ms Taylor—It has significantly declined. But I can provide more details.

Senator FORSHAW—Yes. Maybe going back 10 years if you could—looking at a period of time when the award rate and the minimum rates adjustments and those provisions were within awards and regularly updated through the national wage system up to what the position is today.

Ms Taylor—Yes, certainly.

Senator FORSHAW—Thank you.

CHAIR—Thank you, Ms Taylor and Mr Leeman.

[11.30 a.m.]

BOYD, Mr Max, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union

CARTER, Ms Dale Narelle, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union

LAWRENCE, Mr Jeff, National Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union

PARAJO, Ms Florencia, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union

CHAIR—Welcome. Do you have anything to add to the capacity in which you are appearing?

Ms Parajo—I am a union delegate at Sheraton on the Park, where I work.

Mr Boyd—I work at Four Seasons Hotel in George Street—formerly the Regent Hotel.

Ms D. Carter—I am a qualified childcare worker at Rockdale Occasional Care.

CHAIR—Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite you to make an opening presentation, to be followed by questions from the committee.

Mr Lawrence—You have a copy of our 33-page submission and you will be pleased to know that I am not going to go through that submission in detail. I do, however, wish to make some overall comments in relation to the submission, and I do rely on the testimony of the three members we have here today. I might also say for the committee's benefit that we did intend to have another member from a Sydney hotel in attendance but the employer refused to allow that person to have leave. So perhaps the committee might take on notice the question of whether there is any sanction that can be applied in relation to that member who was prepared and would have assisted the committee's deliberations.

Before I address the submission, I might say something about our union for the benefit of the committee. We are a union that in terms of our coverage does exemplify many of the issues that in our view are causes of poverty in Australia. On page 5 of our submission there is a summary of our coverage that would be known, I think, to at least some members of the committee, but we do cover industries such as cleaning, child care, hotel workers, security workers, aged care workers and many of those areas in the service sector that have very much been the subject of change over recent years. Over 55 per cent of our members are women. Our union is subject to very high turnover, which is a feature of many of those industries. We have a higher proportion of casual and part-time workers. Many of those industries are contracting industries in which the

previous employment relationship—a direct relationship between the client and the worker—no longer exists. That is particularly so in the public sector, which has been a phenomenon that has accelerated over the last 10 or 15 years. Many of those industries do have problems with short hours—that is to say, areas where workers would actually desire additional hours but are unable to obtain them.

Our submission has an executive summary, and I wanted to start off by referring to that summary because it does attempt to define the nature of the problem as we see it. We submit that there is now a crisis of low pay in Australia that does require a commitment from our society, the government and its industrial and other institutions. It reflects the emergence of an entrenched low-paid labour market that is becoming increasingly isolated from the experiences and some of the gains that have taken place in the rest of the economy, particularly over the last seven or eight years. I think that these features of the Australian labour market are features in 2003 that perhaps did not exist, and certainly not to the same extent, for example, 10 years ago.

Why has that taken place? In our view that is principally because of the intersection of two particular aspects. Some of them are a result of changes in the labour market and others are legislative changes. The first is that there has clearly become a more precarious organisation of work, and that is particularly the case in the service sectors and in the types of industries that I have referred to. The incidence of short and inadequate hours, casual work, casualised part-time work, short-term job tenure, contracting out and generally insecure employment are features of these industries. That particular aspect has also intersected with some restructuring of the industrial framework that has happened, particularly over the last 10 years, that has meant that enterprise bargaining and individual contracts are effectively privileged in the federal industrial system, and that has meant a diminished role for the award system and for the safety net of low wages.

In our view the real cause of this crisis of low pay is a combination of those two factors. They have interacted in different ways in different industries and they have different features in different industries. But looked at overall they represent an increase in the level of working poor in Australia to an extent that has not existed in the past and also growing inequality. On page 3 of the submission itself there is a chart which attempts to summarise the way in which we say these two factors have intersected. As to the two factors, time does not permit us to go into the detail of each of them but, suffice it to say, on pages 7 through 10 of the submission there is a range of detailed material in respect to some of these issues of precarious employment that I have mentioned. I do not go to those in detail, but I am happy to answer any questions that any members of the committee might have. As to how they can be addressed, it seems to us that they will need to be addressed by a range of industrial strategies, and those strategies are going to vary from industry to industry.

From pages 11, the submission deals in more detail with the question of the operation of the industrial framework, and it makes the point that the current industrial framework limits the gains in wages and conditions that can be made through the award system and instead encourages workers to engage in enterprise or individual bargaining, encourages bargaining irrespective of the nature of the work or the levels of bargaining power that might exist, and that has accentuated the precarious nature of employment and accentuated the problem of low wages. There are a number of manifestations of that. On page 12 we refer to contracting out as being a particular problem, and the industries that we cover where contracting out exists have been

particularly unsuited to enterprise bargaining. If you look at it, enterprise bargaining has tended not to take place by and large in those industries.

Our union has a larger proportion of members who are reliant on the award system and reliant on the living wage case or the minimum wage case than other unions. I think the last estimate that I saw was that something like 25 per cent of Australian workers are still reliant on the award system or the living wage case or state wage cases. Our figure in that regard is about 35 per cent. So about 10 per cent of our members are more reliant on the award system, and that is because in those industries, particularly the contracting industries—industries like hotels and child care—by and large enterprise bargaining has not taken place.

There are particular issues with respect to the operation of the national wage case in its recent forms that we believe are not adequate and do need to be addressed. There have been some suggestions in the most recent decision of a need for there to be a fundamental inquiry into the question of low pay, and that is something that we intend to address over the next couple of months in the lead-up to the ACTU congress and the next case. I might perhaps illustrate the problem by referring in particular to the example that is quoted on pages 15 and 16. I think this partially goes to the question that Senator Forshaw asked before about the gap between award rates and average weekly earnings, although this example actually takes a particular industry that we have.

On page 16 there is a box which quotes a South Australian example, but it would be equally relevant elsewhere. It shows that a cleaner who has been on the award rate over the last 10 years has had a 25.8 per cent increase in their rate, whereas someone in the wine industry, where enterprise bargaining has taken place, has had an increase of double that—54.9 per cent. I would suggest that, whilst if you look at various industries those figures might well be up and down, that is a pretty good indication of the fact that those industries where workers are reliant on the award have been left behind over the last 10 years. That has very much contributed to the problem of low pay and is a very stark difference from the traditional Australian system in which the award system at least was a way of levelling up the level of wages across the country.

The other issue that we refer to is the gap that has opened up between award rates and the level of remuneration of chief executives. I suppose that is an issue that has been somewhat in the news over the last couple of days with the example of BHP Billiton and the quite extraordinary payout to a CEO—one which even the Prime Minister seems to think is inappropriate. There are some figures on page 21 of our submission that indicate that in 1976 CEOs in Australia earned three times the average wage, whereas now it is about 30 times the average wage. The Labour Council of New South Wales has just produced quite a detailed report in relation to that, which has received some publicity.

So, in conclusion, our view is that there is a crisis of low pay. It is a crisis that does need to be attacked in a number of ways. I think the first step in dealing with it is to recognise that in fact such a crisis does exist, and it is a change in Australia from the situation even 10 years ago. As to how it can be addressed, in our view it does need to be a combination of measures. In industrial terms, it involves some aspects of the way in which the commission conducts its national wage case. There has to be a mechanism whereby the wages of low-paid workers are linked to movements in the rest of the labour market.

Surely, there should be some restraint on the movements at the top of the scale. It has always seemed to me somewhat ironic that comparative wage justice is supposed not to be a feature of the Australian wages system anymore. That is certainly the case for workers who are covered by awards, but it is certainly not the case for chief executives. There has to be means by which the contingent nature of employment and the factors that we have referred to—short hours, contracting out, casualisation and so on—are addressed. I will now conclude the initial summary of our submission and hand over to Ms Carter.

Ms D. Carter—I am a qualified childcare worker at Rockdale Occasional Care. I work a 35-hour week and I earn approximately \$434 a week after tax. I have two dependent children and I also have an adult son and his partner who are living with me at the moment because they cannot afford a place of their own, and they both work. My wage is inadequate to support myself and my family, and I receive part of a sole parent's pension from Centrelink. Despite this, I find it hard to cover my regular expenses and I have needed to borrow on my mortgage to pay for my children's medical and educational expenses. I cannot afford private health for my children. I do not think the living wage case delivers adequate wages and, although the workload at my childcare centre has increased in recent months, management at the centre have decided to reduce staff hours. The decision came closely after the announcement of the recent living wage increase.

I find that emotional stress caused by financial pressures does not assist childcare workers trying to provide quality care. I find staff are leaving the industry. I have met former directors who now work in clothing stores. Many others are training for other professions. Our industry, like others, needs experienced workers, but how can such a low-paid profession retain its workers? I put it to you: what are you going to do about it?

Ms Parajo—I work at the Sheraton on the Park, and I am a LHMU delegate there. I have worked at the hotel for almost nine years. My job is in the uniform and/or valet attendant area. I receive approximately \$306 per week after tax. I work approximately 21 hours a week. I have five dependent children between the ages of two and 13. I am a single parent, unfortunately. I would like to work more hours a week, but I cannot manage due to my parenting responsibilities. In any case, I try to work every second weekend just to get extra money from the penalty rates to help pay the bills. I am sorry, but I am a bit upset. I cannot remember the last time I was able to take a break or to have a holiday.

I find it very difficult to manage my basic costs such as clothes, health, transport and education. The living wage pay rise I receive is so small. It is a bit of help, but it needs to be bigger to make any real difference. What can the committee do to make sure that in any future pay increase I receive real help? I have been forced to take unpaid leave for the birth of my children. This has forced our family into financial hardship. What can the committee do to make sure that working families do not continue to suffer when children arrive? Can you ensure that paid maternity leave becomes a right for all workers, especially the low paid, especially us? We are working for peanuts.

Mr Boyd—I work at Four Seasons Hotel in George Street. I am a union delegate there and I work as a dry cleaner in the valet department, which is part of the housekeeping department. Unlike my friends alongside me, my family has grown up. I now only support myself. But, even so, in a normal working week I take home \$400 a week. Sydney is quite expensive to live in.

Although I manage all right, I still find that some things are unfair. Next year I will be 60 and whenever I go to get anything at the chemist I am asked for a concession card and I do not have one. So I am paying full price for medicine which I have to have, which I feel is not right. It is unfair. I am only lowly paid and I think I should have government benefits because of my age.

It is the same when I use government railway. I travel interstate to visit family. I am always asked for a concession when I order a ticket, but I have to pay full fare because I am still working. I feel I am badly done by. It works out a bit cheaper on an aeroplane, actually, but I prefer railway travel. Mr Howard says he wants people my age to continue working, yet I am a lowly paid worker and feel that I should receive some benefits from the government to help me with my struggle. Although I am not complaining, I still think the government could do a bit more for people approaching retirement age who are still working.

Senator FORSHAW—Mr Lawrence, in your submission you said that about 35 per cent of the employees in the industries covered by your union rely on the living wage case. I will recall—I know you will too—that some years ago the minimum rates adjustments process was introduced into minimum rates awards. That provided some substantial increases for classifications in minimum rates awards. I think it was also around the time that the family payments were increased as well, particularly the supplementary family payments. Could you tell me what has happened now with the minimum award rates of pay generally, particularly in relation to your union's key classifications for things like the minimum rates adjustments. Have they been adjusted upwards? What is the position today? Those increases did provide quite a substantial lift, you will recall.

Mr Lawrence—I think that was about 10 years ago, and I think some of the figures that are shown there show that some of the problems that have happened or been exacerbated have actually happened over the last 10 years. It is no coincidence that that happened because the 1993-94 legislation promoted enterprise bargaining. Effectively, what has happened since that time is that those award rates have been adjusted by the living wage case from time to time. In the meantime, those areas where there has actually been enterprise bargaining, as was shown by that example in the wine industry, have moved ahead.

One thing that needs to be looked at is some adjustment in relation to some of those industries. Also it has meant that the awards even in those areas where enterprise bargaining has taken place have become rather irrelevant in terms of the actual take-home pay that people have. But I think the real difficulty is in those areas that have been reliant on the award system, and those awards have only moved by the living wage case, by and large. There are some exceptions to that, but by and large that is the case and that is where the problems are.

Senator FORSHAW—That minimum rates adjustment was effectively targeting people who were actually on minimum award rates of pay and were not receiving over award payments and so on. You are saying we are back to where we were and even worse than that in relative terms?

Mr Lawrence—Yes, I think even worse than that.

Senator FORSHAW—Can I then take you also to award stripping, which has been raised in the metal workers' submission and also in other submissions. What impact has the stripping of award provisions as a result of the legislation had upon workers covered by your union, many of

whom of course you have indicated are, firstly, on the minimum rates awards and, secondly, in industries where there is either high casualisation or a combination of low pay and high casualisation?

Mr Lawrence—I think the effect has varied a bit from industry to industry. I might say that the federal hotels award was the test case for analysis of how that legislation would actually flow into the award in practical terms. But I think there have been a number of examples that have caused difficulties. One aspect of it was the elimination of part-time loadings where they existed in many cases. That has meant a significant impact on the take-home pay of low-paid workers. There has been the removal of a number of other aspects. The requirement to consult workers about when change is to be introduced was removed, for example. So I think you are right; there were a number of changes that have gone to reduce the overall level of award protection in these industries, and the awards are really the basis upon which employment is regulated in these industries and it is important that they are comprehensive codes so that they do provide protection for workers.

Senator FORSHAW—Finally, we have heard from the previous witness about some of the practices in labour hire companies. Can you tell us what has happened in the industries you cover? Are you finding a lot more labour hire companies getting involved in those industries? I understand that there has been a long tradition of contractors in the industries that your union covers, such as cleaning, catering and so on.

Mr Lawrence—Yes, I think that is more the issue from our point of view. Sometimes the line between labour hire and contracting companies is not that clear, but by and large I would say a contracting company is one that just does not provide labour, it provides equipment and a range of other things. As you say, they have been features of the industry in cleaning, security and so on. I think what has happened, though, in recent times is that there has been more of a tendency of those companies to try to use variations on employment structures to avoid awards, whether they be subcontracting arrangements, franchising or whatever. There have been a whole range of those sorts of things. So I think they are really the issues that have confronted us. Again, they vary from industry to industry. But it is part of the general problem of more precarious employment and there have not been the mechanisms, particularly within the commission, to regulate those changes in employment relationships.

Senator FORSHAW—I know this sounds like a bit of a leading question, but I take it from the submission and from what you are saying to us that as one of the major unions that has represented people in low-paid or low-income industries, casual industries for many years—and this is not a criticism; it is actually a compliment—what do you say about the relative position of people today employed in those industries in terms of their levels of financial hardship or even poverty? Are they substantially worse off?

Mr Lawrence—They have clearly increased, and I think for the two reasons that we have outlined: the decline in the operation of the award system that has traditionally levelled up wages and conditions to an extent, and the increased precarious nature of work. I think there have been some other changes in the social wage and so on that have not helped as well, that have actually made things worse. But, in terms of the employment issue, which we believe is the most important issue, they are the two factors that we have identified.

Senator KNOWLES—Ms Parajo, is the father of your children paying any child support?

Ms Parajo—Yes.

Senator KNOWLES—So is he paying for all the children? Is he contributing?

Ms Parajo—Yes.

Senator KNOWLES—So that is added to your disposable income?

Ms Parajo—Yes, I receive that—I receive the child support.

Senator KNOWLES—Are you also receiving the family tax benefit from Centrelink?

Ms Parajo—Yes, but that is not enough. That is why I am still working.

Senator KNOWLES—No, I understand that. But when you combine your child support payment from your ex-husband or the father of your children, your wages and the family tax benefit—

Ms Parajo—It is still not enough.

Senator KNOWLES—No, but you said to us that you were earning only \$300-odd a week?

Ms Parajo—Yes, that is right.

Senator KNOWLES—What is your total income when we put all of the other facets together?

Ms Parajo—Yes, even if I put it all together my children need basic needs. Family assistance is only for food. But for things like electricity, gas and whatever—basic needs for everyday life—it is not enough. I have to give them proper guidance and proper education.

Senator KNOWLES—I am not disputing any of that. I am just saying we are only getting part of the picture because a person in your circumstance actually gains income from other sources as well as just the job that you are doing for 20 hours a week.

Ms Parajo—Yes. The father needs to give support to the children of \$200 a week or something like that. But my husband is also receiving a low income. He is also on award wages. If he earns \$500 or \$600 a week, he has to pay the rent, pay for everything and has to support the children. So I am not greedy. I get only 30 per cent of his wages. If they are going to follow that \$200 or \$300 per week, how can he live like that? If he earns \$500 to \$600, including overtime, they should know also the situation of the father.

Senator KNOWLES—Ms Carter, you said that since the wage increases that hours worked by staff at the child-care centre have actually gone down. Is the child-care centre still fulfilling its statutory obligation for providing adequate staffing levels for the number of children in care?

Ms D. Carter—Yes, they do. They reduce time at the beginning and end of the day to meet the child-staff ratio.

Senator KNOWLES—The point that I was getting at obviously is they have a statutory obligation, and within that obligation they have to operate; otherwise they would lose their accreditation. But, if they were to reduce levels, they are not doing anything to break the law; they are keeping the levels maintained for the number of children.

Ms D. Carter—Occasional care does not go before accreditation. It is licensed, but it does not go before accreditation. But I think that is what you are asking about—the child-staff ratio.

Senator LEES—I refer to page 27 of the submission. Mr Lawrence, you say one of the issues is to attack short-hour jobs. I just wonder how we get that balance right. We have also heard from students who themselves are struggling to manage the balance of studies and be able to pay their rent and expenses. Some of them are actually looking for more short-term jobs to fit in between lecture hours. They may only want to work all day Sunday at some gardening centre or in the hospitality area for just two nights a week. But how do we get it right for those people who need long-term more hours a week? How do you suggest we get that balance right?

Mr Lawrence—One of the ways we can do that in the area of award regulation is minimum starts. At the moment in the cleaning industry, for example, most of the awards provide for a two-hour minimum start; that is to say the shortest period that you can actually work is two hours. In our view that is inadequate. It would be inadequate even for the student in your example. So we are campaigning around increasing those minimum starts.

