



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

Reference: Poverty and financial hardship

FRIDAY, 2 MAY 2003

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SENATE
COMMUNITY AFFAIRS REFERENCES COMMITTEE
Friday, 2 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, Humphries, Hutchins, Lees and McLucas

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 9.15 a.m.

HERON, Ms Lorraine, Coordinator, Tasmanians with Disabilities Inc.

MILLER, Ms Jan, State Councillor, Tasmanians with Disabilities Inc.

WILKINSON, Ms Robin, OAM, Vice President, Tasmanians with Disabilities Inc.

FLANAGAN, Ms Josephine, Manager, Social Action and Research Centre, Anglicare Tasmania

GRANT, Mrs Linley Maibel, Honorary Secretary, Tasmanian Poverty Coalition

HOLLOWAY, Ms Maureen Frances, Chairperson, Tasmanian Catholic Justice and Peace Commission

McINTYRE, Ms Ronda, Director, Child and Family Services, Salvation Army

OWEN, Mr David, Policy Officer, Tasmanian Council of Social Service Inc.

CHAIR—The Senate Community Affairs References Committee is continuing its inquiry into poverty and financial hardship. I welcome representatives from TasCOSS, Anglicare Tasmania, the Tasmanian Catholic Justice and Peace Commission, the Tasmanian Poverty Coalition and the Salvation Army. The committee prefers evidence to be heard in public, but evidence may be also be taken in camera if such evidence is considered by you to be of a confidential nature. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. There are a number of groups represented here today from whom the committee has received detailed submissions. To assist the committee in proceeding as efficiently as possible I propose to ask each group to make a short opening statement. This can be followed by a general discussion on the major issues expressed in the submissions, as listed on the agenda and including questions from the committee. If we can commence with TasCOSS, other groups can follow, emphasising issues of most importance from their perspective.

Mr Owen—TasCOSS today would like to add a few comments to the information already provided in our written submission. In that submission we sought to stress the Tasmanianess, if you like, of the poverty issue, rather than to simply echo issues that have already been raised at a national level by our national body, ACOSS. We indicated in our submission that we endorse the ACOSS submission in almost its totality, though—as discussions will no doubt reveal today—there are some differences between state and territory councils of social service and ACOSS over some details of some issues, particularly welfare reform and breaching, and they will no doubt come up at different times if they have not already in previous hearings. In general, the approach taken by ACOSS is one that TasCOSS is delighted to endorse, in particular on the more technical issues that relate to the definition and the measurement of poverty. We do not pretend at TasCOSS to have very much to add on those issues.

Again, our intention is instead to try to focus on some of the specifically Tasmanian dimensions of poverty and financial disadvantage, because we believe that it is not possible to

take an overall single approach to poverty and financial disadvantage in Australia. Rather, there are important state and regional dimensions that require a focus in terms of both the drivers of poverty and, equally importantly, the approaches that will be required to address poverty. We believe that Tasmania as a state and as a region—as it is perhaps more properly described—has particular characteristics that mean that certain approaches would be more appropriate and others less appropriate than would be the case elsewhere in the country.

TasCOSS in our submission attempted to make the point that poverty is best understood as some kind of intersection of issues about income, expenditure and other systems of support. I want to speak briefly to try to flesh out those particular ideas in the Tasmanian context. We make the point that it is very difficult to measure the extent of poverty in this state without getting down to details at the household level as a means of understanding whether low income necessarily translates as the forms of deprivation that we would recognise as constituting poverty. We recognise that there are a great many households in this state, as elsewhere, who are on low incomes but not living in poverty, while there are others who may appear to be on comfortable incomes but who are clearly deprived in important ways.

That represents a significant challenge for us as a peak welfare council, as it does for you as a committee. We do not pretend to come here today with neat, constructive answers as to how to address that. We do not believe there is a single definitional formula that will allow us ways of cutting through that particular dilemma. Instead we ask that the focus remain on those key elements of what poverty is and what poverty does in terms of subsistence and participation forms of deprivation. Participation is from a TasCOSS perspective an all too neglected aspect of poverty. We have sought in our written submission to focus on the fact that a great many Tasmanians are deprived of the opportunity—we would argue the right—of participation in their community, in their polity, by virtue of poverty in its various dimensions.

We make an argument that Tasmania has a particular character in the dimensions of poverty. Again, it is not possible to really talk about those dimensions without starting to get into definitions, and it is not my intention to go deep into those. But I would draw the committee's attention, nevertheless, to the fact that if for the sake of argument we adopt as an indicator—and an indicator only—of low-income eligibility for a health care card or a pensioner concession card—topical that issue may be at the moment—we find that in this state we have a much higher proportion of adults who have access to that card than elsewhere. There are about 345,000 adult Tasmanians, of 18 years or over, of whom 145,000 currently hold a health care card or pensioner concession card, based on the latest Centrelink statistics. Forty-two per cent of adults in Tasmania, that is to say, have a health care card or pensioner concession card.

We know that there will be other households, other adult Tasmanians, who are probably eligible for such cards but who have not applied for such cards. Features of the Tasmanian labour force are that much employment is periodic, sporadic and promises much but does not necessarily deliver, especially in rural and remote areas of Tasmania. That means that a great many Tasmanians may have employment at the moment and may have prospects of employment but over a full year nevertheless have income levels that would, in other circumstances, entitle them to be eligible for those cards and the concessions that flow from them.

So we are making an argument—albeit a non-documented, non-specific argument—that there are other Tasmanians who do not have cards, who therefore will not turn up on those Centrelink

statistics. Even without taking into account those Tasmanians, 42 per cent of the adult population being deemed by the Commonwealth to be eligible for a card that in turn entitles them to a range of concessions we take to be worrying indicator of poverty in this state, in this region. It is possible to go down within the state to subregions and find even more worrying percentages. I do not have those facts and figures with me here today. I prefer to stay at the state level and keep that focus on that figure of 42 per cent, which we believe to be higher than most other parts of the country.

In our submission we made the argument that those kinds of figures are the result of three things. We argue that this is a state that is characterised by having, overall, a very low income. Most of the facts and figures are fairly self-explanatory and you are already aware of them. You know about our high level of unemployment in this state. You know about the 3.2 per cent gap between the national and Tasmanian levels of unemployment, on the more reliable trend terms. I am sure you also know that that gap has been intransigent and, in fact, growing in recent years, notwithstanding positive indications in terms of employment growth in this state in recent times, which are trends that at TasCOSS acknowledge as being extremely welcome.

But, despite the welcome growth in employment in this state, the level of unemployment continues to be much higher than elsewhere, in part because we are seeing a return to higher levels of participation in the work force which, again, we welcome, even if it does push up the unemployment level as a figure. We make the point also that the nature of employment in this state is different from that elsewhere because of the higher proportions of part time and casual jobs. Again, there has been a welcome shift in that regard. Especially in the past six months there has been a move away from the creation of part-time jobs to full-time jobs. That is particularly important, because we make the argument that in a state like Tasmania it is ultimately only through full-time employment that poverty can be avoided under the current circumstances. So the creation of full-time jobs is especially welcome and more welcome, in fact, than simply the addition of jobs as such.

We make the point in terms of Tasmania being a low-income state that the other issues is a working poor issue, which we know has been brought to your attention in other hearings and other submissions. This is a state that, by and large, has slightly lower wage structure in terms of the formal awards that apply. Perhaps more importantly, though, it is a low-wage state because of the nature of our economy and the fact that we have certain industry forms that are different from elsewhere and also the fact that some of the trends that have occurred in other states in terms of higher-paid jobs going to better-educated job seekers have not been replicated here in Tasmania. It is worth pointing out that we do not have a head office economy in Tasmania, which many other states have. We do not have large companies basing their head offices in a Hobart or a Launceston, and that flows through to the absence of many of the support services that normally attach to large head offices of large companies. That is to say, we do not have developed legal, accountancy, audit, or information technology services et cetera that go with those head offices in other parts of Australia, all of which themselves are generally high-income jobs; we have a hollowing out in that part of our employment sector. Instead, to the extent that we have jobs being created, they tend to be—this is a generalisation—at the lower end of the wage structure.

The very important work that has recently been done by Michael Keating at the ANU about changes in the distribution of wealth in this country, which focuses on the fact that a large level

of explanation of that distribution stems from the creation of high-paid jobs at one end and the loss of low-paid jobs at the other end, has not been replicated in this state. We have not seen a similar creation of high-paid jobs. And so our overall wage levels for the state are low, and that has an impact which flows through the whole economy. We have also made the point, in our submission, that we have a higher than national average proportion of Tasmanians who are dependent on other forms of Commonwealth benefits by virtue of age or disability. All of these things combine to leave us as a low-wage state.

The second dimension we focus on is on the expenditure side of the ledger. Being a low-wage state would be easier to bear if this was also a low-cost state, but it is not; it is in fact a high-cost state. I will be saying little about that, because my colleagues here at the table have much more expertise and information on those issues, especially Jo from Anglicare. But I do need to point out that especially in recent years we have been seeing a shift in many respects to more of a situation where Tasmanians are thrust into the role of consumers with a wide range of choices on key consumer goods and services but with arguably not much more capacity to make the choices, and often with those choices not being to their advantage in terms of the overall cost of the goods and services provided.

We are an undeveloped state in our readiness to be consumers in terms of the fabric of non-government and government agencies that assist people as consumers. Consequently, decisions that people are taking about their financial services, investment planning for retirement, home mortgages, telecommunications options and so forth are adding to a high cost picture that we can paint in terms of the basics of existence. Joe and others will no doubt be talking about the costs of food, fuel, electricity and other staple subsistence issues. Those issues are coming to TasCOSS's member and constituent organisations as major issues in an increasing way, and we are no longer able, as TasCOSS, to avoid that expenditure side of the ledger.

Historically, the Tasmanian Council of Social Service and many of the member organisations have focused on income levels, especially various forms of social security support for income, and on services to households. We have tended not to look at expenditure and consumption issues. We have tended to not want to reduce people to the status of consumers and keep the focus there. But we have no such luxury any more, and we are finding ourselves being dragged increasingly to look at those issues that make, in this case, Tasmania a high cost state.

Briefly, the third dimension that we focus on in our submission is the fact that Tasmania has a less than coherent, less than robust system of support services to people who are on low incomes. Here we try to draw a distinction between informal support systems, based around family, community, neighbourhood and church local associations, and the more formal nature of support systems, based on our own non-government organisations and on government agencies. We believe in both cases that those support systems have degraded, in their impact, their capacity to address issues relating to poverty. Our non-government organisations are stretched and hurting and are not able to address the need that they identify in terms of the formal processes of people knocking on their doors and crowding onto their waiting lists, let alone the people who are learning not to approach our organisations, knowing that they will not be able to receive the services that they need.

On the informal side of support systems, we make the point in our submission that Tasmania, like most of the Western world, is transforming itself. There are changes in household formation

and in the labour market—which we have referred to. We are seeing an urbanisation process, even in Tasmania, with more people moving to the cities in order to secure work. Consequently, we are seeing a breakdown in those informal support systems—especially those based around families and extended families and, to some extent, friend and community networks—which had been an important buffer to the impact of poverty in a state such as Tasmania.

It has never been a comfortable, romantic fifties-style place at any stage, where everybody looked after each other, but there is no doubt in our minds that there has been a change, with less prospect of people receiving informal forms of support in the face of income based poverty than ever before. In that context, our submission calls for a renewed effort to try to develop community capacity, not just to provide services. We believe that addressing poverty is about assisting families and communities to strengthen their resilience and their capacity to address their own problems, not simply by governments and other policy actors providing more money through formal services or through income support—something we also call for, you will have noted, no doubt. So the intersection of those three issues—the support system that is in trouble; the high cost state with, by and large, higher levels of expenditure required for basic, essential subsistence issues; and a much lower income pattern for the state—combine, we believe, to make Tasmania particularly vulnerable.

We argue in our submission that we see poverty in this country as being a direct result of some inappropriate policy decisions taken by a series of governments at state and Commonwealth level; that poverty is not, in that sense, an unfortunate externality effect of otherwise sound policy decisions; that, in many respects, poverty is being used as a tool. I am sure we will have opportunities throughout the morning to talk about this issue a little more, but it is important from a TasCOSS perspective that we make the point here today that we believe there is a capacity to address poverty in this state and in this nation. We believe that other nations have shown that, other nations with rather less economic capacity than Australia; that addressing poverty is not a capacity issue but a political will issue. We take this opportunity, as we did in our written submission, to congratulate the committee for taking on this reference. It is a much overdue inquiry that many of our organisations, especially through the National Coalition Against Poverty, have been calling for for some time, and we are grateful for the opportunity to provide evidence.

CHAIR—Thank you very much, Mr Owen.

Ms Holloway—I am very grateful for this opportunity to comment. In a sense, the Catholic Justice and Peace Commission is perhaps a little new to this sort of opportunity. However, I am very pleased to be here to offer some comments. We have a mandate to be a voice for the voiceless, coming out of our Catholic heritage. We have a wealth of Catholic social teaching which is the basis of where we are coming from—those things that speak about human dignity, common good, the dignity of work and being people who have a preferential option for the poor. So we feel that we do have something to contribute to a discussion like this.

I particularly wanted to speak today about three particular areas. One is the reality of poverty. In our submission, we have relied heavily on research done by numbers of other people—some of them here—particularly Anglicare and TasCOSS, who have gone out there and listened to the people. Therefore, we have been able to listen to the people, to hear the voices. I want to talk about the reality of poverty and I want to talk about alleviation of the pain of poverty, but I also

want to talk about eradication of poverty. May I remind everyone here that we are in a UN decade for the eradication of poverty, we are fast approaching its end, and we have serious topics to discuss here today on poverty.

As I said, my comments are particularly underpinned by Catholic social teachings, so you can understand where I am coming from. We are particularly concerned about the marginalisation of people caused by poverty. People are not able to fully participate as members of their community and of our society, and therefore this is a loss to our nation. The stories that I hear, the stories of real people—and I am not a person who talks about statistics at all—tell me about a loss of dignity experienced through rejection and a loss of hope, and one story that particularly concerns me is blame. We seem to be embarking upon a culture of blame. I think that makes things easier for you and me, perhaps, if we can blame somebody else for these problems. However, I think we all have a responsibility to acknowledge the problems and cooperatively try to address the problems. I do not think blame is a very productive thing.

What I hear is absolute pain, the pain of poverty. Let us not walk away from that: it is a very painful experience. I am still haunted by the story of a person who did not appear at but whose story was told at a recent Just Jobs conference. This was a man who lived in the Huon Valley who had become totally isolated by his poverty, to the degree that he did not leave or very rarely left his home. He remained shut up in his house because of the shame, the feelings of rejection and the sense of isolation from his community. When we have people who are shut up in their homes because of the experience of poverty, people who are not interacting with others, then I think we have a serious problem on our hands.