Senator LEES—Is that across the board? Could we see something that you have worked out, whether it is hospitality, cleaning or manufacturing?

Mr Lawrence—They vary from industry to industry.

Senator LEES—Do you have some documentation you could pass to the committee on that?

Mr Lawrence—We could do. Awards actually are relatively flexible and they do cater for the particular needs of industries. They have grown up over a period of time. So I think if you look at the major award areas there are particular award provisions that go to regulating the sorts of things that you are talking about. But in fact minimum starts are actually quite low. I do not think there is any restriction in the system as it exists at the moment that actually requires people to work longer hours than they would otherwise want. I think the difficulty is actually the other way round.

Senator MOORE—I just want to get an idea from the three people who are here as workers on a low wage about the issues they are facing and the expenses they are facing. They have each indicated their take-home pay. Ms Carter, you are working in the child-care industry. Do you have child-care expenses yourself for the children that you are raising?

Ms D. Carter—No.

Senator MOORE—In terms of the process you gave us your flat rate of return. What needs are you concerned about that that wage is not meeting in the weekly life of your family?

Ms D. Carter—Just day-to-day living expenses: food, petrol, repairs to cars, repairs to household equipment and those sorts of things. I have seriously considered doing further studies in my industry, but I do not think I can afford to.

Senator MOORE—Is that because of the time or the expense of the study?

Ms D. Carter—Both. In my industry if I were to do extra early childhood studies that would require me to do five pracs. I can only do one at the centre I work at, so that means I have to use my annual leave to do pracs. There are things like that. I would have to use leave without pay. I just do not think I can afford to do other studies.

Senator MOORE—Mr Boyd, you mentioned that you are working in the city and that you are unable to access any of the cards or concession processes.

Mr Boyd—That is correct.

Senator MOORE—What is the biggest expense that you have in maintaining your working life?

Mr Boyd—I live near the city, so it is not so much the expense of going to and from work. It is other expenses. I have an ulcer condition. I have to go to the doctor to get a prescription for the chemist. It looks like I may have to pay to visit the doctor because I am still working. When I go to the chemist I cannot get any benefits like other people my age can because I am still working. So I have to pay quite a lot more to get the tablets I take. I feel it is very unfair that someone of my age does not get any benefits from the government.

I have a grandson in Queensland. I prefer the government railway. I get no benefits or concession. I notice everyone else on the carriage much younger than me seems to have a concession, yet I am paying full fare because I am still working. I am not highly paid, but I get no benefits. There would be other people in my position, I am sure. Lower paid people are not getting proper government assistance.

Senator MOORE—On top of your wage?

Mr Boyd—Yes, it is a low wage. The high rent has to be paid. I feel that there should be some benefit for lower paid workers approaching retirement. The PM states he would like us to stay working longer, yet you wonder whether it is worth while.

Senator MOORE—Ms Parajo, you have a number of children—and you told me their ages. Do you have child-care issues while you are working?

Ms Parajo—I put my child in day care. I have arranged with my manager my shift times so that I can go to work still. So it has been arranged between me and my manager.

Senator MOORE—Ms Parajo and Ms Carter, you probably have interaction with Centrelink. Senator Knowles referred to the family tax system. Is balancing your income and your Centrelink requirements working for you?

Ms D. Carter—Personally I find Centrelink does help me but, unlike my colleague here, I do not receive any money from the children's father. I actually called him on Friday about education expenses. He said he has no money to give me. He is self-employed. You might understand there are problems getting—how can I put this—an assessment of his earning since he has a joint income with his new wife. Child support for single parents whose ex-partners may be self-employed is a whole new area to look at.

Senator MOORE—But your relationships with Centrelink are smooth?

Ms D. Carter—Yes, very good, thank you.

Senator MOORE—How about with things like interaction of documentation and calculation of estimates?

Ms D. Carter—They have been very helpful.

Senator MOORE—You are okay with that?

Ms D. Carter—Yes.

Senator MOORE—Ms Parajo, what about your interaction with Centrelink?

Ms Parajo—I am okay too with Centrelink or child support. I want to work and I want to earn more money. I do not want any money from the government. If they give it to me and I am entitled to it, that is fine. Whatever they give to me I just say, 'Thank you very much. It is a big help.' I am receiving money for my work, which is my earnings, but it is not enough. The workers at the hotel work very hard and they receive a low income. I am lucky because I am very close to my place of work, about 20 or 30 minutes. What about my colleagues? They are working too far away in Campbelltown. Transportation is increasing. Yes, I can get some discount for the prescription from the doctor, but for things like cough syrup or whatever I do not get any discounts.

Senator MOORE—Thank you.

Senator DENMAN—Mr Lawrence, has your union or any other unions that you know of done any work on concession cards for low-paid workers, as Mr Boyd has stated?

Mr Lawrence—I am not aware of that, Senator. I think generally we recognise that there is a range of issues within the social welfare net that can be addressed in that regard. Our submission has, though, principally focused on what we think is the most important issue, which is what happens with people in work. But there clearly is a range of issues within the social welfare area that can be addressed. I think the most important of them is what happens to Medicare.

Senator DENMAN—Ms Carter, you said that you had looked at going back to do some further studies. Would that lead to further employment for you if you did, do you know? Have you looked at that as well?

Ms D. Carter—An increased rate of pay, yes.

CHAIR—Thank you very much.

[12.15 p.m.]

GAILEY, Ms Lynn, Assistant Federal Secretary, Media Entertainment and Arts Alliance

WHIPP, Mr Simon James, Assistant Federal Secretary, Media Entertainment and Arts Alliance

CHAIR—Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee also has before it your submission. I now invite you to make an opening presentation to be followed by questions from the committee.

Mr Whipp—Thank you. The Media Entertainment and Arts Alliance is the union which represents performers, journalists and theatre, film and television crews in Australia. Our submission, however, as you will be aware, confines itself to the issue of performers, as the issue of poverty and low income relates particularly to that aspect of our membership. The public face of Australian performers belies the meagre incomes on which most Australian performers eke out an existence in this country. Even those performers who are household names at any given point in time have no financial certainty or security.

Unlike in the United States of America, income levels even for performers working as lead actors in film, television and theatre productions are not sufficient to compensate for many years of unemployment. For example, on many of our most loved ongoing television productions, the lead actors will be paid no more than \$2,000 per week. When one considers that the working life in any year for one of those performers will be 20 or 22 weeks, one quickly realises that (a) they are paid less than average weekly earnings, (b) when one takes into account that that is calculated on the basis of a 50-hour week, their rate of pay is further diminished, their actual average weekly earnings on ordinary time earnings is further diminished and (c) that income in no way can compensate them for the many years of unemployment which they will endure after the completion of the series on which they are working. But for those people the situation is fortunate.

The other side is the vast majority of performers who are working on a daily basis. The average rate for a performer working on a television production is between \$400 and \$500 per day for a 10-hour day. However, the way in which those performers will be contracted is that they will be asked to be available for one day in the week commencing 26 May. They are not advised until a few days before the time on which they are going to be performing on which day they will be required. Effectively, they are required to keep the entire week free often for a rate of pay which is less than the federal minimum wage.

These concerns are heightened when consideration is given to the fact that peak income earning years for Australian performers will be in the age bracket of 20 to 40. After 40 years of age, work opportunities diminish sharply, particularly for women. As set out in the alliance's written submission, two of the issues which impact most significantly on performer income levels are Newstart rules during their working life and superannuation rules after their working

life has come to an end. The alliance is concerned with recent changes to Newstart rules specific to performers which have impacted on the ability of performers to practise their craft in a sustainable way.

These concerns are detailed in our written submission. They relate mainly to the ability of performers to continue trying to work as performers in the first year of being on the Newstart allowance but being required to seek other forms of employment. The alliance is also concerned with several structural impediments in superannuation legislation which mean most performers will experience poverty in retirement. The working life of a performer is highly sporadic and these rules, such as upper capping and lower capping, do not take account of this.

In June 2002, Rupert Myers submitted to the federal government, as requested, the Report of the Contemporary Visual Arts and Crafts Inquiry. The alliance understands the government has adopted many of the recommendations in that report. Some of the recommendations bear some consideration with respect to performers, for example recommendation 2.4. That recommendation is that the Commonwealth broaden the mutual obligation criteria for Newstart to include a range of arts activities with community benefits. You will note from our submission that performers are engaged while they are unemployed in a number of activities which are of benefit to the community—for example, reading for the Radio for the Print Handicapped.

Recommendation 5.1 is that the government introduce a resale royalty arrangement. That recommendation relates to where there is an appreciation in the value of a painting or artwork which has been purchased by an individual and then that individual sells the artwork, a percentage of that increased value should be paid to the artist who has produced the work. The alliance for 30 years has been arguing for the introduction of a system of performers' copyright in this country. It is a system which is recognised in other jurisdictions and was most recently introduced in the United Kingdom. Certainly the alliance continues to argue for the introduction of a regime of performers' copyright in this country. It has the potential to significantly benefit in a financial way performers' incomes after they have completed the work in a recorded media production.

Recommendation 8 states, among other things, that the Commonwealth, through the Australia Council or another suitable body, allocate \$200,000 per annum to develop and manage short- and medium-term professional development opportunities for art and craft centre staff. Again, as indicated in our report, there are a number of difficulties for performers, particularly dancers, as they age and as they are required to develop other forms of income-generating activities and potentially entirely change careers. Some assistance with the training to do so would be most beneficial for performers.

Recommendation 12 relates, again, to assisting professional development for arts and craft workers. The alliance, I suppose, seeks a similar inquiry into the performance sector to look at the particular needs of performers and how similar recommendations might assist performers working in the performance sector in this country.

CHAIR—Thank you, Mr Whipp. Do you want to add anything, Ms Gailey?

Ms Gailey—I will just add briefly on one sector of performer members and that is dancers, because dancers have the lowest rates of pay. They have the least opportunity to engage in other

work. Many of the dancers work full time, but they are on incredibly low salaries. It is a highly skilled profession. Most of them have had to train since they were five or six. They work through a system out of which they come often only at the age of 30 or so without the educational wherewithal to immediately change into another profession. For some of them, transition planning is not possible because their careers are abruptly brought to an end—for instance, by virtue of a serious knee injury.

They are required to maintain their physical condition—this is also true of performers and singers—in that it is not a job where you go to university, do your training and then go to work. Musicians, singers, performers and dancers are all required to engage in ongoing training exercises, voice lessons, dance classes, whatever it might be. So they are in a position where, to go back to dancers, they are not well equipped, they do not have the financial resources at a point in life when they are beginning to look at raising a family, they do not have the financial wherewithal to support themselves in anything even approaching comfort, and then they are in a position of needing to move to another career altogether and to go back into the training sector of the community. That is an area that they simply are not financially resourced to be able to cope with, particularly when their careers are abruptly brought to an end and they are not able to think, ‘I have five years until I am 35 and by that stage I might have to be thinking about moving on.’ As Simon said, there are issues that are specific to the industry, so I do think an overall examination of the structural conditions that pertain to their working circumstances needs to be undertaken.

The other thing that our submission sets out is the extent to which performers undertake work during times of unemployment that is unpaid work. Whilst it might look like they are not working and should therefore be seeking other work in the first 12 months of Newstart, to not undertake a lot of that work actually militates against their future potential to get work. In some of the case studies that we have included here, some of those performers have gone on to much more substantial careers and they have managed to achieve that off the back of the work that they have undertaken themselves, self-motivated work during times of unemployment.

The other thing that needs to be said about unemployment for actors is that the concept of a number of engagements that you can seek is entirely subject to the market at any point in time. Some of those auditions might require up to three days of work in order to prepare yourself for an audition. So, unlike most of the community who can write out a job application and know where they are going, they might be required to learn a new accent that they have never specifically had a call to utilise before. It might be, say, a Florida accent as distinct from an east coast American accent, which is why the audition guidelines set out mandated times to enable them to do their research and to prepare for their audition. So an excessive requirement of seeking jobs usually is not possible in the entertainment industry because the opportunities do not exist in any one fortnight, but it also does not take account of the work that is involved in order just to prepare for the audition.

CHAIR—Thank you.

Senator DENMAN—Obviously, from your submission and from what you have said in your address, superannuation is a problem for people in this. How would you best like to see that addressed?

Mr Whipp—The government has already recognised that superannuation issues for performers are different to other classes of workers. There are already specific regulations in relation to performers in section 12(8)(a) of the Superannuation Guarantee (Administration) Act, which provides that performers are deemed to be employees of the person who engages them. There are two further things that we would like to see occur. The first is that the lower cap not apply to performers—that is the \$450 cap per month. If a performer is engaged at or near the minimum rate on a daily basis on a television production, then they will fall below the cap. So, for example, on many of our well-known television shows such as *All Saints* or *Stingers*, performers can be engaged on \$400 a day. They will on that day not receive superannuation because they are falling below the \$450 a month mark.

The second respect in which we would like to see the legislation amended specifically for performers relates to the upper cap—that is, that \$29,220 not apply. The reason we say that in relation to performers is that it fails to acknowledge the very sporadic nature of performers' income generation. A performer may earn more than \$29,220 in a three-month period but will very rarely earn on an ongoing basis a salary which equates to that figure over a year or any number of years. The figure may be relevant for people like you and me who are in ongoing employment; but it is not relevant for people who have a highly sporadic employment life.

Senator DENMAN—Just coming back to you, Ms Gailey. I have a friend who was a ballet dancer and was injured and went back and trained as a teacher. Is there any insurance? Does insurance cover injuries for people like dancers?

Ms Gailey—It could be possible for people to take out personal accident insurance, but generally speaking it is beyond the ability of people in this category of employment to afford.

Mr Whipp—There is general workers compensation insurance, but it is the same as for any other employee and it is not employment specific. So it will not be sufficient normally to compensate that person for an injury which will prevent them working in that capacity again.

Senator MOORE—Your submission actually refers specifically to the Newstart arrangements, and it seems to be a really big issue for you. Was there any negotiation or consultation with the industry before the change was made?

Mr Whipp—No.

Senator MOORE—So it was operating in one way and then for your members or for anyone in the industry it just changed overnight?

Mr Whipp—That is correct. We became aware of it as a result of our members expressing concerns to us about a change in practice by Centrelink offices. Then we contacted the Centrelink offices where the difficulties were being experienced and they alerted us to the fact that the changes had occurred.

Senator MOORE—Are you aware whether it is a particular change in legislation or whether it is just a protocol for—

Mr Whipp—It is a change in the protocol. The guidelines in relation to social security for performers have not changed. There is an example attached to the guidelines which in our view contradicts the guidelines themselves, and it is the example which is being given effect to rather than the guideline itself.

Senator MOORE—Are you involved in ongoing negotiation with the department?

Mr Whipp—We have written to the minister for community affairs and to the minister for the arts seeking their assistance with respect to this matter. At this point in time, we are yet to receive a response. Senator, you seem to have indicated a concern with respect to previous submissions in relation to the interaction of work and Centrelink. I should indicate that there are particular concerns there for performers. First of all, in relation to how Centrelink payments cease: as you would be aware, Centrelink payments cease in the week in which the work is performed. Often for performers, particularly in the advertising industry, payments are not received for many months after the week in which the work is performed. So they are cutting the performer off from benefits at a time when they have no other means of support.

The other issue of concern is the six-week qualification period. I understand that might have been raised with the government even by the entertainment industry employers association. An employer in the live theatre area, as I understand it, raised that issue with the government as an issue of concern. Because of the heightened nature of freelance employment in this area, people are going on and coming off work all the time. The six-week qualification period is particularly harsh in this industry.

An example of how that can work detrimentally to performers is that, in the live theatre area, a stage production like *Mamma Mia* may engage performers at the minimum rate of roughly \$700 a week in Melbourne. Then the production will close and open again in Sydney maybe six weeks later. During that six-week period, the performers will be transported to Sydney but will be in a period of what is referred to as lay-off and will not be paid. So, for six weeks, they will remain unpaid, and then when the production recommences they will be paid again. There is a six-week gap there. They are unable to get any other form of income, obviously. They are required to be available for the production and obviously are financially strained.

Senator MOORE—So there needs to be a further discussion between the industry and the departments about flexible arrangements of the guidelines?

Mr Whipp—That would certainly be helpful.

CHAIR—There being no further questions, thank you very much, Mr Whipp and Ms Gailey.

Mr Whipp—Thank you.

[12.35 p.m.]

FAHEY, Ms Megan Leanne, Manager, Research and Social Policy, Mission Australia

LEECH, Dr Marie Declan, General Manager, Community Services, Mission Australia

WILLIAMSON, Mr James Gilbert, Senior Policy Officer, Youth Research Unit, Mission Australia

CHAIR—I welcome representatives from Mission Australia. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite you to make an opening presentation to be followed by questions from the committee.

Dr Leech—We would like to thank the Senate inquiry for the opportunity to comment on the extent, the manifestations and the impact of the combined or twin effect of income inequality and poverty. We note that there is a Senate inquiry into the structure and distributive effects of the tax system, which we have also put a submission into, and that that is running in parallel and obviously would have impact on this, and also the consultations in relation to welfare reform, which I guess would intersect with this process. We are pleased to have a debate on poverty at this time in Australia.

Our submission consists of two parts. We start off with an overview statement on income inequality and poverty. We have not engaged fully with the quantitative debate about the numbers of people in poverty, but we would be happy to answer questions on that issue or discuss strategies that we see would be appropriate to resolve that debate that has maybe hampered the debate on poverty in recent years.

Most of our submission is based on input from our staff and our services and their observations of what is happening with clients. We see that hardship in relation to poverty is multidimensional and can be enduring and dispiriting. So our submission is particularly concerned to highlight the growth and the plight of workless families and the children involved, those affected by industrial and rural downturns and hardship and also Australian youth. A special section of the Mission Australia submission outlines our concerns about the level of youth poverty in Australia, and we will have some comments to make on that in a moment.