The constant worry of poverty is another aspect that I hear about—the painful decisions that people have to make. The reports—and the titles are very telling—are called *Dead man's shoes* and *Hearing the voices*. They are recent reports from Tasmania that I hope you have had an opportunity to look at. They talk about the painful decisions that people on low incomes have to make: the choice between a carton of milk and paying for a school excursion; the sense of failure that families face in having to tell their children that they cannot have a pair of shoes, they cannot go on excursion, they cannot participate in normal activities. The stress is a huge factor, leading to poor health, breakdown in relationships and family instability. They are all real factors for real people who live in Tasmania. I am concerned that the stories that I hear about the educational scene, where families cannot afford the increasing number of extras that are involved in education, are creating a scene of the haves and the have-nots in the area of education.

Many others in their submissions talk about the inadequacy of income support payments. Many of us are calling for increases in that basic help that people need. The loss of dignity in having to rely on so many other people because you cannot make ends meet, having to rely on family and community support—and, as David has just indicated, those support structures are lessening—the loss of independence and losing control of your life is very real. But I would suggest it is not just a cost to the individual but a cost to our community. The community pays in a number of ways in that poverty is often related to—and TasCOSS has pointed this out—drug and alcohol issues, family support issues, child protection issues, mental health issues and correctional justice issues. They are all related to poverty issues, so the cost to the community is very high.

Robert Theobold, who is one of my favourite writers—a Canadian speaker, writer and consultant in the field of systematic change and sustainable futures—asks the question: can our society afford a permanent underclass or are the costs too high? There comes a point, I think, where you have to make a decision about some of the costs that I just listed. Are they too high? I am sure we would have to come to the conclusion that they are. I have just spoken about *Hearing the voices*. I have been listening.

Next I want to talk about the alleviation of the pain of poverty. There are some structures in place, and we have to look at how well we are dealing with the alleviation of the pain of poverty. Just to emphasise, alleviation is about reducing suffering, but eradication is about looking at root causes. We are looking here at alleviation, which is reducing suffering. We strongly support the Poverty Coalition and TasCOSS's recommendations to at least increase income support payments to the level of pension payments, indexed to average weekly earnings. The stories from the reports that I have read indicate all too clearly that the support payments that are currently paid are totally inadequate. If a guy cannot afford \$2 for his lawnmower until the next payment, what sort of situation is that? I personally know a woman who had a library fine of \$4; she had to pay it off with \$1 instalments. This is the reality for people who are living on income support payments. It is obviously inadequate.

We would support the call for the immediate cessation of the breaching regime that is currently in place, which, I would suggest, forces people to the indignity of begging. It is a total abnegation of government responsibilities. We believe that mutual obligation between citizen and government can surely only be reasonable if the government has first fulfilled its part of the bargain by ensuring opportunities for meaningful employment. There is much talk of mutual obligation but I hear much about one side of the obligation. We are concerned about working hours. There was a report in today's paper about the amount of overtime that people are suffering under. It is another form of pain that people are experiencing, which is totally ridiculous when you think of the unemployment figures that we have. The anomaly between the working hours of people who are doing enormous unpaid overtime versus the casualisation and the part-time work that people are struggling with is just ridiculous.

One thing that concerns me is the increasing trend of the use of language in a particular way in our country. Again, it is related to this culture of blame. We use terms like 'dole bludgers', 'queuejumpers' and 'poor budgeters' which create a sense that somehow it is their fault that they are in this situation. Any reasonable person, if they really looked at it, would see that it was not their fault, but we do not want to look at it because it is better if we can use terms like that and put the fault out there. I have a real concern about the trend in this country to use language in this way. We mention in our submission that politicians are also guilty of using language in a particular way that emphasises this kind of trend. It is about point scoring, if I can use that language. It does nothing to enhance the debate about the very serious issues that we are confronting here.

I want to talk about eradication of poverty. It is a huge challenge. Some would think that I am very naive to even think that we could even possibly do it. Maybe I am a very naive and idealistic person, but that is who I am and, as I said, I stand for a lot of very good principles, so I will not apologise for it. We are nearing the end of that decade for the eradication of poverty. We know that one of the major causes of poverty in this country is unemployment, so I think it is a

disgrace that in Australia, which is a wealthy nation with continued economic growth, we are unable to halt the spiralling of so many into the poverty cycle. What are we going to do about it?

It is obvious that the trickle-down effect is not working. It is obvious that we need a long-term strategy to turn things around. It takes enormous courage, conviction and commitment. But our concern for the common good would tell us that for all to share in the economic benefits of this country we do require intervention. What is so alarming is the tendency for many Australians to accept the inevitability of high unemployment. I find that impossible to grasp. It is the responsibility of government to intervene. Government should never just be a passive observer of socioeconomic and market processes—real jobs are needed. It is imperative that the federal government demonstrate leadership and commitment in this area. It needs to research, develop and implement a whole of government strategy aimed at achieving full employment in Australia. People will say I am naive to talk about full employment, but I do not believe that this is so and others will agree with me. Full employment should be the objective of a country like ours. Why are we satisfied with these statistics?

I have a report—and it is referred to in our submission—by Dr Tim Battin, who wrote a paper for the Australian Catholic Social Justice Council called ‘Full employment: towards a just society’. I would direct you to look at his writing and that of many others at the University of Newcastle—they have a unit there looking at full employment. People have ideas about how to go about this. They may be naive like me, perhaps, but I think we have to seriously look at what they have to say. We need a long-term strategy.

At the recent ACOSS conference I heard a speaker by the name of Helen Johnston, who is a director of the Combat Poverty Agency in Ireland. She was a wonderful speaker. She spoke of the strategy in Ireland for building an inclusive society. That country has made a commitment to overcoming poverty. We could learn from these people. They have a cabinet subcommittee which supports the strategy and a national Office for Social Inclusion. This example demonstrates the need for intervention. Ireland has seen unprecedented economic growth, yet the gap between rich and poor is widening. So there has to be intervention—you cannot just rely on market forces to alleviate the problems.

We have suggested that there needs to be an inquiry into wealth as well as into poverty. When we see some of the gross payments that are made to CEOs and we look at the stories here today, we believe that gap is just too wide to be acceptable. We are interested in community-building exercises, as TasCOSS, Anglicare and many others are, and empowering people in the local community to recognise and work on solutions for their own needs—the sort of strategy that enables and empowers people and gives them back their dignity so they can take control of their lives. The work of Liz De Vries from TasCOSS has been valuable in this area.

We strongly support the recommendations of ACOSS, calling for a national commitment to reduce poverty and the development of a national antipoverty strategy—and we must get real about this whole thing—a serious commitment to converting economic growth into real jobs and a particular emphasis on the needs of regional Australia. We are in regional Australia here in Tasmania—very much so. Guaranteed support for the long-term unemployed is in desperate need for many Tasmanians. I thank you for this opportunity to have my say. It is real people that we are talking about here—I would just keep reminding you of that. We are not talking about

statistics. This is the reality of so many lives, particularly here in Tasmania. I think their voices need to be heard. Thank you.

Ms Flanagan—I would like to thank you very much for inviting Anglicare to speak today. I guess, like the other speakers here, we feel that a lot of the national policy debates are dominated by Melbourne and Sydney, so it is very important to us to have an opportunity to describe what is happening in Tasmania. The agency that I work for is the largest state-wide community service organisation in Tasmania. It operates under the auspices of the Anglican Church and is part of Anglicare Australia. We operate state wide. We have a range of community service operations and we manage a number of rural outreach services. We have been in operation since 1983 and we are quite experienced in working with ministerial advisory committees and other community service agencies.

In recent years we have extended our work into research and policy work. We have worked closely with TasCOSS and community groups like the Poverty Coalition to put poverty on the agenda in this state. David gave quite a background to poverty in Tasmania. I would like to say that, when our current Premier came to office, he made quite a stirring speech about how, if we did not work hard, we Tasmanians would end up as paupers living in paradise. I think that resonated a lot, because many of us feel that is the situation for many of our fellow community members down here.

I want to add a little bit to the submission that we put to you about the cost of living in Tasmania because TasCOSS put it to us that we had not stretched it out enough. I want to explain some research we have done that establishes that Tasmanians, who are living on the lowest incomes, do in fact have the highest cost of living in Australia. Income and cost of essentials are key factors which interact to determine the standard of living for a household. The impact of income level on the standard of living is obvious but, for those on low incomes, the cost of essentials has an important mediating effect on their standard of living. Qualitative and quantitative research had found regularly that low-income earners consistently identify certain key costs, such as electricity and food, as key causes of financial crisis. In fact, a large-scale survey that we did of people who were accessing emergency relief services found that electricity bills were the major trigger for them going into financial crisis.

The proportion of Tasmanians relying on government pensions and benefits as their main source of income is much higher than the national average, making the cost of essentials particularly important in determining the standard of living for a broad section of the community here. I am sure you would be aware of the variation in average income levels around the states of Australia, but variations in cost of living tend to focus on housing costs. A lot of discussion focuses on the high cost of housing in the major cities, which cannot be denied. But we wanted to extend that debate to look at other costs of essentials. The analysis went beyond housing. It was a simple, regional comparison, but it also looked at groceries, electricity and petrol.

The background to this is income levels which, as David mentioned, are significantly lower than on the mainland. In fact, Tasmania household per capita incomes have fallen to more than 20 per cent below the national average—a situation which last occurred for us in the late 1940s and early 1950s—but we have consistently been receiving the wooden spoon on that front. We had the lowest average incomes in the nation for 42 of the past 53 years.

A lot of people believe that our low income levels are compensated for by the lower cost of housing in this state. But recent scholarship around Australia has raised the need to consider other major costs of living in evaluating income adequacy, thus supporting the work that we were doing in arguing that these other costs need to be considered. We looked at the costs of living for income units in Australia's two lowest incomes quintiles. In our research, we used data from the ABS Household Expenditure Survey, the ABS average retail prices of selected items, the Australian Consumers Association's supermarket survey and data from the Electricity Supply Association to establish cost and expenditure patterns for the two lowest income quintiles in each capital city.

Looking at these key expenditure areas for low-income earners, the research found that the cost of electricity and groceries was highest in Tasmania and that Tasmania has the second highest priced petrol in the nation. Electricity was cheapest in Canberra, South Australia had the cheapest groceries and petrol was cheapest in Queensland, but overall the total cost was highest in Tasmania and the lowest in Queensland.

We then looked at housing costs and how those impacted on low-income earners. Of course, low-income earners are spread across three tenure types. They might be in public housing, they might be in home ownership or they might be in the private rental market. We have a high rate of home ownership in Tasmania, which is due to a history of low housing costs and is probably a reflection also of our ageing population, so a number of people have moved to home ownership. But we have a lower level of tenancy in public housing because we have a very small public housing pool. Therefore, we have a higher proportion of low-income earners in the private rental market. When you look at housing costs for people in public housing, it is pretty standard across Australia although, when you break it down, Tasmania has almost the highest public housing costs in the nation. Similarly, for people who own their own home, their housing costs are similar across Australia.

When we looked at the private rental market and adjusted the data using a quality adjusted measure—a measure that was developed by other researchers which measures housing standards, age of stock and access to services—we found that private rental prices in Hobart are comparable with those in all other cities except Sydney. So when we adjusted the housing data and looked at all the other costs, we found that low-income earners in Tasmania do, in fact, have the highest cost of living in the nation.

I offer that as background information to the other indicators of poverty that I want to talk about. I want to go a little into the Senate inquiry into child poverty. I am sure you will be hearing lots from the national peaks about the measures of child poverty and NATSEM's work in that area. Anglicare became particularly concerned about this area when we did research into poverty and asked people who were living on low incomes about their major triggers for financial stress. We were surprised to see that education costs came out as a large cause of financial stress. People talked about the costs that are coming through the public education system. We have done a lot of lobbying work down here that has been responded to by the state government. As a background, four out of 10 children in the Tasmanian public school system come from families that are sufficiently disadvantaged to qualify for the Student Assistance Scheme, which is a means-tested grant scheme that offsets all levy costs faced by parents enrolling their child in full-time education—that is, 40 per cent of our students. Interestingly, it is also 18 per cent of the children in the private education system.

The sheer numbers of students from backgrounds of a low socioeconomic status and the impact of the slide into fee paying in public schools has been acknowledged by our government and addressed with increases in the STAS program in successive budgets. But the relationship between socioeconomic status and academic performance of children remains of concern. You would probably be familiar with the Australian studies that show that families from low socioeconomic status have children who are more likely to have lower levels of literacy, numeracy and comprehension. They have lower school retention rates, lower levels of participation in higher education and higher levels of problematic school behaviour. They are more likely to leave school early and have less successful school to labour market transitions. This is of huge concern in Tasmania, where we have very high levels of youth unemployment. Compared with mainland states, we have very low levels of participation in education by 15- to 24-year-olds and extremely low participation rates in TAFE and university.

David sketched the picture with unemployment in this state. We are very concerned about the long-term nature of disadvantage in Tasmania. I would like to add that, for those who are unemployed in this state, people's reliance on job-seeker allowances is long term. They are reliant on a less than subsistence income. Centrelink's statistics for December 2002 showed that 58 per cent of Tasmanians who received Newstart allowance had been on the benefit for one year or more, and 40 per cent of them had been on it for two years or more. So these are very long-term unemployed. Those people churn through. There are people who do casual work. At one stage we did a slice through the Newstart statistics and found that 25 per cent of the Newstart allowance in that month had done casual work, but they never earn enough to get off Newstart allowance. So there is long-term dependence on these allowances. Poverty worsens the longer people remain on job-seeker allowances. Tasmanian data supports national findings about the high level of poverty in jobless and job-poor households.

We also wish to make comment on the concession systems, which are operated by state governments but are of enormous importance and should be of interest to the Commonwealth in the context of current moves to extend the state government concession system to people on Commonwealth seniors health care cards. This move has significant implications for state concession systems. We believe that the state concession systems are one of the few ways in which states can target relief to those most disadvantaged in their communities, yet they have been slow to respond to the changes within their communities through these systems. In Tasmania, the current state concession system is geared to those people who are on pensioner concession cards in spite of the fact that these people are relatively more affluent—'affluent' is a difficult word—than people on health care cards. This arrangement is based on the historical assumption that pensioners will be on income support long term but the people on job-seeker allowances would only face a short period of reliance on benefits. In the 1970s, of course, that was true—people on pensions were on them long term. They were either raising children, they had a disability or they were aged. Long-term unemployment at that stage was six weeks. In Tasmania these inequities are slowly being addressed, but we are still a long way from getting full equity in the concession system for health care card holders. We are concerned at any move to further disadvantage this group by pushing the eligibility upwards for pensioners.