I will just highlight some of the issues that we allude to, starting with the working poor and sole parents. An issue highlighted on page 11 of our submission is that up to five per cent of our clients could be considered to belong to the working poor, who, despite better economic times, generally have some work but are often caught short financially by payments of accounts, rent arrears, utility costs and food. That is a change from the traditional territory of charities. In the past, most of the people approaching our services were unemployed people. So we have noticed this shift in recent years. Many sole parents use our services. One of our managers said they stand out as one group that experiences significant financial stress—that is alluded to on page

13—whether that is in relation to accessing welfare services or the costs of heating, meals, food and general community participation.

Unemployment and a cycle of low-paid work is another area that we have referred to in our submission. It details our concerns about the extent to which many Australians can become trapped in a cycle of low-paid work and intermittent income support. We have just heard in these last submissions the sorts of case studies that we also include in our submission.

Sustained periods out of the work force clearly entrench inequality and increase the risk of long-term poverty. We welcome recent initiatives to assist in moving people into regular work, and these would have passed in parliament in the AWT legislation, which introduced the concept of the working credit, which of course smooths that bumpiness of intermittent casual work mixed with income support. But we do recommend that those initiatives be accompanied by adequate initiatives to minimise the costs of participation, and that would range from child care to transport. We have had many submissions from our staff and clients pointing to the really severe difficulties they face in meeting the costs of participation in the work force.

We also have a section in our submission on child and family poverty. Of grave concern are children who are burdened with hardship and the extent to which this is prevalent in Australia. We note on page 17 that the ABS estimates that there are over 700,000 children under 15 in Australia living in workless families.

Another issue is regional and community poverty. We note with concern the extent to which changes in the national and international forms of economic production have negatively impacted in parts of regional Australia—and in particular on urban communities too—leading to what many commentators now describe as job poor communities as distinct from other communities which are becoming job rich communities.

We have included just a few examples of the sorts of services that we see will assist this. They range from JPET and intensive assistance—which are government funded services—to Boys in the Bush and Creative Youth Initiatives. They are both innovative services that we either sponsor, as in Boys in the Bush, or support ourselves, as in the Creative Youth Initiatives program.

In relation to young people, poverty and social exclusion, Mission Australia has recently established a youth research team in our Melbourne office. That team is focused very much on youth poverty and youth unemployment, so we have included a special section on that. We look at the group aged 15 to 24 years in that submission.

The youth component of our submission sketches out the dimensions of national youth poverty. It calls for increased national attention and agreement about defining conditions of being in poverty as a young person. While this is important in relation to debates about inequality and poverty in general, it is an important intermediary step in challenging and reducing the national incidence of youth poverty.

The youth poverty submission concludes that there is an urgent need for increased strategic national action to reduce youth poverty. Such action should be seen as a necessary step, along with community building and renewal programs, some of which have been pioneered in the

United States and which short circuit intergenerational cycles of poverty and minimise new forms of national poverty.

We estimate—and this is a conservative estimate—that 145,000 young Australians aged 15 to 24 live in poverty. Of these, approximately half live in homes that are regarded as being below the poverty line, while the remainder live in household arrangements—for example, friends, relatives and so forth—and a proportion of those would be homeless at any one time. We note that young Australian males have a greater likelihood of poverty. The ABS data for 2000 noted that 236,200 young people were unemployed in that year. Other data in our submission indicates some young people experience intermittent periods of poverty—for example, young students at school, 12- to 18-year-old students who are homeless and in poverty. So, taken together, we estimate that there are approximately 400,000 young people who are in either an intermittent or a permanent state of chronic poverty.

We allude to the conditions of youth poverty in our submission. One of the conditions notes that youth poverty is not an incident but a longer-term process. We have also noted that young people tend not to realise that they are in poverty. They tend to describe themselves as being without food, as not having enough money for food, as having missed rent for the third time or whatever—they do not realise—and they come to services very, very late in the crisis. They come to services only as a last resort. I think there is an issue there that we need to examine in some detail.

As for national action that we would like to see, we would like to see poverty risk minimisation. We would very much like to see early intervention so that there is a process whereby people at risk of poverty could be identified and assisted early in the piece—and, as I alluded to a moment ago, especially young people who do not realise that they are sliding into poverty and that an intervention early in the piece could actually stop that process completely.

We also felt that a key social policy issue is an equivalent and fair treatment issue. Young people who stay on at school benefit from extensive public infrastructure support via education and training, and young people who have dropped out of school do not benefit from those subsidies that go to education. We would like to note a sort of a process of making their way back, a method to identify pathways into poverty, but also the good pathways that can be made out of poverty.

Therefore, in conclusion, our recommendations would call for a nationally coordinated effort, a partnership between government, business, non-government and community—the responsibility of all sectors of the population in relation to poverty. We would like to say it would not be sufficient to look back on our efforts nationally in 10 year's time and say that we managed to contain poverty. A major priority is to structure our economic production and the distribution of rewards from those processes to significantly reduce poverty. The success of that mission would be measured by the extent to which we identify and build sustainable opportunities for all sections of the Australian community. Thank you very much.

CHAIR—Thank you, Dr Leech. Mr Williamson or Ms Fahey, would you like to add anything?

Ms Fahey—Not at this time.

Mr Williamson—We are happy to respond to questions.

Senator KNOWLES—I would like to come to the early intervention aspect that you were talking about, because the thing about poverty is that there is a strong intergenerational connection. I think early intervention is a very real proposal that could have tangible results. What are you suggesting are the practicable things that could happen for the early intervention success?

Dr Leech—One of our programs actually is an early intervention program and that intervenes at the age nought to five, so it is really going right back before any youth poverty, unemployment or whatever. It is a very holistic program in a very, very disadvantaged suburb in Brisbane. It targets the transition from preschool to school, because most of the research seems to indicate that attachment is really important—attachment to school, attachment to family, attachment to communities. If we can make those transitions smooth, then it is obviously setting a very good foundation at that age.

As we rolled out that program, we found more and more need in that community and we are including add-ons in the community. For example, we have noticed that young mothers in the community need assistance to find work, so we are starting a program which is attached to it which is targeted at young mothers finding training and work. We find the teenage siblings of the children that we target—the nought to five-year-olds—are often actually linked in with the correction system and the court system already, so we are developing a program for the siblings. So it is really a whole of community program that is early intervention at any stage in the pathway, whether it be nought to five-year-olds, whether it be 12-, 13- or 14-year-olds, targeting all of those and at the same time trying to assist parents to stabilise families and so on. Most of it is focused on attachment to family, institutions and so on.

There are many other programs. We have programs specially targeted to young people. We mentioned Creative Youth Initiatives in our submission, and that is a program locally here in Surrey Hills where we engage truly disadvantaged young people. They truly are the most disadvantaged. We had a young woman recently and, on her first day, the contract we made with her was that she would be alive the next day. Nothing more. She was so suicidal that it was nothing more than just coming into the service the next day alive. We have watched her progress through her work in the art program to a stage where she is smiling and she is part of that community.

So I think it is anywhere early in that slide into poverty. A lot of our programs are obviously at the crisis level where they are way down the track, but we would like to see programs that would identify young people like that young woman way before it happens. There are lots of risk indicators—for example, leaving school early. We all know that any one who leaves school at about the year 9 level is at risk of poverty.

Senator KNOWLES—That is the other factor, isn't it—that generational thing? A lack of education invariably leads to poverty.

Dr Leech—Yes.

Senator KNOWLES—I suppose the question that I am also trying to get to the bottom of is that the parents of these disadvantaged children often do not want to disclose the extent of the poverty and that makes identification of the children who are most at risk difficult. How would you suggest that identification process take place?

Dr Leech—I guess with a program like our early intervention program—where the main prevention we are looking at is juvenile crime and other social problems—we actually would not want to target individual families. What we target instead are disadvantaged communities because we feel that, if we label a nought to five-year-old as a potential criminal, we are probably doing more harm than good in many ways. So what we do is really assess the most disadvantaged suburbs and then have the program for all of the children in those suburbs, because in a disadvantaged community like that, the unemployment rate is incredibly high. Sole parent numbers are very high. All those risk indicators are very, very high. So you target the whole community rather than label or in any way discriminate, which it probably would be if we were to just target families themselves

Senator KNOWLES—Some of those individual families would love to see that intergenerational cycle broken, but they do not know how to go about it. They do not want their children to be the third or fourth generation to live on welfare. That is the hard part, isn't it?

Dr Leech—It is the hard part. One of the things that can be very useful is good mentoring—if a young person can have a good mentor who really leads them on a different pathway, models something different. If the parents have been unemployed, there is no model of employment in the family and maybe none in much of the community, so a good mentoring program can really break that pathway and take the young person off on another track.

Senator MOORE—Dr Leech, I am interested in the recommendations that you have put at the front in terms of pulling the submission together, because it has lots of strong data which we have talked about before. Has the organisation given any consideration to exactly how much the things you are recommending would cost? You are setting up another kind of round table and you are setting up a research process and a biennial process to pull people together. Whilst all of that sounds really good, there is still a fear that what we are doing is recreating another lot of fora. So have you done a costing on that? Do you have some actual action justification about why such a partnership arrangement would be different to the various things that we have tried before?

Dr Leech—In the sense of the costing, obviously there would be a cost. We have not got an estimate on the cost, because we would like to see it as government-business-community, across the sector. I could see organisations like the Business Council of Australia, for example, being involved in that. I would suggest that it would not be an enormous cost for that particular group. I would far prefer to see action rather than a lot of cost, a lot of meetings and a lot of discussions. I think the issue has been identified and I really think action is important now.

I would refer to some of the programs in the UK that come out of the Social Exclusion Unit. A number of those have identified that, in very disadvantaged suburbs and communities, there is actually a lot happening already, but it is fragmented and dispersed in the community. Those programs are going into the community first and really linking together what is actually happening there already and discovering that they do not need as many pounds; they do not need

as much as they anticipated they would need. So if we have an issue of the numbers in poverty that we see, we know it is probably going to cost to resolve it.

Ms Fahey—The question you asked about the costs of the recommendations is an interesting one. All levels of government have an interest in resolving these issues and I would imagine that there were a number of existing fora that could be transformed to help facilitate some of the discussions we are recommending should occur as oppose to a new level of fora.

Senator MOORE—That is what I was trying to get, because people are scared about a whole new structure being set up.

Ms Fahey—That is right; we recognise that. The point that Marie made, highlighting what has undergone in the UK, where resources were identified in a number of communities, realising that those resources perhaps were not being targeted in the most efficient and economical ways and often at cross-purposes, rather than targeting the people you want targeted, can be resolved if you have more appropriate fora where the right people are brought together to talk about them at the right level. It is possible that, whilst we recommend a partnership approach at nation level, the flow-on effect in terms of action might be more constructive discussion and dialog at local and regional levels so that some of those flow-on impacts can take place in local communities and that may not necessarily be at significant cost.

Mr Williamson—Concerning the question raised by the senator about intergenerational poverty, where do you intervene on that? Well, two parts of it are: to what extent do we already know that there are workless homes where we would say there is already intergenerational poverty, where those families are second, third or fourth generation welfare recipients? We do not have the data in here about that and in the time we have been doing the work, we are not aware of data that says, ‘You have this level of intergenerational poverty at this point in time.’ The second part of it is: how do we intervene to prevent it in the future? Our view is that the higher the youth unemployment and youth poverty, the more likely we are to have intergenerational poverty 20 and 30 years down the track. One of the reasons we have it at the moment is that we have not brought back our youth unemployment rates as quickly as some other economies over the last 15 or 20 years. So on the issue of intergenerational poverty, we need to know more about it, the extent of it, how it might be dealt with and how other countries are dealing with it.

To come to the other senator’s question: where is the infrastructure in our society do those two jobs? Now, the reasons behind our submission would be that we think that is probably falling between the cracks a bit, whether it is the federal system or whether we do not focus sufficiently on young people who miss out on the final two years of secondary schooling. Whose responsibility is that? If they stay in the school, it is picked up by the states; if they are outside of the school, then there is an issue of a youth allowance or some training programs which might be a mixture of Commonwealth and state. Local governments are probably not there to any large extent, but a lot of these things are experienced in local government areas.

I know that is a long winded answer, but I think you take the issue and then look at whether the existing structures are addressing those issues. If not, we may find that we need to set up some new groups. It may be possible that you can do something about intergenerational poverty by looking at your Commonwealth-state arrangements and some of those committees, but if you

are going to do it on a regular basis, then you probably need to come back to it every two years to see what progress has been made. That may need some additional structures over and above what currently exist.

CHAIR—You discussed the problems of the working poor and managing debt, particularly the ease of gaining credit and being unable to say no to easy money. How would you like to see problems in this area addressed?

Dr Leech—One of the ways we have listed and one of the programs we have given as an example is the no interest loan scheme that we run in the Hunter. That sort of micro finance, based on the Gramine Bank, seems to be proving very successful. I think Bendigo Bank also runs a similar sort of scheme. The pay-back rate in those seems to be tremendously high. People need to have access to money to carry them over the bumps. For example, our staff said that very often people are struggling along—they may be the working poor—and when they hit a situation like a big ticket item—let us say registration for their car or a death in the family and they have to pay for a funeral—those sorts of issues can suddenly create chaos and can start a slide into poverty. If finance were available for people in schemes like no interest loan schemes, I think that would be a good idea. That is something that the big banks could possibly assist with—developing those programs with community organisations.

CHAIR—They have to struggle paying their executives money, as you know.

Senator KNOWLES—Chair, could I expanded on that a little bit because the thing that worries me is the readily available no interest loan whereby people can buy a house full of white goods or furniture or whatever and say that they do not have to pay for it for 15 months

Dr Leech—Yes.

Senator KNOWLES—But they will never be able to pay for it because they have gone and got another credit card and another credit card and another credit card all to pay off the other one.

Dr Leech—Yes.

Senator KNOWLES—I think the banks have a shocking reputation of being able to dish out credit cards with no check on the capacity to pay.

Dr Leech—Absolutely. The ease with which credit is obtained is a huge difficulty. It is always noticeable, for example, in our services after Christmas when we notice an upsurge of people coming to us and we know that what has happened is that there has been too much spending, too much easy credit over the Christmas period. It is probably no fault of the families and the parents themselves in the sense that we live in a hugely consumer society and being poor means not being able to spend yet seeing everybody around one being able to spend and buy those sorts of goods. It is that aspect of poverty that we are looking at with our clients now, really trying to enrich their lives so they can participate fully in society.

Ms Fahey—Prior to the Bendigo Bank project that Marie referred to—which is being run with the Brotherhood of St Laurence in Victoria—getting off the ground, they identified an area

where people who were living on low incomes or who were defined as living in poverty were unable to purchase items generally in between the \$500 and \$1,000 mark. That may be, for example, a new refrigerator, a new heater or perhaps equipment for a new baby. What was happening to particular clients of their services was that they were buying second-hand items that were breaking down the follow year or falling apart, having to fork out more money to buy further second-hand items, and so the cycle would continue. In the end they were spending more money than would have to purchase an item that would last for 10 years. It was out of that impetus that the program was set up to specifically target that \$500 to \$1,000 limit.

The program, as I understand it, is very strong on contracting these clients to repay, to always make a minimum repayment and they are prepared to lower the repayments down to \$1 a week, so long as there is an ongoing commitment by the client to continue to repay the loan. They are very flexible with how that would be paid off over a number of years. Now, that is showing quite significantly to that client group that, if they are able to deal with that hump, then they are able to manage other aspects of their financial lives quite a bit more efficiently. I think that is an interesting example of a project that may well be of benefit to other communities.

CHAIR—Thank you very much for coming in today.

Proceedings suspended from 1.05 p.m. to 1.52 p.m.

SPENCE, Mr Nigel, Board Member, Child and Family Welfare Association of Australia

MARSDEN, Ms Carole Frances, Board Member, Child and Family Welfare Association of Australia

CHAIR—I welcome the representatives from the Child and Family Welfare Association of Australia. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite you to make an opening presentation, to be followed by questions from the committee.

Mr Spence—I will commence and Carole and I will interchange throughout this brief presentation. What we would like to do is provide a brief summary of the key points in this main submission and to emphasise a number of aspects to that. I guess in particular we are very keen to draw to the committee's attention the link between child poverty and the consequences in terms of abuse and neglect or a risk of abuse and neglect and the impact of that for children in the short and long term. That is the primary focus of our presentation this afternoon.

CAFWAA is the national peak body representing non-government child and family welfare organisations throughout Australia. It has a widespread membership and it also amalgamates the state based peak bodies; Carole and I are the executive officers of the Queensland and New South Wales state associations as well as being on the board of the national body. Those organisations are primarily involved in working with kids at risk of abuse and neglect, children and young people in care and their families.

We will provide a brief presentation of the main themes, and essentially we are structuring this brief presentation according to the four sections. Those four sections are a brief comment about poverty, then more particularly some of the concerns in relation to child poverty, the relationship with abuse and neglect and developing a national strategy. They are the four components of this presentation.

Ms Marsden—Together those components build a picture of the issues that we are raising within our submission and bringing to our presentation today. We are going to walk straight through those and share responsibility for talking to those. The first of those components in the submission is related to poverty, as Nigel has mentioned. There are subsets of that section and the first is defining poverty.

In our submission we are clear to articulate the view that poverty is seen to be relative and that our key concern is chronic longer term poverty and the impact on children and young people that occurs as a result of that over time. We discuss in our submission the way that poverty is currently measured within Australia and because that is fundamentally income based we have identified that that shifts from time to time, that there is not a consistent measure of poverty and that it needs to be broader to truly represent the range of factors that impact on families with dependent children and in relation to poverty.

We call on the research which identifies over and over again the same groupings who tend to be identified as being poor. Within those groupings, Indigenous families are featured fairly significantly; sole parent families; those families in public and private rental accommodation, that is those who do not own their own homes; and those families where there is no parent in paid work. We are suggesting the need to target responses to alleviate poverty at those groups.

Mr Spence—In relation to child poverty specifically, and obviously that is our particular concern, we would accept that the numbers of children in households which are poor is contested, is debatable, but we accept I think essentially the assessment of the Brotherhood of St Laurence which estimated that one in eight children may be living in households with families which have inadequate income. If you add in housing costs, you then might conclude that the figure could be as high as one in five children in households which would be granted as poor. If we looked, as Carole has already mentioned, at Indigenous families, the proportion would be even higher, is even higher. There are debates about absolute and relative poverty; whether there are 400,000 or 750,000 children is, of course, a big difference between those two numbers, but both represent very substantial numbers of children in poverty in Australia.