With regard to poverty and income support payments, this is a huge issue and an area in which we have done quite a lot of work. We believe that current income support payments are simply too low. Comparisons between income support levels and the Henderson poverty line are contentious, I know, but we support ACOSS's analysis of this, which is based on an exclusion of

rent assistance on the basis that many low-income households are not eligible for rent assistance. They suggest that income support payments are, in fact, 20 per cent to 30 per cent below the Henderson poverty line.

In 1999 with TasCOSS and the Poverty Coalition we did a large-scale research project looking at poverty in Tasmania. We found that income levels for people on a range of pensions and benefits were too low to afford the essentials of life. I would just like to quote that research because it is very telling, revealing the constant strain on people's budgets and the way in which emergency relief is now almost being accessed as a form of income support. A sole parent from the west coast of Tasmania said:

I can't afford a basic food. I have a 16-year-old boy who was always hungry. He eats a loaf of bread a day. One standard loaf of bread a day costs \$1000 per year out of an income of \$12,000 a year.

The participants in the research report indicated that the strictest financial controls did not ease their budgetary crises. Regular commitments such as rental payments and payment plans for essentials such as energy simply shifted the burden of dealing with any unexpected financial pressure to the only discretionary part of their budget, and that was the groceries. One mother said to us:

I've had days when I've gone without food to feed the kids. I've done that a lot, you get used to it. It probably happens every couple of months—when the Hydro bill comes in.

That is our electricity bill. A disability pensioner said:

I live on basics. If I want something, I go without something else. My diet is cereal, sandwiches, cheese, eggs on toast, sausages, mash. It's rare to go outside that. I spent \$25 a week on food. Groceries are the only area where you can cut back.

In the context of that widespread poverty, I would just like to make some comments on the current system of breaching which operates through the income support system. We believe this system is undermining the income support system's capacity to prevent Australians from descending into poverty. Tasmania historically has had a lower rate of breaching than the mainland and it has never been established why this is the case, although there are some theories that it relates to our labour market. In talking to people in the community services sector it is our belief that it is a consequence of being a small state and people knowing each other and being able to negotiate with Centrelink and do quite active advocacy work on behalf of clients. We believe that breaching remains a big issue for the community. It has been established that the rate and severity of breaching escalated dramatically from 1997 to 2001 and, while Centrelink figures suggested a 30 per cent drop in national breaching rates over the past year, the number still remains 42 per cent higher than it was in 1996-97.

We believe that the work of community services is now focused a lot on their negotiations with Centrelink. The current policy direction within Centrelink to develop local partnerships with community service organisations to better work with vocational barriers will have an impact on community services which is yet to be measured. It will presumably require even greater amounts of time to do advocacy work with Centrelink officers.

Evidence is also emerging of the impact policy tensions between housing services and Centrelink are having on clients on income support in Tasmania. A reduction in the public housing stock available and the increased targeting of the remaining stock to people with the highest needs have seen many low-income earners steered into the private rental market—and I will talk a bit later about the private rental market and the difficulties there. But, as in other areas of Australia, we are seeing people forced by the private rental market out to areas quite a distance from the city centres and areas that are facing acute locational disadvantage. These are areas with high transport costs and very poor public transport systems.

Here are some of the things that people who are considered to live within the Hobart metropolitan area but are not serviced by public transport have said:

Even though I've got my car I find it hard to get my form in on the day before pay-day because I don't have enough petrol to get all the way up to Centrelink. My mum has a fax machine so when I didn't have the petrol to get up there I would fax it up to the Centrelink office. Then they sent me a letter saying you have used up all your faxing this year and you have to bring it in yourself every time. It takes about \$10 petrol money and when you don't have anything at all that's a lot.

The following comments are from two unemployed men who live on the same bus line, which is run by private operator. One said:

The bus service is shocking and I don't have a car. The bus service is three buses [a day] and they charge the earth. They charge \$4 each way to get to (nearest Centrelink office). That's the concession. It's not Metro [public transport] down here, it's a private contractor and a lot of the time you have to ring him up and tell him that you want to catch the bus because a lot of the time he just doesn't bother. I've been left standing up there plenty of times. Most of the time I hitch-hike, it saves me money.

The other man said:

I've been breached because I hadn't been able to get to an appointment on time. And you can ring up and say oh I've missed the bus but they take a pretty dim view of it.

Some people view the casualness of island life as a positive but for some people it is a definite negative. I wanted to say that we support the findings of the Pearce recommendations which were pushing for a reduction in the size and duration of penalties. The recommendations are in line with those of the internal Centrelink review which had an emphasis on developing responses to those most at risk and developing partnerships with community organisations. Those recommendations were also in line with the Senate Community Affairs References Committee inquiry into participation requirements and penalties, so it is clear that there is support across the board for a reduction in the size and severity of breach penalties. We are concerned that the potential result of the policy changes outlined in the internal Centrelink review will be increased reliance on community service agencies dealing with the most vulnerable groups. It appears that what is happening is this layering of layer upon layer of modifying checks and balances to deal with the system, which is at its heart unworkable.

In the Tasmanian context, while I said that we had the lowest rate of breaching in the nation, the Salvation Army report *Stepping into the breach*, which Ronda may speak to later, did include substantial Tasmanian data. That research found that an alarming number of people were reporting that they had been breached. Sixteen per cent of them had had a third activity test

breach in the week that they were surveyed. The compliance regime has been modified, but the consequences of breaching that those people identified should alarm us all. The most commonly identified impact was an inability to afford food or medication. The next highest impact was an inability to pay gas, water or phone bills, and a significant number also indicated that breaching had adversely impacted on their housing situation. In conclusion to that section I would say that \$4 million was taken from Tasmanian low-income earners in breaches in the last year it was recorded.

Finally, I wanted to make some comments about affordable housing in Tasmania because we are facing an affordable housing crisis. If any of you were planning to do some sightseeing or visit places around the state I should warn you that there is a wild talk out there that it is all down to mainlanders! But I think there are other contextual issues at play here. Of course, affordable housing is a critical mediating influence on the poverty of households. In Tasmania, looking at the different housing tenure types, like other parts of the nation we have increasing numbers of low-income households and a significant decline in our public housing. The capacity of low-income earners to purchase a home, access public housing or rent in a private rental market is diminishing markedly.

In the private rental market here there is a shortage of properties, and it is an extremely competitive market. The occupancy rate in the private rental market in Hobart is the highest in Australia. In August 2002 there was a 98 per cent occupancy rate. The Real Estate Institute of Tasmania said that, if this data was adjusted to take into account those that are difficult to rent because they are overpriced and those that are substandard, it would be closer to a zero vacancy rate. According to the ABS, Tasmania has the highest proportion of houses built 50 years or more ago. So quite a proportion of our private rental market is substandard housing. The average rental in Tasmania has increased from 15 to 27 per cent in the last year alone. Sixty-one per cent of low-income private renters' households in Australia are experiencing housing stress—that is, they are paying in excess of the 25 per cent affordability benchmark in rent, even after rent assistance. That situation is particularly acute for those households in the lowest income quintile.