The factors which contribute to child poverty—no doubt the committee has already heard presentations on this—that we would draw to the committee's attention are, firstly, unemployment of parents. We have particular concern because a number of our member agencies are working with families where there is generational unemployment and unemployment or low participation in the work force is highly entrenched. But certainly unemployment and low-paid work. Housing costs are a major contributor to child poverty and inadequate income support, particularly for sole parents. Particularly for mothers on their own raising children, the level of income support and the level of income through work or casual work is very low and we have for those households very high incidence of poverty. As a consequence we have large numbers of kids in those households in poor circumstances.

Why that matters, we believe, is because there is such a high correlation between poverty and incidence or risk of child abuse and neglect. That correlation is unmistakably established in the literature and the research, limited as it is in Australia. Poverty is clearly the single most significant factor associated with reporting of abuse and neglect and substantiated instances of abuse and neglect. That, of course, does not mean that all poor families abuse their kids; most do not. But the risk of those families abusing their kids is unmistakably higher than for other families in the Australian community.

The research coming out of the United States would suggest that children in families with very low incomes may be as high as 20 times more likely to experience maltreatment than children from families with middle or higher incomes. They may be 18 times more likely to be sexually abused, almost 56 times more likely to have suffered some educational deficit or neglect and 22 times more likely to be seriously injured.

If you look at the very small amount of Australian research and in particular the study by Don Weatherburn and Bronwyn Lind where they looked at the link between economic stress, child neglect and participation in juvenile crime, they established a very strong link between those factors, such that they were able to conclude that in particular the child neglect was particularly associated with participation in juvenile crime.

I will just quote briefly from that study because I think it is quite crucial to the debate about poverty, neglect and some of the impact that occurs for kids. They found that, assuming other factors remained unchanged, if there was another 1,000 neglected children then they could predict on the basis of their research that an additional 256 juveniles would be involved in crime, that if there was an increase of 1,000 additional poor families then that would result in a additional 141 juveniles involved in crime. The factors are so strongly linked. Quite apart from that, the cost, the impact of abuse and neglect which can, as we have said, flow from economic disadvantage is quite significant for the kids.

We now have a lot of research which establishes that if there is serious neglect in the early years or physical trauma in the early years there can be substantial impairment to brain development for very young children under the age of three, that educational achievement can be seriously impaired, that prospects for training and employment for young people are diminished, the risk of entry to care, entry to out of home care and into foster care or other forms of care, is obviously much higher for kids who are abused or neglected; and I have already mentioned the link with juvenile crime. So the impact is profound in the short and the longer term, first and foremost for the children concerned but also in terms of other social costs and financial costs which flow from those impacts.

Ms Marsden—I would just like to take an opportunity to extend the relationship issues that Nigel was touching on, particularly around the relationship between poverty and child abuse and neglect and the flow-on impacts but also to identify that there is a clear relationship between those families receiving income support, and by that I mean government benefit, and child abuse and neglect. Also the relationship between poverty, child abuse and neglect and the relationship between income and child abuse and neglect is well established in the literature, and so too are relationships with those families and domestic violence, homelessness—the constellation of factors which feed into and feed off that range of things as they come together.

But what our submission was clearly identifying is we have no framework in Australia for measuring child poverty and that there needs to be particular attention to do that, because without that we are unable to establish clearly the extent of child poverty, which in turn informs the development of policy and service responses to those families. As Nigel has pointed out and as the submission makes the point, the longer term impacts of those are unacceptable. It is unacceptable for a country like Australia to have such an over-representation of poor families in relation to child abuse and neglect and within our child abuse systems, and that needs to be redressed.

Given also that Australia is dependent on anecdotal evidence and various pieces of research that confirm the linkage, we recommend that a systematic data collection system be developed that has the capacity to determine and examine relationships so that we can understand in statistical ways how those relationships come together, how they manifest themselves, how we can measure them and how we can develop responses from those.

The third section of the submission focuses on responding to child abuse and neglect and how that happens in Australia and that at state and territory levels, state and territory governments have primary responsibility for implementing policy and legislative requirements in relation to the design and delivery of protective and care services. However, the Commonwealth

Department of Family and Community Services also has a role to play, particularly in relation to welfare reform, the delivery of prevention and early intervention services and research.

When looking at the issue of welfare reform there is very little research in Australia which can provide us with some clues about welfare to work programs or initiatives in this country, the impact that is having on poor families with dependent children and the imposition of financial penalties. So for those families who are really poor who are receiving government benefit, who either are unwilling or unable to meet Centrelink requirements and there is a cut of that benefit as well, what is that likely to mean? It is our view that we are quite unable at this point in time in Australia to assess that. However, research that is coming from overseas, particularly the United States as a source, is suggesting that for those families where financial penalties are imposed or welfare to work programs are initiated, the incidence of child welfare concerns rises and the entry to the need for children and young people of those families to access out of home care also rises.

Some flow-on benefits are that proportionately that increases the impact on state based child protection services so that numbers needing services at a state base level increases. In most jurisdictions in Australia state based child protection services are experiencing significant distress, and there is a relationship between Commonwealth and state and shifts in one place impact on the other. So one of our major recommendations in that report is that the policy of welfare reform be reviewed and that we urgently undertake some research in this country to determine the impact on families who might be subject to those initiatives in practice.

We notice in our submission that both state and Commonwealth governments provide prevention and early intervention services and, whilst we are saying that that is welcome, what we notice is that there is a lack of coordination between Commonwealth initiatives and state based initiatives. I might just give a Queensland based example to demonstrate the point. Queensland's child protection system is in such a state of distress at this particular point in time that their investment in what they call prevention and early intervention is being really tightly targeted so that it is about prevention of entry into care. That means there are very high risk factors with those families: they are just on the edge, they are just about there.

If that is getting tighter, what does that mean for Commonwealth based services who are delivering universal services, who are focusing on the younger age groups, that sort of thing? Once again we are raising the need for a coordinated response. It is maximum effectiveness for the families and the children of those families that we are really concerned about, and at the end of the day it is also about dollar effectiveness. Doubling up at both Commonwealth and state level and is not the most effective use of resources in both financial or human terms.

We are also suggesting there that the AIFS, which comes under FACS's umbrella, might take a lead role in developing the research knowledge base in Australia in relation to the kinds of issues that we have raised throughout this submission.

Mr Spence—Finally, in terms of a national strategy, we put to the inquiry that there is a glaring need for a national approach to reducing levels of child poverty. The costs are far too high for the individuals concerned and for society at large. In saying that, obviously we are not suggesting that that is simply or easily done, but it does require a national approach, a holistic

approach, and it will require leadership from the Commonwealth to develop and implement that strategy.

In proposing that national strategy, we are really saying that there needs to be a strategy that addresses simultaneously the structural systemic issues as well as the particular personal obstacles that a lot of families that are well known to our member agencies are facing. So it is about a strategy that addresses clearly matters of low family income. Low family incomes need to be lifted in absolute and in relative terms. The access to services for poor families, particularly access to affordable housing, is critical as well as access to health and education. As well as those systemic issues, we have to inevitably put in place targeted programs for poor families, particularly some of the families that we have already referred to such as single parent families on income support, and here are very young children, to address some of the major personal barriers that they experience, that have often come from their impoverished circumstances: issues to do with family violence, issues to do with mental health, difficulties in their role as parents and parenting effectively and so on. These are the types of programs that our member agencies throughout Australia are providing in terms of counselling programs, parenting programs, respite care, child care and the like. So targeted programs as well as a strategy that addresses those systemic issues around income and access to housing and services.

We also would draw the committee's attention to the position paper produced by our association, the Child and Family Welfare Association of Australia, which I think was included in our original submission. That lists quite a number of strategies, more in terms of the set of targeted programs that we see as necessary. It does not deal as strongly with the structural systemic issues of income and access to housing and services.

CHAIR—Thank you very much.

Senator KNOWLES—I will ask you the same question I asked Mission Australia before lunch. We talk about early intervention programs as being the bee's knees to try and help solve this problem, but we are still seeing the problem exist, if not escalate. What do we do in terms of early intervention that is going to make a difference?

Mr Spence—My response to that would be, and I believe the view of a lot of our member agencies would be, that early intervention is absolutely critical and there is some pretty good evidence that properly targeted early intervention does make a difference in terms of reducing levels of risk and improving parenting functioning and improving child wellbeing. I think we would agree in answering the question that there is a lot of confusion around what early intervention means. Is it early intervention in the life of a problem or do you intervene before the problem occurs? Early intervention is used in relation to kids with disabilities, child abuse, a whole host of factors.

Senator KNOWLES—Say we have a definition of trying to intervene before the problem occurs or before an existing problem gets worse: how do you think that that can be enhanced from what it is today?

Mr Spence—Despite the growth of services over the past couple of decades, there is still minimal support for a lot of families. So to begin with there need to be more services on the ground close to families to actually be delivering the early intervention. There is also a need for

greater coordination. But we do know that if we do get help well organised and in place for high risk groups of parents, if we provide them with close personal support, if we provide them with respite care, if we provide them with child care, counselling, parenting education programs and links to their local communities, these things do have significant effect in reducing levels of risk for those parents. What it does not do is address these, I guess, more endemic or structural around low income or inadequate levels of social security support, income support.

Senator KNOWLES—Or intergenerational unemployment.

Mr Spence—Yes.

Ms Marsden—If I could add to that, I think there needs to be provided by both Commonwealth and state a range of prevention and early intervention measures which are targeted towards those who were most in need and so long as that is targeted towards the most disadvantaged areas. But prevention and early intervention as well as statutory intervention. No matter how much we pour into prevention and early intervention, there will always be some families who require protective legislated state based response, and I think it is a matter of having the range, the mix, across the continuum from prevention and early intervention through to the end at out of home care which are targeted to need and are responsive and coordinated between Commonwealth and state within Commonwealth and within state.

It is when there is not enough in particular places along those continuums at particular points in time, it is when those services are not well coordinated, when they are not well targeted and when Commonwealth and state are not working well together, that the families with the greatest need do not benefit most from those services. As Nigel says, the other structural factors must be addressed at that same time: income support, housing, access to education and health services. So it is all of the above.

Senator KNOWLES—Ms Marsden, could I seek further expansion on the position you put today about reviewing the imposing of financial penalties. I understand where you are coming from. What I do not quite understand is how it will be implemented. We have a situation today, I am sure you would agree, where people can go out and get one credit card to pay another credit card to pay another credit card to pay another credit card, and when they have done that they can go and get all their furniture on interest free loans and everything else, thus building up a huge overhead. There also comes a point, I suppose, with public money as to where you say you cannot just keep on tapping into public money without some cut-off of saying sorry, no more. How would you implement what you are recommending there without having open slather?

Ms Marsden—Can I just clarify what you mean by open slather?

Senator KNOWLES—You say in recommendation 9:

The policy of imposing financial penalties on poor families with dependent children be reviewed whilst research is undertaken ...

And in recommendation 10:

Research undertaken to examine the impact of welfare reform, particularly economic penalties on poor families.

I do not know with that cut-off what actually happened and under what circumstances.

Ms Marsden—I am not sure that I am in a position to say what that is. I think that is why one of the recommendations is that we need to have a systematic look at that. In terms of what the overseas research is indicating, I think this is saying that this is happening here. If you have a family on a very low income and your focus is the welfare of the children in that family, and that is quite clearly what our focus here is, if there are minimum funds available for food, clothing, shelter and for whatever reason, noncompliance with requirements, that is reduced and it is barely there in the first place, I think it is reasonable to assume those kids in that family are going to suffer because of that.

Senator KNOWLES—I do not think there is any doubt about that. What I am trying to get to is how you prevent a culture of ‘Oh well, I have got more money, hallelujah, I do not have to pay it back, so I can keep on getting more money and, hallelujah, I still do not have to pay it back.’

Mr Spence—I think we accept that it is a challenge to get that balance right. I think our principal point, though, is that we need to better understand the indirect but quite major impact that can flow on to kids in those households, that the breaching is usually with the parent and, whether or not the reasons are justifiable, and they probably are, there is often a direct flow-on effect for kids. If the effects are perhaps more significant than we have previously understood, if it does trigger a major crisis for those kids in whatever fashion, then we need to perhaps take a look at whether there are other ways to approach the issue that soften the blow for the children. If they are secondary victims of that action, we need to understand that.

Senator KNOWLES—I do not know where you draw the line. You have got people you have just described there who may for quite genuine reasons be in genuine hardship. You then have others who are in genuine hardship, but the reasons they are in genuine hardship could be gambling, cigarettes, alcohol—the whole kit and caboodle.

CHAIR—Book reading.

Senator KNOWLES—Therefore you have what one might describe as a less genuine reason for extreme poverty. Then you need a system that can distinguish, presumably, between the genuine and the less genuine. I do not know whether making two and three and four classes of families and citizens is the answer.

Mr Spence—I think our principle recommendation is to try and understand the effect of the breaching policy on children, because we are not convinced that it is well understood what the flow-on effects are for children, that there may be some parents that are more or less deserving in terms of how they spend, but what the implications are for children in those households?

Senator KNOWLES—The impact on the children from both those examples is exactly the same.

Ms Marsden—Yes.

Senator KNOWLES—But how do you create an incentive or disincentive which picks winners or losers like that instead of having one system that affects all? It is very hard to play God in that circumstance.

Ms Marsden—Yes, but there is some research from marginalised families showing ways of responding to families who for whatever reason are on the edge, are marginalised, whether that be because of psych illness, whether that be because of drug dependency or alcoholism or what have you, but for these range of reasons these families who are over there on the edge. To engage them there is a range of mechanisms that are known to work in engaging those families with service providers who are offering support and protective services. That may not necessarily be a one size fits all, ‘If you do not do this,’ because a marginalised person cannot get themselves to Centrelink, with a psychiatric illness, with a drug dependency problem, whatever. It does not matter much what that problem is, if they are way out there, they are not functioning in a way that you and I would regard as okay. Saying ‘If you cannot come in here and do this, this is the rule, we are going to cut your benefit’ does not work with those people; we know that.

Senator KNOWLES—Perhaps there should be more field officers going out and actually talking to people in their homes as opposed to saying, ‘Thou shalt come in here,’ or everything will be cut off.

Ms Marsden—That may well be a good strategy.

Mr Spence—That is a step in the right direction. Given some of the recent research around the way those problems of entrenched unemployment and issues of mental illness and family violence and so on travel together, I think they clearly require a high level of personal intervention, targeted intervention, as well as the sanctions that might flow.

Ms Marsden—Maybe it is a balance of the carrot and the stick.

Senator FORSHAW—We will follow this up. One of the things we often hear about are situations where people have been overpaid the parenting allowance because they have estimated their income and then they have earned more than that estimate, due to a whole range of reasons; changes in their employment pattern or whatever. This has been an issue of a lot of discussion and debate, as we know. The argument is put that if you get overpaid then you should have to pay it back because it is a debt and you should not get any more than a comparable family et cetera. But the previous system was one where the payment was based upon the previous year’s income and then there was also the tolerance factor. Do you have a view about this situation? Whilst one argument says, ‘Well, you incur a debt, you should pay it back,’ there is another side to that. In the situations where people are receiving this payment, it is likely, it seems to me, that the extra dollars that they receive get spent as part of their day-to-day living and things. To then have them in a situation at the end of the financial year where they have got another debt to the Commonwealth or to Centrelink on top of the credit card debts is not a good policy position, putting aside issues about whether or not there is a legal debt. I am just wondering what your thoughts are on that and if you have a view about whether the system should be changed in terms of the way in which the payment is calculated and paid. What the evidence tells us is that if people are receiving X amount from income and X amount from government support et cetera, then they will endeavour at least to try and run their budget according to that amount of income

and hopefully keep the levels of debt down rather than incurring new debts, whether it be to Centrelink or whomever.

Ms Marsden—Our submission is pitched at more system issues there. We have not made a study of social security payments and mechanisms and how they happen, that sort of thing. It is more about determining what is a baseline level of income upon which families with dependent children can reasonably live to a point where that does not raise concerns about the safety and wellbeing of those children. This submission does not look at that level of detail, although what it does touch on is what we are saying, that if this is the baseline level and for whatever reason people have that reduced when that is barely enough anyway, what needs to be looked at at the end of the day is what impact does that have on kids? If that money is spent and that family does not have enough to pay the rent, then they go for eviction and things like that.

Senator FORSHAW—What I was trying to get at was that if suddenly a parent, let us say a sole parent, ends up with a debt to Centrelink of \$1,000 or \$1,200, and that is going to be clawed back through whatever means for that period of time, there is going to be a substantial reduction in the income coming into that household, which is living and surviving on whatever dollars are coming into that household. What I am putting is that it seems to me at least arguable that it is better to have a situation where over the course of the year the income stream is constant and there is no danger that it is going to suddenly drop away.

Ms Marsden—Yes.

Senator FORSHAW—I am not talking about breaches here because of noncompliance. I am talking about breaches here because of this parenting situation. At the end of the day that is a better situation.

Ms Marsden—Or is redress of that debt looked at at a time where there are not dependent children in that picture?

Senator FORSHAW—These are the sorts of things we are looking for as to what propositions might be recommended, if you like, to redirect—

Ms Marsden—I am not sure if we really know what a baseline income is upon which it is reasonable that a family with dependent children can meet their basic needs.

Senator FORSHAW—Can I just say, and it is probably more of a comment than a question, Senator Knowles refers to credit card debt and major department stores that offer free credit arrangements. I agree with all of that, but what should be the obligations upon banks and upon department stores? Theoretically at least you should not be able to get the free credit arrangements unless you can put \$500 cash down initially, but we know that those things get waived in a lot of cases.

Ms Marsden—Yes. I do not know what the capacity is to regulate that.

Senator FORSHAW—One instance we know is that many charitable organisations will not hand out cash to people. They will provide food vouchers so that they know that the money is

actually spent on food for the children as distinct from the cash that might end up at the poker machines or whatever.

Senator DENMAN—I was going to ask some questions on breaching, but just one question: Do you know whether it is taken into account when there is a breaching episode how many children there are in the family before it is determined how much money has to be paid back?

Ms Marsden—No.

Senator DENMAN—Do you know, Mr Spence?

Mr Spence—I am not clear on the precise details of how that is worked out. I thought there was some consideration of that.

Senator DENMAN—What do you think is preventing a national cohesive approach to the alleviation of poverty?

Mr Spence—I think one of the difficulties we have, and particularly in terms of some of the issues that we have raised, is that states have a responsibility for child welfare, so child abuse and neglect—and we obviously made much of the link between poverty, abuse and neglect—is seen as a state responsibility and they largely take an investigate and respond approach, whereas at the same time you have these structural issues that we have spoken of in terms of low income, cost of housing and the like, which are a Commonwealth responsibility, notwithstanding that we have field officers and so on doing bits of casework alongside the income support mechanisms. By and large the two operate independently. We have the child protection system doing its thing and with very much a sort of case work approach, and then you have the income issues of income and work force participation dealt with an entirely different level. It is just very difficult to achieve a real integration of those levels, combining that with health and education responses again. We have really struggled, I think, at a policy level and at a grass roots level with families where it ultimately matters to get that coordination because there are so many different areas of responsibility and priorities.

Senator LEES—As I read through the submission, I looked at the issue of intervention. How and when can it be done rather than waiting until the child is at school when the problems become obvious? Unfortunately, as a teacher I think I can say that even in reception you can already pick the kids who are going to be having problems, and that is nothing to do with IQ level. So what research has been done in Australia? Are we going right back to midwifery care and looking at supporting, particularly if it is a young new mum or mum to be, through that process? Is it the childhood nurse or the family doctor? Where in those early years can we work out, before things are really getting difficult for the child, that is something likely to go wrong or is going wrong, and then put in place measures that will hopefully sort things out?

Ms Marsden—I am aware of some longitudinal studies that have been done overseas that certainly indicate that intervention begins before the child is born and that there is a range of opportunities along life's pathways for that to happen. I think some of the most significant research around pathways is about particular developmental points. It might be identifying mums, parents, risk factors before a child is born through to birth and shortly after, which might be a another critical point. There is a range of research that says from then on preschool is

critical, school entry, the transition from primary to high, that at all those times throughout a family's life, which are events and stages, are the critical points where targeted intervention and particularly early intervention—

Senator LEES—Do you know of any Australian studies that look specifically at what has worked? For example, are there studies looking at targeting potential mums in their last year or so at high school and approaching a family particularly, as Senator Knowles mentioned, in intergenerational unemployment so that these families are on some sort of a danger warning list?

Mr Spence—A number of the state based programs, such as Families First in New South Wales, is certainly based on that notion of intervening neonatally, essentially through the health system and the early childhood nursing system, to identify parents who might be at risk or kids who might be at risk and providing volunteer home visiting or specialist help for those parents early on, providing them with group support and parenting training and the like. The evaluations of that are not in yet. We hope to have them, I think, in the next couple of years, but they are based on some pretty strong overseas research. We think this is also why the Family and Community Services current work on looking at a national agenda for early childhood is crucially important, because it does seem to be a crucial point when, if we can mobilise the right support at that time, it does make a significant difference to the trajectory the child takes.

Senator LEES—Is that Professor Fiona Stanley's work?

Mr Spence—Yes, she has been heavily involved. The Commonwealth department are conducting a consultation process at the moment influenced by her work and others, yes.

Senator MOORE—I have two questions, and I will ask them both and then go from there. One is the issue that your submission constantly refers to needing some data, needing some statistical basis. I am interested as to why we have not got that when we have been talking about this issue at a national and state level for at least 15 years and probably longer. I would like to get some feedback on why you think we have not got an effective database.

The second thing is that one of the previous submissions actually recommended that there would be established a national coordinated poverty reduction and elimination partnership comprising government, non-government, business and community reps to develop, implement and evaluate multidisciplinary strategies to reduce poverty. It is a good recommendation, but when someone puts something up like that, I would not mind hearing from other groups whether it is a strategy and how you feel about it. They are the two questions

Ms Marsden—I do not know why we have not got it, and I wish I did, because if I knew why I might be able to suggest some clever ways to develop that. I know that at a state based level the availability of data is particularly poor, and I think in some respects that has been a resource issue. There are drastic steps to kind of try to overcome that in a hurry. Whether that has been true at the Commonwealth level as well I am not so sure, but I am also thinking that we are probably only becoming aware now of how valuable that is in relation to evidence based practice. If we have the data systems in place, and more importantly data that I am sure is collected in, for say, Centrelink, the information is there, but is that in a way which is usable for this purpose, and can that then be correlated across to another data system set? I think that maybe that is an issue too, that sometimes it is about data collection systems not having been

developed because of resource issues, or a lack of understanding back then of their usefulness, to say, 'Hang on, we have learnt that and we have got that in some places, but we are not yet aware that that needs to talk to the other data set over here, which may be in a good state of repair or not a good state of repair, we are not too sure.' It can be less about getting those systems there than about their capacity to talk to one another, because it is the relationship between things that makes things make sense.

Senator MOORE—Sure.

Mr Spence—In terms of the second question about the task force, I think in principle we would support that approach. Clearly we would be the first to say that there must be the highest priority put on a collaborative approach to tackling poverty, particularly child poverty. The impact on kids is insidious, deep and far-reaching and it has great personal cost and cost to the community. A multidisciplinary approach is crucial, but again I emphasise that we are saying that there needs to be a simultaneous attack on the personal supports that particular families need to overcome their issues, but, as well as that, addressing the structural issues. It is not just about more services to support families at risk, much as we think that is needed; it is also about addressing adequacy of income and adequacy of housing, quality and affordability of housing, access to health and education. It has to be those systemic issues as well.

Ms Marsden—If they were in place, one would imagine that the need for support services and prevention and early intervention services would be less, not more.

Senator MOORE—Absolutely.

CHAIR—Thank you very much, Mr Spence and Ms Marsden.

Ms Marsden—Thank you.

Mr Spence—Thank you.

[2.42 p.m.]

MOORE, Mr Gary, Director, Council of Social Service of New South Wales

CHAIR—I welcome the representative from the Council of Social Service of New South Wales. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has before it your submission. I now invite you to make an opening presentation to be followed by questions from the committee.

Mr Moore—Thank you for the opportunity to participate this afternoon. I would like to make some very brief general points and then allude to some of the key statements within the submission. From the council's viewpoint, poverty is not solely defined by income deprivation; it is also the significant lack of social wellbeing experienced by an individual or family. Inequality is a powerful driver of social exclusion and a barrier to reducing poverty, but of course poverty and inequality are not the same thing.

An effective approach to reducing poverty and inequality and sustaining these gains requires a coordinated approach, in our view, to improving wellbeing. We think that a locational profile is the key to understanding the occurrence of poverty in New South Wales and, we would suspect, generally across the country. Conversely, a locational focus of government and community effort alongside macro policy reforms may be the best basis to reducing poverty and inequality.

I want to refer now to some specific points in our submission. Commonwealth, state and territory governments have shared responsibilities in impacting on levels of poverty and inequality and consistent policy objectives are really required. State governments have power through planning regulation, infrastructure provision, service provision and state taxes, fees and charges to influence levels of poverty and inequality. We talk in our submission about five examples of a relationship between Commonwealth and state provision: the provision of transport concessions; the provision of energy concessions; the funding of affordable and social housing; early childhood education commitments and the funding of oral health services.

I will conclude my brief opening statement by saying that in New South Wales there are probably about 25 communities which have been identified by Tony Vincent in his 1999 report, by ABSC data and by rural and remote ARIA data which demonstrate extensive levels of poverty. It will be very interesting to see, when Tony Vincent repeats that study in the next four months, what has happened over the past four years in terms of the breadth of indicators.

The 10-year data that was released last Friday suggesting that the average CEO cash reimbursements compared to average annual full-time adult earnings have grown from 22 to one in 1992, to 74 to one in 2002, give some idea about the savage growth of inequality. After the recent low wage case national decision NCOSS did some work on living costs in south-western Sydney. In our view, a household in south-western Sydney with a single wage earner and one child in our view is still \$20 per week below breaking even on the household budget. That is

after the \$17 increase. We believe that tools are available to do something significant about reducing poverty and inequality if the political will exists to make a sustainable reduction.

CHAIR—Thank you very much. You point to the costs of energy for those on low incomes. It has been suggested that the Commonwealth implement a fuel poverty strategy. Do you agree with this suggestion?

Mr Moore—I think there are two sides to this question. One of the issues with energy costs for low-income people is the issue of energy saving. This is a key issue that we believe the Commonwealth and the states need to look at. In other words, how do you assist lower income people who perhaps can only afford the higher energy using appliances and other infrastructure? In terms of a Commonwealth involvement in energy concessions or energy use generally, we suggest in our submission that we have two problems. One of these is that the states who generally run these things do not assist people outside of full Centrelink beneficiaries and that is an issue which I think the Commonwealth and the states should look at in general. In terms of what you are suggesting about a fuel poverty proposal, I guess the first thing I would need to know is exactly what is meant by that in terms of making any further comment.

Senator DENMAN—First of all, as far as concessions are concerned, if low-income earners were automatically granted concessions for energy, telephone and other services, would that be easier for those people, for non-English-speaking people and for those with disabilities? How could that happen?

Mr Moore—We think there is little doubt that that is the case. Part of the problem is having the administrative means to deal easily with low income, working poor people. We simply do not have an agreed approach about where you draw the benchmarks and that is of considerable concern. In many respects in this particular area, one of the most important tasks at hand is to try and sort, when we are talking about low to modest income wage earners who do not receive full Commonwealth benefits, where we easily draw the line for their eligibility and how we make that happen across the board in terms of utilities and other forms of basic essentials. We do not have a suggestion in our paper about that.

We have talked to the state government in New South Wales about approaches around net incomes in previous years and we have looked at profiles for those types of things. You always have the problem about peoples' circumstances changing but we think that is part of the problem that we have in terms of the growth and inequality. The issue is not only the improvement at the top and some improvement at the bottom, but not as fast as the improvement at the top, it is also the fact that we are not doing the stuff for people in the low to middle areas that we should be doing.

Senator DENMAN—Thank you.

Mr Moore—It is a fundamental difficulty.

Senator DENMAN—It is. What about concessions for transport? If they were organised or targeted better, would it allow people to participate more in job markets?

Mr Moore—I think there is little doubt about that and the evidence there is strong. Before I came to NCOSS, I worked for the last two years in the New South Wales Premier's department and I looked at a range of major initiatives in disadvantaged communities. For the 30 or so communities across this state, whether they were in urban or rural areas, one of the key issues was simply access to affordable transport. We have a concession system which does not deliver equity at the state level, and we have, I guess in our view from an end costs perspective, a lack of alignment between Commonwealth and state initiatives in this area

Senator DENMAN—I find that in Tasmania, where I come from, those in very remote rural areas do not have access to any sort of public transport. Is that an issue here?

Mr Moore—Of course it is. If public and community transport is provided by private providers, the question of what we do is fundamental. I think it has taken some time, but my organisation has now reached the view in relation to transport concessions in New South Wales that it is better to have the concession extended to everywhere where transport is available, to place a means test to remove other than full Centrelink recipients of age pensions to receiving it and to look at increasing the price somewhat to get some equity into the system because we do not have it.

Senator DENMAN—What impact has the abolition of the Commonwealth dental scheme had on low-income earners or their recipients?

Mr Moore—As our submission indicates, we think that from 1997 to 2002 there was a substantial growth of people on waiting lists. As of March 2001, the best estimate that we had was that there were 250,000 people in New South Wales, and it is detailed in the submission. It is quite clear, and I gather it is clear from this committee's own work previously about some of the linkages, that the Commonwealth's failure to re-enter the field in any significant way continues to put a lot of people in pain and disadvantage.

Senator LEES—On page 5 of your submission you have a graph showing the hourly rate for expenses in early childhood education. Do you have a breakdown state by state of the percentage of kids that are actually accessing it, information as to what the income levels are and which decile they are in?

Mr Moore—I know we have access to the percentages of kids in states and territories. I would have to check whether we have data about income bands.

Senator LEES—Where would this committee look if we wanted to then go that step further? Would the education department be able to give us some understanding of how access to early childhood education was an influence in how the kids were then doing at grades 3, 4, 5, 6 et cetera?

Mr Moore—You would have to look across the country at both education agencies and community services or human services departments. As I understand it, in a few states like New South Wales there are preschools which are run out of schools and preschools which are community based. But that is where that data would come from.

Senator LEES—I am just interested in breaking down the links between lack of affordability of preschooling and, therefore, a lack of opportunity for low-income families, and the impact of that on later schooling. The committee can go looking for that material to assess the impact of all of that. Others have asked my questions on dental matters. In terms of housing, particularly in Sydney given the costs of finding a house in Sydney—and I understand rents are not much better anywhere along the coastal areas—what initiatives are you asking the state government for? What has the state government recognised by way of the need? What sorts of rentals are we looking at, say, for example within 20 kilometres of the CBD of Sydney?

Mr Moore—Three hundred dollars a week minimum.

Senator LEES—So are you finding that families are sharing?

Mr Moore—That is partially occurring. I guess, interestingly, there is overcrowding in some housing stock. In response to your question about what we have asked the state government here to look at doing, we believe that in Sydney in particular, unless we bite the bullet on affordable housing in the planning system, we will continue with the social and income apartheid that we are essentially moving towards and about which there are now a number reports. In our view that means we need to get a decent level of affordable housing across a range of locations with middle-income earners and lower-income earners living together. That means inclusion in rezoning, a range of regulatory requirements in the development industry et cetera.

We also support what the state housing department is trying to do here by breaking up some of the estates and creating greater social mix because, going back to the original comment about poverty, income is only one component. Unfortunately, to start from a base of five per cent of your housing stock being in public housing is a very difficult job to do. So we think there is a range of things. We are talking about some notional target of land tax holidays for investors at the lower end in terms of looking at creating some more modest level private rental housing. To our mind, there are those sorts of mixes at a state level, combined with the Commonwealth not leaving the game too, that we need to see, and in Sydney it is critical.

Senator LEES—What level of new housing is being established in Sydney? Are we looking at a new estate having a requirement of five per cent to be public, are we looking at the state government having to buy into greenfield estates or are we looking at inner city sites where they can demolish and then rebuild?

Mr Moore—With urban consolidation in inner city sites, there has been some elements of maintenance of social housing, whether it is public housing or through head leasing arrangements et cetera. Part of our big problem is that we do not have any mandatory targets on major developments to achieve some of this mix. We have a state and environmental planning policy which is a voluntary thing on local government. That is about inclusion, rezoning and payments by developers that would find their way into social housing, but it is voluntary. The reality of getting an end result is very hard. Unfortunately, if we get between 30,000 to 300,000 at Bringelly in south-western Sydney, the starting prices for houses will be \$300,000. There is no way that the people in Sydney, who we are talking about in this inquiry, will be able to participate in that arrangement.

Senator MOORE—Mr Moore, you heard the question that I asked the previous witness and it is going to become an ongoing question now for me. The previous witness recommended, amongst other recommendations, that there be a nationally coordinated poverty reduction and elimination partnership involving government and non-government agencies looking at the issue on an ongoing basis. What is your view on of that kind of concept?

Mr Moore—I think, firstly, the notion of a partnership between levels of government and business and the non-government sector is pretty fundamental to this. I would want to suggest that one step before we get to that is to think about the sorts of benchmarks in terms of wellbeing that we are looking at. It occurs to me that every year the Commonwealth and states agree, or have agreed through COAG, that the Productivity Commission will do benchmarking of performance on the provision of government services. I wonder why we could not perhaps look at trying to establish national benchmarks in this area in terms of wellbeing that we have a hope of trying to get these two levels of government to agree to.

There are some things around. We have benchmarks, of course, about payment of more than 30 per cent of disposal income on housing costs, for example. That is a 1991 figure that probably needs to be relooked at, but you can look at say 10 or 12 areas, we would have thought, that are around community wellbeing indicators, which could become benchmarks. I guess one would say that one opportunity of doing it would be to ask the Productivity Commission to do that exercise on behalf of COAG and to have come public comment on it. So we can try to get an agenda moving forward. I think that is important. I think the suggestion that has been made in another submission is also important.

Senator MOORE—To have a stepped process?

Mr Moore—Have a stepped process, yes.

Senator MOORE—In your opinion is it getting worse?

Mr Moore—I would have to say yes. I am not sure whether the absolute level of poverty is getting worse. I think I am one of those that subscribes to that. Things have got a little better for people at the bottom, but they have got better for people closer to the top at the same time. The question about poverty and inequality and how it plays out in communities is part of the key thing about people's living experience. It is not just the raw data or figures and whether you agree with Anne Harding's line or Peter Saunders' line about the numbers; it is much more than that. We feel that the notion of social exclusion and inequality is probably part of the key area in all of this. People on low incomes and struggling do not get out of the mire, whether they happen to be a dollar above or a dollar below the Henderson poverty line.

Senator MOORE—Thank you.

CHAIR—Are there any further questions? If not, thank you very much, Mr Moore.

Mr Moore—Thank you.

[2.35 p.m.]

ASHTON, Miss Cassandra Joy, Coordinator, Family and Welfare Centre, Redfern, St Vincent de Paul Society

BROWN, Mr Ian Bernard, Conference President, St Vincent de Paul Society

CARTER, Ms Lorna Dee, Welfare Worker, St Vincent de Paul Society

CAVANAGH, Mr Kevin John, President, Waterloo Conference, St Vincent de Paul Society

CHIRCOP, Mr Peter, Coordinator/Manager, Rendu Youth Services, St Vincent de Paul Society

CRAWFORD, Mrs Patricia, Vice President, St Vincent de Paul Society

CRIMMINS, Ms Christine, President, Management Committee, St Vincent de Paul Society

FINNERAN, Mr John Michael, President, Sydney Archdiocesan Council, St Vincent de Paul Society

MCDONALD, Ms Patricia Agnes, President, North Leichhardt Conference, St Vincent de Paul Society

McMAHON, Ms Carolyn Ann, Family Assistance/Liaison Officer, South Sydney Regional Council, St Vincent de Paul Society

ROGERS, Mr Owen, Executive Officer, NSW/ACT State Council, St Vincent de Paul Society

TOOHEY, Mr Leon Timothy, Vice President, Riverwood Conference, St Vincent de Paul Society

CHAIR—Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public. That evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. The committee has received a submission from the society. However, for today's hearing a number of individuals will be making presentations. I now invite you to make those presentations, to be followed by questions from the committee.