We are experiencing a crisis in public housing. We have a small public housing pool, as I said. Only six per cent of Tasmanian households are in public housing as opposed to 11 per cent in South Australia and 10 per cent in the ACT. In the past two years, the waiting list for social housing increased by 74 per cent. In October 2002, 519 people were on Housing Tasmania's category 1 waiting list. Category 1 are those people who are in greatest need. They are people who may be suffering from ill health, have experienced domestic violence or homelessness, or are inappropriately housed. At the same time Housing Tasmania is pursuing a policy of reconfiguring its housing stock to make it more appropriate to its client group, but the consequence of this strategy is a loss of stock.

The consequences for people who cannot get public housing are quite devastating. SAAP data alone does not reveal the extent of homelessness in Tasmania because in some ways our community still operates to support people—in an inadequate way, however. Our research on low-income earners in the private rental market found that many people who lose their tenancy or who are unable to find suitable accommodation draw on a range of strategies around relatives and friends. A number of research participants described extended periods of living with family and friends. They may have had a roof over their heads but the conditions in which they lived were far from adequate. I just want to read two quotes. The first one says:

I was living with my mother with my three children for 12 months. That was a private rental place that my mum was renting and she has my sister and my brother as well as me and my three kids so there were seven of us living in a three-bedroom place. I couldn't get anything through the real estate agents because I'd come out of Housing and I have no references. I could have got personal references from plenty of people but I don't have any housing references. For 12 months the kids were top and tailing, on floors, wherever we could fit. I put my name down with the Housing Department as soon as I moved up here from Hobart and then I was 12 months waiting for a house. Every day I went into the real estate agents.

The following quote is from a single parent who is also the carer for a frail elderly person. It says:

Now we are living with a friend of my mother and father's. He's a bachelor in his late sixties and he had a spare room so that's where we are. My son is at the Christian Fellowship because he knows the pastor and everyone there. But he's still away from us. My aunty and I are in the one room in single beds. My aunty is incontinent sometimes and we've got to walk through this guy's bedroom to get to the bathroom. And you are just supposed to put up with all this and cope with it. And I've got my son who is suffering from depression because he's got no home and he's a teenager. It just worries the hell out of me, thinking about what will he do? My furniture is in three different places and you just feel like you've got nothing.

In 1999 under the Commonwealth-State Housing Agreement Tasmania received \$22 million in Commonwealth funding. However, \$16.4 million was repaid to the Commonwealth to service the debt of \$273 million accrued from 1945 to 1985 when federal funding was allocated in forms of loans rather than grants. This will leave \$5.6 million per annum in real terms from the Commonwealth. The reduction in funds in the 2003 Commonwealth-State Housing Agreement would mean that Tasmania would effectively receive only \$3.6 million per annum for the provision of public housing—and the state keep telling us that they do not have the resources to assist with this issue.

We concluded our submission with a quote from George Orwell because it seemed like not much had changed since he wrote *Down and Out in London and Paris*. He wrote:

You thought it would be simple; it is extraordinarily complicated. You thought it would be terrible; it is merely squalid and boring. It is the peculiar lowness of poverty that you discover first; the shifts that it puts you to, the complicated meanness, the crust-wiping.

Australians struggling against the closed horizons of poverty find their attempts to gain a pathway out thwarted on many fronts. Income support payments are too low and employment is hard to find. The withdrawal of income support on receipt of earnings quickly erodes any advantages gained from casual work. Education is costly and affordable housing is remote and inaccessible. Responding to the extraordinarily complicated issues of poverty requires a whole-of-government response, an investment in programs geared towards equity and social inclusion in health, housing, education and employment. It would require that we have as our goal a fair and inclusive Australia. Thank you very much.

Mrs Grant—I came into the Poverty Coalition when it was formed in 1996 in response to the UN decade for the eradication of poverty. Our coalition now consists of about 30 organisations. Poverty has not decreased; it has increased in Australia in those six years. Our coalition does not believe that it should be like that. If there is a community will, a government will, to do

something about it, it does not have to be like that. We can be back, as we were in the 1960s, to one per cent or two per cent. So we keep on working. I was hoping that some of the people from TOES and some people in the National Council for Women, who live on very low incomes, might have come in this morning. But they might not even have the bus fare to get here. That is the reality that we live with in this state.

I went to England in the 1950s. I was really proud to be an Australian. I did not have much money but I came from a background of equity. I came from a background where there were very few very rich and very few very poor. You could count on one hand—or even on two fingers—the children in a classroom who really needed help. We have lost all that in this country and we did not have to lose all that in this country. We can go back. We can look at what we were like. We can look at other countries that have turned things around. That is why we will keep working in the Poverty Coalition. We can turn things around.

I live in a moderately middle-class suburb, Mount Stuart. It is not totally affluent but I know some people around me in the cul-de-sac and up the street who cannot afford heating. They go to bed at dark. They cook their dinner early, they turn on their electric blanket and they take their dinner to bed with them so that they will not have to turn on the heating. They cannot afford wood. They cannot afford their oil heater and their oil heaters are sitting there unused and going rusty. That is not just one or two people; there are many. People say, ‘What a good idea! Right.’ So for quite a number of people that is the norm in what is not a poor suburb. These are people who have worked hard all their lives. They are not on pensions, they are not eligible for a pension, but they cannot afford heating.

I could bring people in here who live in the suburbs out this way who cannot afford transport, not even the money for a bus fare. That is what it is like. You say that such and such a thing is on and it would be wonderful and several people at a meeting say that they will go to it. Others say that they cannot go. It is a long weekend and there is no public transport. They would have to walk seven or eight kilometres to get there. That is the reality for a lot of people. They are managing with dignity. You would not know the hidden depths of poverty that there are in this community. It is not because they are poor with their budgeting. It is just how it is, and their way of budgeting is to go without things that the rest of the community takes for granted. People who can afford to get on planes and can afford holidays would not even dream about this kind of poverty. Poor people cannot afford even a day off or a break to go and see a relative somewhere. They cannot afford a phone call to a relative in another state. That is what it is like for them.

Through not only the Poverty Coalition but also through the other organisations to which I belong, I know about these people. That is my personal stand for these people. We should bring back some dignity into our Australian community and some equity and sharing from the top and some tax breaks from the top for these people, the good, decent people all around us in these communities. That is my personal stand.

I am not going to go through our Tasmanian Poverty Coalition submission. The people along this table can give you all the facts and figures. But I just want to add a few little bits and pieces mostly from statements that have been made in one newspaper, our *Mercury*, on poverty and unemployment. One statement says:

People who gain employment change from depressed, ‘chip on shoulder’, resentful, ‘drag on the community’ persons, etc to become valuable members of the working community.

This was cited in relation to someone called Shaun Calvert on 18 December 2002 in the *Mercury*. The government could legislate to reintroduce the 40-hour week for all employers, with tax penalties, if nothing else, for those who ask employees to work overtime. There are lots of organisations that insist on unpaid overtime. The government could reduce all the barriers to increasing the number of employees, it could offer real tax incentives—they are not sufficient at the moment to break down the barrier of unemployment—and it could do something about salaries that go over \$100,000 by increasing the wealth taxes.

We have talked about poverty and the working poor in our submission. There are too many Australians—62 per cent of full-time workers—who are working more overtime with no reward. Part-time workers—74 per cent of these—and casual workers—81 per cent—are even less likely to be paid any overtime. There is a whole range of people in this community who are working for nothing. That information was in the *Mercury* on 16 December 2002. It also stated that higher minimum wages increased poverty. That has to be thought about by this committee. We could think about tax cuts for low- and middle-income earners, and not the rich. The *Mercury* said:

Tax cuts envisaged by Mr Howard will not alleviate poverty, they will increase it.