Mr Finneran—I am the delegation leader for this inquiry. On behalf of the society and its members and workers, I thank you for having us here today. I would like to open by telling you a quick story of Christmas Day last year. It was a wet night and we had a team of five volunteers working with 80 or so homeless people at Martin Place. Every night, St Vincent de Paul night patrol works with homeless men, women and children in the CBD of Sydney, and on Christmas

night we were out there again, telling stories of Christmas and sharing that night with people on the street.

I got talking to one fellow on Christmas night last year and he told me a little bit about his own story and it went something like this: over the last 10 years he had been suffering from schizophrenia, and as a consequence of this mental illness he had had trouble holding down a job and he had recently been evicted from his boarding house in east Sydney. The reason I am saying he was evicted from this boarding house is that he had been breached three times over the last six months because he failed to comply with the requirements set down by Centrelink. He said that he was unable to comply primarily because this illness affected and hindered his ability to function in society. He was very grateful to us for providing a Christmas dinner for him and for the support network we did provide. But he also said to me something that has stuck with me ever since that day. He said to me: 'Is a sandwich enough? Is your support here tonight on Christmas night enough for us? How do people like me—people who are excluded because of illness and people who are structurally displaced—have a voice?' With those thoughts in mind today, the people you will see and hear from today in some way are the voice of the voiceless.

Today we represent over 3,000 members of the St Vincent de Paul Society—conference members and volunteers—in the Sydney diocese. We represent over 450 employees in the Sydney diocese. As we speak today, people are working with people who are structurally displaced; people who are excluded; people who are perennially on the outside, whether it be through financial hardship or disadvantage; people who lack access; and people who don't have the opportunity to speak because, in many ways, they are powerless.

I want to stress in relation to this delegation that we are not policy experts but we are experts on the lived experience—the lived experience of these people who have suffered the pain and heartache of poverty in the city of Sydney. It is clear from the stories we will hear today that poverty is on the increase. I have a clear example of this. I am a coordinator of our night patrol service. Here tonight in Sydney—at Martin Place, Kings Cross, Central Station and down the back of Kent Street—we work with homeless people. In 1998 we worked with 23,000 cases. In 2002 we worked with 43,000 cases. That is a 20,000 increase in the number of people we work with every year. I am not just talking about men with alcohol and drug addiction, I am talking about men, women and children. Only last Tuesday an unregistered Commodore car followed us around the back of Kings Cross. It was a family of three children and a single father, looking for something to eat and for some kind of support from us.

As I said before, we are not experts but we do believe that the welfare sector, non-government organisations like St Vincent de Paul, politicians, and federal, state and local governments need to work together to address this issue of poverty. We believe that a national summit and consequent strategies need to be in place today.

Thank you for having us here today. I will invite members of the delegation to provide their stories of this lived reality and to provide their voice for those who don't have a voice.

Mr Cavanagh—I am the President of Waterloo Conference of the St Vincent de Paul Society. Waterloo, as some of you may know, is an inner-city suburb here in Sydney which is virtually dominated by housing department high-rise units and three-storey walk-ups. There is some private housing around but not a great deal; it is largely housing department units. What I would

like to do today is to outline to you three of the cases we have dealt with over the last year or so—and continue to deal with, I might say—to illustrate how some government policies are exacerbating the situation of people who are already in poverty.

The first case is a man of about 40 or 45. He is a schizophrenic. He lives alone in a housing department unit in what I can only describe as absolute squalor. We have been visiting him for three or four years on a fortnightly or three-weekly basis, partly to keep contact with him and partly to provide him with some financial support. His problem quite simply is that he is unable to manage his own affairs. There is no other way to put it. He drifts in and out of hospital as they attempt to stabilise his medication. His problem, as I see it—there are hundreds, if not thousands, of similar cases throughout the inner-city suburbs of Australia—is that he is simply not being provided with the government support services which were recommended by the Richmond report at the time the institutions were closed down and all those people were literally emptied out of the institutions to go into whatever accommodation they could find.

He is probably not as badly off as many, because at least he lives in a housing department unit where his rent is fixed at 23 per cent, I believe, of his income. He is really in a far better position than many of them who are either homeless or, at best, living in rented accommodation. To me that is a clear case where government policies—I do not care which government it is—simply have to address the issue of support services for people who are unable to look after themselves.

The second case, which is a somewhat happier one, concerns a middle-aged Lebanese woman—the mother of a now 16-year-old girl—who was deserted by her husband some 10 or 12 years ago. She was on a family support pension until about nine months ago when the girl turned 16. At that point her family income, if I can call it that, was some \$600. As a result of the girl turning 16 she lost \$20 in family income—I just want to emphasise this family income for a moment—and, perhaps more importantly, she lost her pensioners concession card, replaced by a health card. The loss of a pension card means that she loses certain cheap fares, transport subsidies and certain discounts which she gets from Energy Australia.

More importantly, however, what in effect happened was that a bit less than 30 per cent of the family income was transferred from her control to the control of her 16-year-old daughter, a year 11 student. She is bright, intelligent and supports her mother very well. But, like all 16-year-olds, she now spends a bit more on herself—perhaps because she is in year 11—than she might otherwise have been able to do had the mother had control of the income.

This is a very well kept unit and the mother does very well. But, as a result of this, she has been forced to come to us now for assistance from time to time with things like electricity bills and so forth because she is simply unable to manage on the reduced income. She has been transferred to Newstart and I have no real quarrel with that, except that this is a 50-year-old Lebanese who does not speak English, or does not speak it very well. Where on earth does anybody expect her to get a job that is going to pay anything but a mere pittance for some casual labour? This is a case I think where, for whatever reason, the transfer of family income from a parent to a 16-year-old girl is not having the right effect. I imagine the idea of the youth allowance is to encourage people to stay at school.

This is not the worst of the cases. We also have cases, of course, where the 16-year-olds contribute absolutely nothing. Once they have got their hands on the money, there is no way that

they will give it to their parents and, parents being parents, still continue to support them. Again, I am not a policy expert, but it seems to me that the very least that should happen is that the family income should stay where it is or substantially where it is, whatever allowances are made to the 16-year-old to endeavour to get them to stay at school. In other words, the parents should not be penalised in their ability to support a family because somebody turns 16.

The third case is that of a young couple with two children. Let me preface my remarks by saying that I do not really want to get into discussions of drug and alcohol treatment. That is not my field at all. This young couple have been heroin addicts, are now on methadone and are trying to get their lives together. The wife particularly is a very smart, intelligent lady. I believe that when she was young she held down quite a good job. For whatever reason, she seemed to fall among thieves and became a drug addict. She met her husband, they married and now have two children.

It costs them a bit over 20 per cent of their income to buy methadone for themselves each fortnight: \$50 a week, \$100 a fortnight. That is \$200 each fortnight out of a combined pension of \$760 to \$770. On top of that, they get the parenting allowance for two children, but it is still a very substantial chunk out of their income to purchase the methadone which keeps them off heroin.

One of the outcomes of that, which has happened only recently—I am informed by medical people in the area that they are almost certain to end up back on heroin—is that, because they cannot manage without the support of society—and we visit them regularly every fortnight—they are trying to get off methadone; they are trying to expedite the process of withdrawal from methadone. I am advised by people who work in that area that statistically their chances are stacked so far against them that it is virtually hopeless, that they are more than likely to end up back on heroin because they can get a quick fix when it all becomes too much.

As I say, I am not an expert on drug and alcohol addiction or anything like that, but it seems to me that to ask people who are in a poor situation, who are trying to get off heroin by taking methadone, to pay for their own methadone is little short of obscene, frankly. This is a real issue right throughout the Waterloo area. There are dozens of cases of people on methadone whose existing poverty is being exacerbated because they are being forced to pay for their own methadone, to find a clinic and pay \$50 or \$100 a fortnight out of their pensions towards methadone.

Mr Brown—I will just run through a few cases. Most of my sentiments will be echoing what the previous speaker said with regard to methadone and sharing money more equitably amongst the family, particularly the parents. The first case I will talk about is a lady by the name of Noreen. She has lived in the Riverwood area for about 18 years and has four grown up daughters. She was a nurse for 15 years, is well educated and obviously has been well acquainted with helping people from the other side of the fence. Unfortunately, she was a domestic violence victim and there is a case going through the courts now against her husband. The evidence produced in the court included explicit photos of her bashing and scarring. Her third daughter has also got violent tendencies and there is an AVO against her because she has also been bashing Noreen.

Noreen had a partner of 17 years who was tragically killed in a car accident in 2000. If that is not bad enough, she was also an eye witness to a murder in a pub. She was able to corroborate her story. As a result of all that she has extreme anxiety, memory loss and is prone to suicidal tendencies. Now that she is on a disability pension there is little hope to re-engage in the work force.

Noreen is fearful of being stalked, isolates herself from the community and rarely goes out by herself. She takes medication for her emotional disorder and is visited by a counsellor from St George Community Health on a weekly basis. She first sought assistance from St Vincent de Paul in 2001 and we have assisted her with food and electricity vouchers. Unfortunately, due to the memory loss brought on by her situation, she has on a couple of occasions presented a heap of electricity vouchers after they have expired and so they were not accepted and, consequently, her power was cut off. That has just added to her plight, as you can imagine. She has made claims to have deductions arranged through Centrelink over the phone to pay fortnightly contributions to the gas company. However, something went wrong along the line and the deductions were not taken out. She received a gas bill for \$300—she did not expect it to accumulate to that much because she was expecting deductions to be taken out—and she ended up having an overdrawn bank account for which she was fined \$50 and a \$30 penalty was imposed. Obviously there had been some breakdown in communications with Centrelink.

This shows that people in this sort of situation do not have the follow-through to make sure things get done. They suffer from memory loss, stress and high anxiety. They are already in a terrible situation that gets compounded by administrative burdens that crop up along the way and they really do not have the power to prevent it happening. Basically people in that situation have a heavy dependency on the system, which you are well aware of. We need to make sure that there is follow-through by the agency and it does not fall back on these poor, suffering people.

Hers is a very tragic case and is one of similar situations. When you go and visit and knock on the door, you can tell by the fearful, anxious voice at the other end that they are worried about stalkers. They very anxiously ask who is there and when I say that it is St Vincent de Paul you can just feel the relief on the other side of the door and then they open it up. It knocks you around a bit.

We have a couple of other cases. There is the case of a fellow named Daniel who is in his early 20s and on a methadone program—a young fellow on a disability pension. He has had his power disconnected. He attends Redfern three times a week for methadone treatment. After rent and methadone medication moneys are taken out, he is left with around \$10 a week to cover food, bills, fares and other living expenses. He struggles to make ends meet, which is exacerbated by his disability. There is not much more that can be said about it. The suggestion that methadone could be paid for would certainly help Daniel in his case.

There is another client named Heidi. She is a single parent with three children, aged six, 1½ and five months. She has lived in Riverwood for about a year and is running a bit of an old bomb of a car to get the kids around. They always seem to be having colds and visiting the doctor. She is regularly seeking extensions to pay bills. She gets little or no assistance from her estranged partner. She suffered postnatal depression, but somehow she has got on her feet and things seem to be improving. Of her \$290 or so a week, she has to pay rent of \$80. There are the car expenses, the bills, all the baby's necessities—and food, of course. The fact that she is getting

little financial support from her partner just makes things really tough. So she is just a battler, one of thousands around the place, just doing it tough. But she meets her responsibilities as best she can to the three children.

Then there is William. He was released from prison in 1999 and has lived in Riverwood ever since. He is on a disability pension and he suffers from depression. He is a very closed person, a very difficult person to get any information out of. I have noticed over the last couple of years that he has opened up a little bit more to us than he had before. I managed to find out that he is repaying debts in excess of \$3,000. He did manage to get a part-time job working a forklift, but that was short lived. He claims to put all his money into bills, and his request is just usually a food hamper. That is all he wants. He does not want electricity or anything like that. Out of the minimal amount of words we can get out of him, usually 'food hamper' is about all you will hear from him most of the time. He is another very sad case. He is the victim of a difficult, underprivileged life.

Finally, there is Sarah. She is a young lady, probably in her early 20s. She is also a victim of domestic violence. She has an AVO out on her partner. She has three children, aged five, 2½ and six months. She is living with her mother and sister in a two- or three-bedroom flat—I think there might be three bedrooms. Three adults and six children are squeezed into that. She is trying to arrange for public housing but she will be waiting years before anything can be pushed her way. Now, she is seeking private accommodation, just as a desperate way to free herself from the cramped conditions she is in. She is not sure how she is going to make ends meet, but she is doing her best to arrange some private accommodation, which I believe she is going to be moving into next week.

Just one other thing which I have not mentioned. I did some calls on the weekend, and there was one poor lady who had been raped. This is in a particular area in Riverwood where there is a lot of public housing. Conditions are appalling there. About a month ago, I visited another client. She had a friend stopping over, and he had a great big bruise sticking out of the side of his face. He had got hit by a baseball bat—a bad assault when he was walking back to the flat. These things happen from time to time, and I am just not too sure whether there is any protection out there for them from the police force and so forth. It is a very dangerous area. In the case of the rape victim, the lady herself is very simple. She put her trust in a person who was fixing something. I think he might have been a plumber. The next thing she knew three other people came in, with the net result that she was finally assaulted. That is really all I have got to say. Thank you.

CHAIR—Thank you, Mr Brown. Anybody else want to make a contribution?

Mr Toohey—The submission that I have made on behalf of the Riverwood conference is entitled 'Portrait of poverty at the street level'. It is a reflection of not only actual case histories but also some of the economic factors which have been introduced in the determination of suitable levels of income. It is noted that the St Vincent de Paul national council's report to the Senate included at pages 18 and 19 statistics from the Australian economic indicators, tabulating financial stress indicators of households in 1998-99. That is at attachment 1 of my submission, and it is a welcome identification of one of the missing links between the standard of econometric analysis of income distribution and the daily financial deprivation problems and stress levels at street level. The references to the Australian economic indicators are there.

The findings were tabulated into 15 day-to-day household problems and consequent financial stress levels. It is notable that the highest financial stress levels were reflected in day-to-day street level activity, the domain worked by charity workers who respond to calls for assistance when people cannot cope with basic problems and/or stress factors. The ABS Year Book of Australia expanded on that and suggested that this should be an ongoing measurement of the size of income. That is pretty straight up and down stuff in every day financial work. The point that I wish to make in regard to that is that when you go into housing estates or slums or the lower stratas of the poor in this situation, there are far more compounding stress factors in their lives that are not picked up in this particular formula that is now introduced, and there is room for it to be extended, therefore coming to grips with the lowest level of the poor—the lowest level of disadvantage. The details of that are in there.

In practical terms, the great stress factor that comes to these housing estates is loneliness. Loneliness is not factored in, and yet if you just brush it over as a question of people being by themselves you ignore a whole lot of technical factors. Not the least of those is the fact that loneliness brings isolation, fear and lack of confidence. It brings people who are afraid to go out in the large housing estates. It brings particularly into play sole parents—mothers—of whom there is an extraordinary number, given the general acceptance. My president, Ian, has some statistics on that which are quite revealing. What is happening down there is that sole parents, because of loneliness, are preyed upon by predatory adults, who get in touch with them, move in with them, use them, abuse them and then leave them. That is a very common phenomenon that we hear quite frequently in the place. That is the female side of it.

Over and above that is the other side, the male side—male partners who are sole parents and have been deserted by their wives or partners. Their problems are not quite the same; their problems relate to the fact that quite often when they are allowed to have custody of the children for a limited period of time they cannot afford to put up the children and get the right amount of food for them, and time and again they call for help. My point on this is that the excellent start on that addition of humanity to the fixing of standards of living and wages—incomes—should be extended to cover the lowest level.

The next major factor that is a day-to-day problem is the energy factor. Going along with all of these stress factors that we are talking about, there is a significant problem at this present time. Normally EAPA—which has been mentioned—is there to provide some relief to people who cannot come up with the right amount of electricity or gas or whatever on time. That was working reasonably well; we were getting a very frugal, not totally adequate allowance, but we stretched it right out. We got four EAPA books, which is 40 vouchers to serve a client base of something like 700 people. We were using that in a frugal situation. It is not a matter of just giving them EAPA and walking away; it is a matter of getting them to start having a really good hard look at what they are doing. In this last quarter, each of the conferences in the Bankstown area, which is a huge area to be looked after, were given a total of four EAPA books. That is 40 EAPA vouchers for the entire ambit of the conference, right down through Bankstown, Lidcombe, Riverwood and around.

What we are finding now is that we have people who are absolutely destitute and cannot manage. One of the factors that goes into this problem is Energy Australia's system. The Energy Australia people, when St Vincent de Paul and all the other charity people ring them, are very cooperative. Quite often, if you catch them early enough, they will do a deal and give a little bit

of extension. What we do in those situations is arrange with the energy people to give the people in trouble one or two EAPA vouchers to give them a little more time to get to it. That is quite common. The real impact problem that is causing enormous problems right at the moment is that quite often they leave it a little bit too late and they get a disconnection notice. We have a client with four toddlers. She has these children, winter is coming on and she is about to be disconnected. When she rang in to Energy Australia to try and arrange something, the best they could do at that time is to tell her that it was okay, it was going to be disconnected, but if she could get the \$300 in the next two weeks it would be okay. She had no hope whatsoever of doing that. What we need from the Energy Australia people, we would suggest, is a little more flexibility than this iron tank running them down, with the children. It is possible, with an agreed set of criteria, to extend it a little bit—if they give them a couple of EAPA vouchers, we will monitor them, paying more in and also taking advance deductions. I do not want to expand on that; it is in the paper.

Ms McDonald—I want to talk about Melinda, who is a sole parent. She has four children. Her three eldest children were from one father, who failed to support her financially. However, the paternal grandmother minded the children while Amanda went to work. Unfortunately, the paternal grandmother died from cancer last year, leaving Melinda on her own with the children. Melinda met her second partner and he seemed to be very supportive and she had her fourth child with him. Things went along smoothly until the stresses became too great and the partner attempted suicide and was admitted to hospital. This left Melinda with her children. She went into private rental for which she paid \$330 a week for a house in a very poor condition, and she struggled along self supporting. After rent she was left with \$220 a week on which to live.

Things were going fairly well until there was an error made with her CRS forms. Some error was made, and in the second week in December, instead of receiving \$1,100 for her fortnightly payments, she received a payment of \$290. She went straight to the CRS office, and they said that they could not help. They could not correct the mistake, although they could see an error had been made. Melinda admitted that she probably filled the forms in incorrectly. She did have a bit of difficulty when it came to filling in forms. So there she was, left with four children, coming on to Christmas. She was already one week in arrears in her rent, and she had \$290 on which to live for a fortnight.

These four children had been taken from place to place. They had lived in several different houses. She had been on the housing department waiting list for nine years, but they deemed she was not eligible for emergency accommodation. After we assisted her for many weeks she moved on. This is a concern because the children keep changing schools and they keep changing accommodation. The last time I heard of Melinda, she had gone off to get a one-bedroom unit. She only took the baby with her when she signed off on the rental and she was going to move the four children into that accommodation. She was given an opportunity at Newstart to do some job training and they were going to mind the baby for her, but meanwhile she was going to have four children in a one-bedroom unit. I must say, in spite of her lifestyle, this girl did seem to have very good mothering skills and she really cared for her children.

The second case reinforces the lack of mental health services. It regards a situation we were called to where an elderly woman had been the carer of her daughter, who had a chronic mental health problem. Somehow things had slipped through the gap and the mother had had a stroke and had been lying on the bed for several days. I am not sure who found the mother, but she had

been taken to hospital by the time we found about this. The mental health team came and decided that the daughter needed to be admitted to hospital because she was in a very bad state. When we visited, a second daughter who had come from Queensland was looking for assistance. The house was literally unliveable. They could not have eaten for I do not know how long. The fridge had moss or something growing out of it. The stove had not been used. So, in spite of all our mental health services, they are not adequate for the people out in the community.

Ms McMahon—I am the family assistance liaison officer at Maroubra. I do not want to repeat what everyone has said, but a lot of the cases that I see are just a complete repetition of what you have heard today. In support of the mental health issues, I see a lot of people that are schizophrenic and also come under the protective office. A lot of the time, they get their two small payments a week to live on and their money is taken care of and the rent is paid for and they are given little bits to pay for food. But they come to me not only for company but because they have not got living skills. They constantly need visits from the St Vincent de Paul Society to change their furniture; once again, that is due to their lack of living skills and lack of caring. Sometimes, when you boil it all down, the problem is just what our previous speaker spoke about: loneliness. They just come because of loneliness and because they need help with patching up the gap in what they have received elsewhere.

In particular, I would like to talk about one man, Warren, who wanders the streets. Warren is a schizophrenic. He is very badly dependent on his medication. He is supposed to get it from a doctor, and there is only one doctor in the Maroubra area who will see him; no-one else will see him. He is supposed to get his medication on a Friday afternoon, and it is supposed to last him all weekend. He is told, 'Look, Warren, I am the only doctor that will see you, I urge you to have your medication as you should have it—some on Friday night, some on Saturday and some on Sunday.' He takes it all on Friday night, and of course we can imagine the consequences. He then comes down to St Vincent de Paul or a church or an agency in the area saying, 'Help me', high as a kite, because he has taken all his medication in one go. Now, at one stage he did have housing commission accommodation in Maroubra, but he was very badly taken advantage of because certain people that were getting out of gaol got to know that Warren had housing commission accommodation and they would just squat on him. So he was squatted on and he was even followed to the Protective Office in town and bashed up for his little amount of cash a couple of times a week. Warren spends his whole time now being banned from certain places but coming in a lot of the time for company—and also asking, 'Can you help me with food?' So I am concerned about the schizophrenics and the people on the Protective Office list.

Miss Ashton—We run a family and welfare centre in Redfern where we offer a range of different services to people in the Redfern area. It is similar to what Kevin was talking about. We are next door to Waterloo, and we see a lot of the same problems that the Waterloo area does. Redfern has a lot of housing commission accommodation, with big tower buildings and walk ups. That is mainly the concentration of people living there. The stories that I have are probably very similar to what Kevin has already talked about, but I will just give you an idea of some of the people that we work with in the Redfern area.

Some of our teams visited a gentleman in a Department of Housing flat in one of the tower buildings in Redfern. The 45-year-old man was also schizophrenic—something that we have heard a lot of here today. He was on medication and was trying to make a real go of it for himself and to live an independent sort of lifestyle. When our volunteers arrived, he was sleeping

on a mattress on the floor and he had no furniture, no fridge, no linen and no crockery. He had nothing. Basically, it was just him and his mattress on the floor. That was it. He was on a Centrelink pension, so his income was very limited. He said that he just could not afford to actually buy any furniture and he had no idea how to go doing that. Again, I guess it comes back to the services or the lack of services for people with mental health issues. He just could not see a way out of that. The volunteers helped this man out to get some furniture and a fridge and some crockery and all that stuff that he needed. But they basically said that they had to sort of force that on him, because he just thought that that was his lot in life. He thought that was the way he was going to live and he had no access to any other services to help him. So that is one example.

We have another young couple we are working with at the moment. They are aged 18 and 20. They share a room in a boarding house in Redfern which costs them over \$200 per week for a room. Both of these young people were kicked out of homes with their parents, because of drug use I think. The young man's income is a Centrelink Newstart benefit, which is about \$250 a week. His partner does not actually receive any income because she cannot supply Centrelink with a birth certificate. She cannot afford to get one, because she does not have any income, so she is going around and round in circles with this and cannot actually get any income for herself. They are both on methadone. They have been asked 'Why don't you move out to the western suburbs where rent is a bit cheaper for you? Why don't you do that?' His response to that is that he is currently on probation and he is not allowed to move out to that particular area because it is a restricted place for him. They are both trying to get a better life for themselves, but at this point they are just barely making ends meet with the amount of money that they are getting. It seems like a hopeless situation for them, because they just cannot see any way out. It is just going around and around in circles for them.

The third story is about a woman who has multiple health problems. She has got emphysema, osteoarthritis and she suffers from an anxiety disorder and also depression. Those are just a few of the problems she has. She is currently living in a Department of Housing house. She has had constant problems that are not being addressed with the Department of Housing. The power supply into her house is dangerous and continually shorts out appliances in her property. The floor has been damp for over three years, that we know of. It is constantly damp. She has been without hot water on a number of occasions because of the power supply. It is sort of blowing up everything that is in her house.

Her doctor actually wrote a letter to the Department of Housing about concerns for her health because of her medical conditions. Nothing was done at that point to resolve the problems. The woman informed us that the house was also infested with cockroaches. She said at night when she sleeps that they would crawl on her, laying eggs in her hair. The Department of Housing also sent a pest controller around to her house. He ran out of spray and said he would come back. That was in May 2001, and she has not seen him since. The woman is on a disability support pension. She could not afford to pay her electricity account at one point. She did not contact us. She just thought that she would be able to deal with it. She did not pay the bill, and the electricity got cut off. She decided to contact Centrelink for a \$500 loan because that was her way of trying to resolve the problem for herself. She was told that she was not actually eligible for that for another five weeks. We contacted Centrelink to try and assist her with getting that \$500 loan. We informed them of all her medical issues and the fact that her emphysema is going

to be made worse by not having these things—she needed a nebuliser to help her breathe. Again Centrelink refused basically. We had to come to the rescue again with that.

Mr Chircop—I work with Rendu Youth Services. We work with men aged 18 to 24 who are recovering from drug and alcohol and other addictions. I have had the privilege, I guess, over the years of working with a number of programs—Work for the Dole, JPET, the personal support program, which was a community support program I worked in for three years, and a variety of other labour market programs. So what I can say, without having to repeat what everyone else has said, is that there is a real complexity of issues in the community. I think some of Cassandra's examples showed that.

We have a young man at the moment who we helped place in a community housing flat. We were offered this flat by a local community housing provider. None of our men were suitable for this flat. They were not at the level where they could be independent, so we contacted another organisation, and they said 'Yes, we have got a guy who has been living on the street.' So he has moved into this flat. He is always on the nose—he stinks—because he does not have a washing machine. He has to travel to the border—to Albury-Wodonga—to attend his court cases because of a custody issue. He is only about 20 or 21. He cannot afford that. Obviously both organisations—our own and the other one—have helped him with some basics. He has mental health issues. These affect him in ways that are not always easy to understand. I do not know what you think but I would think that if you are going to have your payments breached, you would go to Centrelink to make sure they do not get breached, but it does not work that way with him. For whatever reason, he is paranoid about going there and does not go there, and he gets breached again. It is very complex, and you do not always understand it, but it is real.

I guess one of the points that I want to make is that when there is this complexity going on and these people tend to have poor problem solving skills, they get very numb. They do not think clearly and they just survive. They get into a survival mode, a bit like a ball in a pinball machine. I would go and get my entitlements, but they do not. Sometimes they just do not realise that they have entitlements.

Travel concession passes are an example. I would think that it would be automatic—indeed, mandatory—to get something like that when you are unemployed, but it is not. You have to actually find out about it. You have to notice something on a wall that says you can get a travel pass. You do not get a work entry fee when you get a job, after not having had a job for two years—you have to know about it so you can apply for it. I find it difficult to understand why these things are not mandatory. These people have it hard enough as it is. They do not need to go through another procedure; it should just be given. Although I have probably said enough, there is just one other thing. The men we work with have addiction issues, ADD, schizophrenia and/or bipolar. There may be trauma issues because of the things they have been through. Because of all those things, they do have very poor problem solving skills and poor living skills that need to be addressed.

I have worked in labour market programs over the years, and the Work for the Dole program does not appear to address these issues of these people. It will help some people—particularly if they are a little more motivated—but many of them get a reinforced message that they really are no good and that they really do have to work for their dole. Some of the predecessor schemes did have a real focus on training, work skills, building self-esteem, building social confidence and

working in a group that starts together and six months later you finish the program, rather than there being three people this day, a new person next week—people coming and going—with no cohesion in the programs. There is a sense of completion of the task they signed up to the labour market program for. In the centre I worked at we saw amazing changes in the majority of people. Issues of the long-term unemployed will get addressed through those types of programs that address skills rather than programs, such as Work for the Dole, that do not address those issues effectively.

Ms L. Carter—I work at Vincentian Village Drop-in Centre, which is situated between Hyde Park and Kings Cross. We really are working on the front line there. I work directly with the clients that come into our service. Our clients are anybody that walks through the door with whatever issue they have. We deal with drug and alcohol issues, mental health issues and legal issues—whatever walks through the door. The priority of our service is to case manage these clients long term. However, I cannot get beyond trying to find clothes to put on my clients, whose clothes are wet from living on the streets. They either do not have a change of clothes or the clothes that they do have on them are in bags that have been ripped and torn from being carried around. That is what we have to work with at the minute, before we get to the stage of getting them into the department of housing or getting them to be independent in their own way and able to move on with their lives. We are trying to feed them and clothe them as well.

On the issue of Centrelink, we have clients who not only have been breached by Centrelink and receive no payments but who also have been banned from walking into Centrelink to sort their issues out. They get to the stage where they have no money. With regard to accommodation, most of the crisis accommodation services give three nights credit. After that, they are back on the streets again. Crisis accommodation services in the city are few and far between. It does not take a long time—a maximum period of two or three weeks—before they have outstayed their welcome in every single refuge that is vacant in the inner city area.

We are getting them back into our service again, starting with the basics—clothing, food and accommodation. We are finding it more and more difficult to break this cycle at all and to move on further from this. Two particular clients have moved on from these situations. One gentleman, who is actually at university—which is absolutely fantastic, he got accepted and met all the criteria—needed \$500 so he could start his course. He did not have \$500 to start his course. He had been on Centrelink benefits for many years. He went to the unions at the university and to many different organisations but it was just unheard of to provide \$500 so this gentleman could study, better himself and move away from our services. Thankfully, we eventually came up with the money. It meant he missed out on his first semester at university and he has had to defer that until next year. Hopefully his interest will still stay there and he will be able to study and move on.

A young family also comes in to us. Mum and dad are both on methadone. They have an 18-month old boy. It costs them \$200 a week between the two of them for their methadone. Their transport to and from their methadone clinic to pick it up costs a further \$65 a week. These are the big things people seem to forget about. Methadone is one cost, but there are additional costs such as child care for their young child. They do not want to bring their child into the less than ideal environment from which they pick up their methadone. It is fantastic that we have been given the opportunity to talk to you and to hear all these stories. I would like to extend an invitation to all of you to come and see our services and see what happens there. All I can say is

that I have been very lucky; I have come from a privileged background. Life in there is a completely different story. We can listen to the stories, we can hear them and we can take them on board but, until each and every one of us sees what is going on in these centres, it is very difficult to have a complete understanding of how low those people are and of the stigmatisation of these guys.

Ms Crimmins—Lorna manages the parent support service, the drop-in service there. I just want to add very quickly that I do not know where the people who come to the village would go for basics such as a glass of water, a shower, washing their clothes and all the things we take for granted if we did not provide them with that service. At 10.30 a.m., after a night like last night, there are 10 or 12 people huddled in the doorway waiting to get in to have a glass of water first thing in the morning, apart from the showers and the clothing et cetera. That is a very important point that we sometimes miss out on. The other thing is having an address. Being homeless and without an address, you not only miss out on all the home facilities but also on things that really affect your every day living such as official notifications and breach notices, which must be floating around in the mail. The first thing that people notice when they have been breached is that they have no money in their bank account to draw out that week. Not having a home, not having an address, has far-reaching ramifications for people.

Mr Finneran—That is it for everybody in our delegation. We are ready for questions.

Senator LEES—I hear of constant difficulties with income support. What percentage of your time, roughly, is spent in a liaison role between Centrelink and clients, finding either missed benefits or breach problems? Mr Finneran, you mentioned the case of a schizophrenic in your submission. Shouldn't that person be on DSP rather than be in a breaching environment? Can people generally comment on the difficulties there?

Mr Chircop—I was working in the community support program. These people are in between intensive employment assistance and the pension. They are kind of in the middle there. Our role is to support them and to try to get their issues sorted—to get them healed up and trained up in the two years they get off job seeking. By the end of it, you either make a recommendation for them to go on to the pension or they go back into mainstream job seeking. At certain times, it seemed to depend on the political climate. In all honesty, it seemed that way to us. Sometimes it was easier to get these people onto the pension—it was not an issue—but all of a sudden it was almost impossible to help them get on the pension. You could have identical cases. Take case A and case B, for example. Although case B was far more complex and far more obviously should be on the pension, because the climate changed all of a sudden, we all wondered why we could not get anybody onto a pension any more. We heard a rumour in the mill that a bit of an edict had been sent out to Centrelink offices to make it just a little harder for people to get onto the pension—perhaps there were a few too many on.

Senator LEES—So how long do you spend trying to work through, for people who are on Newstart, all the problems relating to breaching, preparing them so that they do not breach, chasing their mail or whatever?

Ms L. Carter—I would spend on average about 60 per cent of my day trying to liaise with Centrelink and services like that. The problem is that leaving messages and waiting for your calls to be returned can take up a whole day. Before you even know it, it is 10 to five, you are

trying to sort through the issue, and someone says, ‘Can you call back tomorrow because we do not have the time,’ or someone is leaving the office or whatever is happening. So it can go on for days and days before it eventually gets sorted.

Senator LEES—How can you sort it for someone who has been banned from the Centrelink office?

Ms L. Carter—This is what happens. You are liaising between staff. For example, I would get on the telephone—it is a three-way conversation—but first of all I have to get permission from my client to give information to Centrelink to sort out his or her problems. That is what is so time consuming. I have my client there, I am trying to relate the story and sort that out, and I am passing the phone back to the client to try to sort it out. It is just incredible.

Senator LEES—So someone who would be banned, I presume, has a mental health issue?

Ms L. Carter—Yes.

Senator LEES—So again across the board what percentage of clients have a mental health issue, whether it is a family problem, homelessness or whatever?

Ms McDonald—It depends on how you define ‘mental health problems’, because some of it is just low self-esteem. They have been knocked so many times they are depressed and they just do not have the energy. That is not just working in a complex centre, that is just visiting houses in the suburbs.

Mr Finneran—On that issue, over 90 per cent of the people we work with have had some kind of trauma in their lives. Definitely over 50 per cent would have a mental illness. On the Centrelink issue that you mentioned before, as a volunteer I have a full-time career in education. I get calls during and after my work time, so I am placing calls to Centrelink and to other agencies on behalf of the people we work through in my time in between my own work. So again I am trying to get that call through plus work at the same time. Again, over half my time is spent on trying to get onto agencies such as Centrelink. So it is very difficult for us as volunteers. The people who go out on night patrol are volunteers—again, they are students or they are working full time. They are fed back information such as this which we volunteers, off our own bat, try and work with, and we find it very difficult because of our own lives. So we then try and pass it on to those who work for St Vincent de Paul. In relation to the fellow on Christmas day, I asked myself the same question: why wasn’t he on the DSP?

Senator LEES—I have one last question relating to drug and alcohol. I think Peter mentioned some of this as well. What percentage of your clients have either had drug and alcohol problems or currently have problems with alcohol or drugs?

Mr Cavanagh—I can perhaps throw some light on that, Mr Chairman. At Waterloo we would handle between 30 and 40 cases each week. Roughly 50 per cent of those would be on a disabled support pension of some kind, perhaps as a result of a mental health problem, and this is a problem when you are trying to get pension details. They might be on Newstart with a sickness benefit or on a disabled support pension. You mostly have to get hold of their pension card to find out whether they are on Newstart with a sickness benefit or whether they are on a disabled

support pension. It does not really matter, I suppose, in the final analysis. Fifty per cent of them would be suffering either from mental illness or drug and alcohol related problems.