The *Mercury* also said:

Middle income earners have been hit the hardest. The nation’s income tax system creates a continual war with its own people.

That is something that has to be thought about by this committee. Either we have some tax equity that helps address the imbalances that we now have in our society or we go further down the road of increasing the gap between the rich and the poor. We need tax incentives to help with bracket creep.

In our submission, we talked about poverty and social security. We talked about the problems for recipients of Youth Allowance, Newstart and Austudy, who fall well below the accepted poverty line. If people are to get out of poverty, they have to be able to study; they have to have an education. They are not getting it at the moment. I could name some people who are trying to live in Sydney on incomes which preclude them from doing any study. They are gifted, talented people who are being wasted in this Australian community. They ought to be at university or at the conservatorium. They ought to be studying, increasing their skills and giving back to this community. They cannot do it. They are paying rent in Sydney and they are just surviving. They are working in restaurants and places like that. They are not able to study. This committee should think about the utter waste of wonderful young people.

We also have to think about the retirement poverty trap. A person on \$45,000 per annum planning to retire at 65 needs to have saved \$585,000 to survive for 20 years in retirement. There are very few people who have that sort of money. That information came from the bi-partisan select committee report of 12 December 2002.

Social security for old age is becoming more and more difficult. To live on 25 per cent of the adult wage at the moment is very difficult. I am not going to say any more about poverty and concessions; that has been well pointed out to you. And I am not going to say very much about poverty and housing. We have dropped 520 public housing homes in less than two years, and we can give you more facts and figures. Colony 47 stated that it was spending \$11,000 a month putting people into emergency brokerage accommodation. It was running at almost double its budget. That emergency accommodation is just the tip of the iceberg. There is a whole heap of things that need to be thought about in terms of housing.

The point is that we have all these post-hoc prescriptions, and no real planning and no real community working together to come up with answers that really work. Some countries have done away with poverty—in Sweden, Ireland and so forth poverty levels have dropped again. We have to see what has been done there. We do not have to keep reinventing the wheel; there are ways around this. The first home owners grant looks good, but it was not really to help a lot of people; it was just to help the builders. In the long term, it is not really a good answer. We need other answers if we are going to look at the whole picture. Anglicare, TasCOSS and ACOSS have all made wonderful submissions, which we support. They have lots of answers there, and we can add more recommendations. Lots of us in the community have lots of good ideas that are never listened to. That is another thing: you go to a politician and you think to yourself, ‘What is the use of saying anything?’ It just does not get heard or, if it gets heard, there is no action.

Some people have talked about poverty and health. There is a 20-year waiting list in Tasmania to see a dentist. There are thousands of Tasmanians who have no chance of getting dental treatment at all. The total health program here is in disarray. I worked in the Royal Hobart Hospital for something like 28 years. In the end, I resigned because it was unsafe to work there. The number of staff was low on each shift, and you were working with people who did not know what they were doing. It was unsafe. I said to them, ‘I am not prepared to put my standard of care on the line to that extent.’ The health care system has to be rebuilt, because the people who live in poverty are the ones paying for the mistakes and for the lack of care. You cannot do it just by the sorts of measures in place. The money has to go into personnel—into doctors, nurses and well-trained people. It does not need to go into five-star suites and buildings; it needs to go into people. Then there would be jobs, there would be well-trained staff and there would be good care for people on the lowest incomes. That is only the tip of the iceberg in terms of the health problem in this country.

Our submissions have all said we need government funds for primary health care. Jo talked about the cost of living. I have kept all my grocery bills for about five years. Three years ago the cost of an ordinary loaf of bread was less than \$2. The same bread is now consistently closer to \$3. If it is on special, it is \$2.56. If you are on a low income you cannot even afford that. I could bring you those grocery bills and put them before you, and you would see what it is like to live here in Tasmania.

In the national council, women did a study and gathered up the grocery costs from every state around Australia. Our costs here are so much higher. You used to be able live on about \$25 a week per person in grocery bills. You cannot do that now. It has gone up more than a third for most items and that is standard. It does not have to be like that. We need some reasonable regulations to counterbalance this. The free market is certainly not working for Tasmania. This is

something the government might think about. We had controls against profiteering during the war. Where there is a lack of competition, which we have here, then maybe we do have to have controls. It is not very pleasant, but it is destroying the community, the way it is. Jo talked about petrol costs too. In an island state, everything is dependent upon petrol costs. In this state, there is really no reason why there should be a 10 cent average difference between our petrol prices and those on the mainland. This is profiteering at the expense of the community and of the whole nation, really.

In this state there is a rising household debt. Average household debt has risen to 125 per cent of average income. That was in the Hobart *Mercury* on 23 November 2002. This has to be thought about, too. There is a lack of adequate protection for life savings. We have been concerned about the inadequacy of current legislation in dealing with, for instance, the failed Solicitors Trust mortgage scheme in this state. People had money tied up in HIH and other schemes. The people running those sorts of industries and so on are not responsible or not sufficiently responsible, so we need government legislation. What we have is not sufficient to protect people and they end up in poverty. I know people who had really good retirement incomes and who are now living on the pension because of these things.

We have a small statement on poverty and children in our submission. We know from a number of teachers in many schools that too many children from low income and poverty stricken families do not receive any real benefit from the various forms of government assistance, because the money goes into non-essentials. This is something that has to be thought about. I do not know whether we need a voucher system for families where it has been proven that the money is being used on non-essentials like cigarettes and alcohol and so forth, but it needs to be thought about in the context of this discussion.

We have a teacher shortage of almost 40 per cent in this state. If we want children to have a reasonable education and get out of the poverty trap, we have to address this shortage. We have to have skilled, trained teachers right from the beginning of children's lives—particularly in the beginning—but we do not have that. We have teachers who are not well trained and who are teaching subjects for which they have not been trained. Children cannot get out of a poverty trap if they are failing at school. On truancy and the crime rate, about 8,000 Tasmanian students are absent each day, of whom 575 are absent without a reason. Truancy has a marked effect on the future ability of students to succeed, to obtain satisfying employment and to remain independent of government welfare and long-term unemployment and poverty.

Mission Australia has established a U-turn program at Moonah and that is highly successful, but there needs to be more thought by the Australian community as a whole and by our government about funding quality childcare programs that are proven—things like Good Beginnings or the Hope project, where people go into homes in New South Wales and help young mothers. All sorts of good projects that are not sufficiently funded could be spread and shared around the rest of Australia to make sure that children do not go into truancy and crime, which cost the nation so much more in the long run and which further exacerbate poverty.

I am going to deal with poverty and child care very briefly. Caring work in this Australian community is totally undervalued and underfunded. As a nurse I was on a low salary all my working life—and why? I was in intensive care work. I could do a lot of the things that a lot of people with a medical degree could do, but I was on a low salary all my life. I chose to work

part-time so that I could care for my children. That is the reality for thousands of women in this community, which has not been considered by the governments who mostly pay the wages of people in the caring situations. It really has to be thought about, because what is the option when people get older? They have to go onto a pension.