I make one comment in respect of the Centrelink problem, and that is the privacy laws. I cannot ring up a Centrelink officer and discuss a client with him unless I have the client with me when I do it, because of the privacy problem. The client gives me a story which, on the face of it, I believe, shall we say. I cannot then go away and ring Centrelink and say, 'Was this guy breached simply because of this or is there some other background?' They say, 'Sorry, sir; we can't discuss that.' I then have to get hold of the guy and take him to Centrelink. Frankly I do not have the time. We are dealing with 30 cases. We are flat strap each week trying to get through the cases. So we then refer them to 125 Pitt Street, who perhaps have no more time than we have, but at least they have the access.

On the occasions on which we do get through to Centrelink—I hope you do not think this is an unfair comment—the culture seems to be this: 'you prove that your client is right; it is your client who is wrong, not us'. That seems to be the culture. I will give you one simple example. Centrelink got a letter from a client's ex-partner saying that he was now supporting his children. Centrelink, without inquiry, took it at face value and cut off her parenting allowance. When she went back to Centrelink, they said, 'Prove that you have the child.' Any number of people could have said she had the child. He then says, 'But I am paying her to support the child; I should be getting the parenting allowance.' It ended up in court. In February, about six months later, the judge finally said, 'I have had enough of this,' and threw the whole case out of court. Centrelink have now paid her six weeks, which is the maximum they say, back payments for her parenting allowance. She is out of pocket by three months parenting allowance because this thing has just dragged on and on. I do not know what you do about it. I emphasise that, on the limited contact I have had with Centrelink offices, the attitude seems to be this: you have to prove your client is right before we will do anything'.

Senator KNOWLES—They have to prove the accuracy either way because they are dealing with someone else's money—taxpayers' money.

Mr Cavanagh—I understand that, Senator, and I hope I am not being unfair about this. But it makes it very difficult if you are pushed for time and you are trying to get something for a client when you then have to prove, and that takes time. That is part of the problem. I do not know what the answer to that is but it exacerbates the whole situation.

Senator KNOWLES—But the onus of proof is on each and every one of us for anything that we do in life.

Mr Cavanagh—That is true, but we can be sympathetic to the fact that this person might just be telling the truth.

Senator LEES—Sorry to interrupt. Are you able to pay rent and look at some of the bills these people need to pay and then they pay you back once the problem is sorted out?

Mr Cavanagh—No. Our conference has a firm policy: we will not give clients money except in exceptional circumstances.

Senator LEES—So you would deal with the housing trust or the electricity or gas bill?

Mr Cavanagh—We will occasionally pay the rent—

Mr Finneran—Yes, we will.

Senator LEES—But then they do not have a debt with you? They do not later have to pay—

Mr Cavanagh—No, they have no debt with us.

Ms McMahon—We have limited resources, Senator. We have a set charter, and mainly it is food, furniture and clothing, and emergency, but it has to be very limited because of our limited resources.

Mr Brown—As my colleague at Riverwood, Leon, was pointing out, electricity is a major issue. I also attend our regional conference at Bankstown and I have been doing that for over 12 months. Within that period, the number of electricity vouchers that are made available—they are all sent to Bankstown and distributed—has reduced alarmingly. This time last year we expected probably two or three books—each book contains 10 vouchers for a quarter—but now we are lucky if we can get one book.

Senator LEES—Who provides those? Where do they come from—state funding?

Mr Brown—Yes.

Mr Cavanagh—Family and Community Services.

Mr Brown—You were talking about statistics before. Just very briefly, there is a lot of public housing in the Riverwood area. In the period July to February, which is the period I have statistics for, we assisted 400 people in the Riverwood area. Of those, 44 per cent were disability pensioners, 21 per cent were unemployed, nine per cent were aged pensioners and 19 per cent were sole parents. So only 19 per cent of all adults we serviced were sole parents. However, 37 per cent of the 400 people we serviced were sole parent families. So well over a third included sole parent adults and their children. So certainly in our area that is a really major issue. It is not uncommon to have sole parents with three or four children.

CHAIR—Miss Ashton, I think you said you were from the South Sydney or Redfern conference?

Miss Ashton—I work at the Family and Welfare Centre in Redfern, yes.

CHAIR—Is there any particular comment that the society would like to make in reference to Indigenous people? Is there any particular aspect? We have not heard anything about Aboriginal people, particularly around that area. Perhaps Lorna could answer that.

Ms L. Carter—What I am finding quite a bit in the service is that we are getting them into departmental housing, particularly in the Redfern area, because that is where they are feeling most comfortable. A problem which I think has already been mentioned and which we are seeing

more and more is that we find them a couple of weeks later back in the service; they have literally just walked out of their houses. They have been put in there. They can only get the basics again, mattress on the floor. They cannot get the support of all the services. So they go back to where they know best because it is what they are used to and where they have been for a long time. Indigenous people in particular are finding it more and more difficult to access services for various different reasons.

Mr Finneran—We run a program in the Sydney region called Task Force. Currently we are working with 80 cases a week specifically with Indigenous people in Redfern. They are very similar to the cases mentioned today. They have very similar problems, particularly with mental illness, and with access to a variety of services due to the inability to know—as Peter mentioned today—what is available to our Indigenous brothers and sisters. Those problems are very apparent.

Mr Cavanagh—I could not give you a number. In our particular area we have got quite a large population of Indigenous people. We have made a firm policy decision: we make no differentiation between Caucasians and Indigenous people; we just take them at face value. We certainly do not ask what benefits they might get through their Aboriginal services, although there are occasions when this kind of pops out and we know that they are getting some benefit from Aboriginal services. But we make no differentiation between them. We do not even keep any records of whether we have Caucasians or Aborigines.

Mr Finneran—The Task Force program is particularly aimed at Indigenous brothers and sisters.

Ms McMahon—Mr Chairman, can I just add that we do have a lot of Indigenous residents in the Malabar area and I would like to concur with Kevin: we make no differentiation and we do not keep separate figures. They are treated exactly the same as everybody else.

Senator FORSHAW—Firstly, let me congratulate you on the written submission and on supplementing it today with some first-hand human experiences. I found the written submission very worthwhile and detailed. I think all of us have had similar problems with dealing with Centrelink, particularly in terms of dealing with the privacy problems. I have found that as well.

Can I just raise this issue of mental illness. The issue of what happened with deinstitutionalisation arising from the recommendations of the Richmond report is something that we have heard from a number of you and it is something that we have heard quite a lot in this inquiry and also as an observation or a theme that has been around for quite some time since the Richmond report. It appears that a lot of people are being put out into the community without adequate resources. Many of these people have difficulties, particularly if they stop taking their medication or if, as you said, they take it all in one go. It appears at least that it is widely recognised that this is a major and increasing problem.

This may be an impossible question to answer. However, like other groups you have had a lot of experience of this issue over a long period of time now. What propositions or solutions can St Vincent de Paul put up to ease that problem? At the end of the day, it seems to me that the issue comes back to the provision of services, such as halfway houses, and even the ability for people

to access institutional care and therapy when it is needed. A lot of professionals will tell you that is almost impossible now, even through the mental health system.

Mr Finneran—The approach to mental illness needs to be one which engages all federal, state and local bodies, particularly to work together.

Senator FORSHAW—This is a poverty inquiry.

Mr Finneran—I realise that. But I would argue that particularly with these issues of access and exclusion, and more particularly with mental illness support and network, there needs to be a coordinated approach to dealing with these issues at the local, state and federal government levels, and also through the welfare and NGO communities. As Peter mentioned before, these are complex issues. Whether there are housing, DSP or benefit issues, quite frankly there needs to be a coordinated approach.

Senator FORSHAW—Is there just a lack of people on the ground in the services such as the psych units at the hospitals and the other care agencies that are available?

Ms L. Carter—Absolutely. In our case, a client may have been admitted to Caritas, for example. Beds are very few and far between. If someone who is more sick comes in, that person is excluded from that bed and, unwell, is put back on the streets again. We are a service. For example, we are lucky; we are open seven days a week, 10.30 till 6.30. We only have them between that period of time. As far as follow-on care goes, we just do not have the people or the time to go and take them to the different services which a lot of them do need, or if they are going back into their accommodation, to actually follow up with them in their accommodation to see how they are going to make sure they are stabilised to prevent them from going back again. It is just that vicious circle that keeps going around and around. We will get them back for a couple of weeks and a couple of weeks later we are on the phone again looking for them to come down and to schedule them and put them back in there.

Senator FORSHAW—I have been hearing this from St Vincent de Paul and other groups in suburbs and in country areas too. It appears that this is not just a major problem in the cities where people might think that it congregates. Is this your experience?

Mr Cavanagh—This is not a case where one size fits all, but I think there are some initiatives which could be taken. For example, Frederick House is a home in our Waterloo area which was set up by the society with the assistance of the Commonwealth government to take care of frail, elderly men who are on the streets. There are about 40 or 50 of these men living there under supervision. They have very nice accommodation. They get three meals a day. We take 80 per cent of their pension and they get the other 20 per cent, mainly to spend at the pub on the corner. But these are all frail, elderly men who, in the final years of their lives, have some degree of comfort. I believe that similar homes, not necessarily accommodating 40, but small group homes for perhaps half a dozen people, would go a long way to sorting out the problems of loneliness, and lack of supervision of medication and so forth, which exist for some people with mental illness.

Another important organisation with which I am familiar—and for which my wife works—is Brown Nurses. This is a very small group of people who work in the inner city areas with people

with mental illness to supervise their medication. They might visit them three times a week to see that they are showered, that their places are reasonably clean and tidy and that they are taking their medication. In many cases, that just tips the balance so these people are able to cope in the city on their own without descending into the depths of squalor and so forth that some of the others descend into.

Senator FORSHAW—Mr Cavanagh, I think it was you who mentioned the situation of the woman who was breached and did not get the parenting payment and then went to court or something?

Mr Cavanagh—Yes.

Senator FORSHAW—She finally got six weeks payment—

Mr Cavanagh—That is what I was told. That was her advice to me, that the maximum payment they could make in arrears was six weeks. I cannot swear to the veracity of that because I have not checked with Centrelink.

Senator FORSHAW—One would assume from that that there was an acknowledgment by Centrelink that it was their error ultimately?

Mr Cavanagh—The court said so. The court said the man had no case.

Senator FORSHAW—Because you said the court threw it out and said, ‘Go away. We don’t want to hear any more about this.’

Mr Cavanagh—That is right.

Senator FORSHAW—So she was in the right?

Mr Cavanagh—Yes.

Senator FORSHAW—That is one of the anomalies here. I had a situation not so long ago where a person’s pension was cut off because they went on holiday and did not fill out a form that was sent to them. I rang up the local Centrelink office and said, ‘How come this person’s pension was stopped?’ They said, ‘They didn’t return the form.’ I asked the person why they hadn’t returned the form and they told me it was because they were on three weeks holiday. They eventually got their pension reinstated with full back pay.

Mr Cavanagh—As I understand it, there was a question of the length of back pay that Centrelink was able to provide. I was told it was six weeks.

Senator FORSHAW—We can check that. There seems to be an inequity somewhere.

Senator DENMAN—I have whole string of questions here, but I will cut it down, I promise. Mr Finneran, you said that there had been an amazing increase in the number of people that your organisation was dealing with. Have you got any idea why there has been that increase? Do you know what contributed to it?

Mr Finneran—Particularly since the Sydney Olympics, the cost of accommodation in boarding houses, bedsits and what have you has increased remarkably in that time. Consequently, people have come onto the streets. To be frank with you, the increase has been absolutely remarkable. In some ways, we are astounded at the amount of people we are working with at this stage, and it is something that we need to look into and research ourselves. It is something that needs to be looked at.

Senator DENMAN—I would be interested to see that research if you get around to doing it.

Mr Finneran—Absolutely. The increase in accommodation costs in the city is definitely one reason. The problem with mental illness, which we have talked about today, is getting worse. There is an issue in respect of people not being able to access employment, pensions and also accommodation.

Senator DENMAN—I have a family member who is suffering from a mental illness at the moment so I know exactly what the situation is. Mr Cavanagh, you spoke of places for people who have had a mental illness to go and live. Would it be feasible for them to go into some kind of halfway house and learn daily living skills again—how to care for themselves, how to cook and how to clean?

Mr Cavanagh—I would have thought so. I am not a mental illness expert by any means and I am taking the analogy from other situations where I know that sort of thing occurs. But I would have thought so, and it would be a great thing if they did learn such living skills.

Senator DENMAN—I have noticed it is lacking.

Ms McDonald—I think that people do not appreciate that that has to be reinforced time and time again. I have been involved with some mental health programs and, while people are getting the reinforcement and the support, they do well, but as soon as some stress enters their life they go back again and so you are back to square one.

Mr Rogers—Just by way of comment in terms of mental health, there is a problem in terms of dual diagnosis where you have an individual with a mental illness which is either drug or alcohol related. When they go to a Sydney hospital for assistance, their illness is not specific enough for them to be treated because it is related to alcohol, mental health or drugs. So to some degree, the problem is exacerbated in that they are fobbed off to another department which cannot deal with it specifically. So you have an individual who suffers from a dual diagnosis, mental health, drug or alcohol, and he is in the nexus of where to go and get some assistance. That seems to be an increasing problem for the society which helps people who suffer from dual diagnosis. What is the solution? It has been suggested that there might be an inquiry at the state level in New South Wales into mental health categories in terms of how we might be able to overcome this problem of dual diagnosis, because it is a problem and it certainly is increasing. Thank you.

Senator DENMAN—I have not done any voluntary work in one of these agencies. I am unsure whether clients shop from one agency to another. Is that a problem or an issue for you?

Mr Cavanagh—It is a problem in the sense that it is very difficult to stop, and probably nobody has any real desire to stop it anyway. None of them get rich off us.

Senator DENMAN—No, I understand.

Mr Cavanagh—The sort of thing that happens is you front up at the front door and if the door opens the kid says, ‘Mum, the Sallies are at the door,’ and you say, ‘This is Vinnies.’ I have tried to talk to my opposite numbers but the Privacy Act gets in the way again. I cannot ring up Anglicare, for instance, and say, ‘Are you dealing with such and such a family?’ They cannot ring me up and say it because we cannot tell them, not that we have any real desire to do it except in very exceptional cases where you might say, ‘Look, this is a really difficult case and we really should discuss it.’ Certainly they do shop around.

Senator DENMAN—In terms of the needle exchange program or those who are using drugs and sharing needles, is that presenting health risk issues?

Ms L. Carter—Needle exchange programs—

Senator DENMAN—No, sorry. In terms of the people who are using drugs and using needles, are they sharing needles and does that present a health risk?

Ms L. Carter—I can only speak for my area. In my area there is a high level of needle sharing. A lot of it is around because services are open between specific hours and they can only access free needles from places like the Langton Clinic and Kirkton Road. Other than that, they have to pay for them and this is an issue because they do not have the finances. After a certain time of the day, they cannot access free, clean needles so they end up sharing needles. That is how it works out.

CHAIR—Thank you very much.

Senator MOORE—I was interested to hear the comments about Centrelink. We have been told on a number of occasions by Centrelink that they have an extensive community outreach program and what they call value creation workshops where they actually talk with the people on the ground at each regional level to develop processes for service delivery, for policy development and also to link in specifically to the issues you have raised about difficulties of communication. Have you had experience of those processes and the feedback that came from them?

Mr Chircop—I was at one of those meetings last Friday, and staff confessed that one of the problems is that the Centrelink staff keep changing around all the time. They keep moving from centre to centre. So there is no real momentum gained there; the next time you go it is just a new person again. That is one of the problems.

Mr Brown—I have been assisting at Riverwood for about three years now and I was not even aware of it.

Mr Toohey—I might make a point from personal experience—in relation to Senator Knowles’ comments—about the burden of proof. My wife and I received in the mail a form saying, ‘Righto, you are on the age pension: what happened to these three lines of investment?’ We struggled for days finding that they had gone on their way five years ago. We went to an enormous amount of trouble to find the documents they demanded. We wrote to the advisers and

sent the material off with two separate pages because we had different numbers. I rang twice to get advice from Centrelink about just how far we go with this, and offered them complete access to our investment advisers. I sent the material in two days before the expiry of the three weeks—this was to Chatswood. Seven days later I opened the mail to find that our pension had been suspended—and that came from Hurstville. I will not bore you with the details, except to say that we hit the road and raced across to Hurstville, where I had to submit a complete set of those papers again, and they were fairly substantial papers and complex. Despite having met the burden of proof at that stage—we told them the day that we sent it, we told them where we posted it and everything that we possibly could—our pension was suspended.

The other factor from an unknown source, or a known source that is not going to turn up here, is that, like every big organisation, Centrelink is a big place and has the good, the bad and the ugly. There is a very desperate need for training of the staff who have been given enormous powers to just cut off your pension. There is no going up the hierarchy or to any sort of 'Is it fair?' conference, and people are totally inadequately trained. This is coming from inside Centrelink. They told the particular person I am thinking about, 'Right, you are on this pension thing. Get stuck into it,' and he refused. He said, 'I know nothing about the pension structure. I know nothing about this. I have no training on it,' and refused to do it. How many pensioners in the much older age group, less aggressively rebounding, have been hit by this? That is a problem.

Ms L. Carter—Not so long ago, our service contacted Centrelink in our local area to try to encourage a member of Centrelink to come to our service one day a fortnight, or whatever they could, so that they could have direct access to our clients, a better understanding of where our clients are coming from and what their situations are. We were told that there was not enough staff to cover that, nor was there anybody there. There was one person who was trained to come out and do that, but they were already based in a service in the city which was one day per week and next to impossible to get in contact with. We tried to refer our clients to this other service to get this one-to-one contact with the member of Centrelink, and basically it has been just impossible to make that contact—so forget it.

Senator MOORE—Okay.

CHAIR—It does not appear there are any further questions. I would like to thank you very much for coming in today. We have a submission from your national council and we will have an opportunity to go through it with them at our Canberra hearings. My colleagues and I really appreciate your frankness and your dedication. If you have any more detailed information which you would like to supply to us, you are most welcome to do so.

Committee adjourned at 4.38 p.m.