Foster carers who take on children who are difficult and so forth receive poor reimbursement. This whole business of caring for the carers—particularly people who care for disabled children, who have a particular need—has to be thought about in the context of poverty. Existing care facilities are full, and capping the number of care places has increased, which means that carers are probably at their wits' end and do not give the care that those children should have. For a lot of the time there are all sorts of problems in the care that those children have.

CHAIR—We have two more groups to contribute. Could you please make your points succinctly.

Mrs Grant—I am just about to finish what I wanted to say. Parental poverty, particularly for child rearing and single parents, is really something else that has to be on the agenda of this committee. Australian women were once known world wide for their commonsense and good mothering skills, and a lot of that has gone down the drain in the struggle to hold down a job, care for children, run a home and so on. That is a really critical issue that has not been addressed. I will not go into gambling and drug taking and their effect on child poverty, or into poverty and Tasmania together, or into poverty and social comment, which are part of our submission, but they are areas that really need to be looked at by this committee.

CHAIR—When everybody has finished we will be asking questions on that. Gambling and drug abuse have certainly come up in our previous hearings.

Mrs Grant—That is good.

CHAIR—Thank you very much. Would you like to speak now, Ms McIntyre, then Ms Miller and Ms Heron.

Ms McIntyre—I am responding to the Salvation Army's submission from the Australian southern territory—which takes in Western Australia, South Australia, Victoria, the Northern Territory and Tasmania—but I also want to put our submission in a Tasmanian context. Last night on the news, someone said that in relation to excessive working hours this is a war that we fought 100 years ago. That is something that the Salvation Army is also saying with respect to poverty. The Salvation Army had its beginnings in industrial England in response to what William Booth referred to as the 'submerged tenth'—those excluded from fully participating in society; the 10 per cent of the population whose poverty was the cause of their exclusion, the cause of much of their misery and despair, and the cause of much of their risk taking.

Today one might ask the question: do the excluded still exist? In Booth's day, the Salvation Army engaged with those excluded from society, the well-fed, the educated, the healthy, the fortunate, the influential and the church. In 2003 in Tasmania, through our social programs we see people who are still excluded by their poverty from fully participating in society. The challenge for Australia is to find meaningful ways in this country to engage with the excluded and the financially disadvantaged of the 21st century. We need to be diligent and aggressive in

our pursuit to overcome financial disadvantage and the widening gap between the rich and the poor before poverty clouds the richness and diversity of our wonderful country, Australia.

Today, we still see people who are excluded from the well-fed. Our family support services, which distribute emergency relief, are turning away more people a day than they are seeing. The Tasmanian *Healthy Communities Survey* of 2001 reported that 10.2 per cent of the adult population in Tasmania said that they worry about food affordability. One-fifth, or 19.7 per cent, of Aboriginal people living in Tasmania said that they worried about being able to afford enough food for their household. The Salvation Army in Tasmania has very serious concerns for the education of children of families experiencing high and complex risk factors associated with financial disadvantage. In our experience, these children are educationally disadvantaged before they even begin their formal education. Therefore, they are excluded from commencing their education on an equal footing with children from financially advantaged backgrounds.

The lack of child care, parenting programs and playgroups targeting families experiencing high and complex needs is of grave concern. It is also our experience that the lack of financial resources in schools to provide for those children with challenging and disruptive behaviours leads to exclusion from school for those children for whom education is critical to breaking the cycle of financial disadvantage and despair. If we are to address poverty, we need to have an understanding of the poor and what life is really like for them. Our experience informs us that individuals and families are excluded from services that do not have an understanding of the issues related to financial disadvantage. Therefore, families and individuals are excluded often from the very services that were set up to support them.

Through the network of Salvation Army services in Tasmania, we see children in families whose start in life is affected by inadequate nutrition, social isolation, and exposure to violence and abuse and who are living in households where addictive and risk-taking behaviours put them at risk of failing to reach their full potential. We see people who are excluded from the healthy. Financially disadvantaged Tasmanians experience high levels of stress and social isolation and participate in risk-taking behaviours, which lead to poor levels of health. Because of their lack of financial resources, their options to choose healthy lifestyles are impaired. The costs associated with recreational support, fitness and healthy diets make participating in healthy lifestyle activities prohibitive for many of the people that we see.

Lack of access to medical services is a particular hardship for low-income patients. Those that do not have the money to cover the gap fees often put off seeking medical attention. One of the issues that impact on our emergency relief in Tasmania is that we are being asked to pay the gap fees for doctors. That is a situation that, in the past, certainly was not an acceptable use of emergency relief funding. Waiting lists for elective surgery can add to stress levels and further impact on multiple and complex risk factors. Mental health is also a critical issue impacting on Salvation Army services. Significant numbers of people with mental health issues are using homeless services or low standard rooming and boarding houses without appropriate medical or housing support.

People on low incomes are excluded from the fortunate. The inability to raise \$2,000 in a week for an emergency is an indication of financial disadvantage. In the Tasmanian Healthy Communities Survey 2001, 40.8 per cent of Tasmanians reported that they could not raise that amount of money for an emergency. This statistic confirms the Salvation Army's experience,

through our emergency relief services in Tasmania, where we struggle to meet the demand for those accessing our services. In 2001, the ABS social trends survey reported that 39.8 per cent of Tasmanians rely on a Commonwealth pension or benefit as their main source of income.

People on low incomes are excluded from society. On economic wellbeing, the Tasmanian Healthy Communities Survey 1998 found that those Tasmanians who reported not being able to raise \$2,000 in a week for an emergency were more likely to be those who reported having no close friends. Family and community breakdown contributes to the isolation felt by many of the clients who access our services. Sole parent families are one of the economically vulnerable groups in our community. In Australia we have 56.2 per cent of children who live in sole parent families who are deemed to be living below the poverty line as opposed to 7.7 per cent of children who live in two parent families. That is quite an alarming statistic. It needs to be noted that, although countries such as Denmark, Finland and Sweden also have high percentages of children living in sole parent families, fewer than 10 per cent of those families live below the poverty line.

It has already been noted that the notion that we look out for each other and that we are our brother's keeper is no longer a natural part of community life today, particularly for families seen through the networks of our Salvation Army programs. In past generations, families experiencing financial hardship were supported in practical ways through family, extended family, and friends and neighbours. People were known in their neighbourhoods. Those community supports have been replaced by financial and material aid such as clothing and household items distributed through welfare centres and thrift shops. Many of these centres are situated outside local communities struggling to meet the increasing demands made upon them.

Other issues that impact on financial disadvantage and exclude people from full participation in society include drug and alcohol addictions, gambling addictions, and appropriate and affordable housing. The Salvation Army in Tasmania is struggling to meet the needs of young people and women with children in their care who battle daily with addictions. Options for treating addictions for both young people and women in Tasmania are lacking. Tasmania is in desperate need of an injection of funds to address the changing patterns of addiction. Issues of poverty associated with addiction impact on young children living in families where addiction is an everyday reality.

Housing is a lynchpin of social inclusion. Until security of tenure is stable, other issues relating to economic vulnerability cannot be addressed. Shelter is a basic requirement and it is the foundation on which one's sense of belonging is established. Tasmania is in the grip of a housing crisis complicated by long-term unemployment and there is an unacceptably high rate of Tasmanians on low incomes who are paying more than 35 per cent of their income in rent. A very high percentage of people who are accessing emergency relief through the Salvation Army are in private rental. Our supported accommodation service, and our community and family support services experience daily the difficulties and frustrations of the lack of housing options for those that they work with. This situation further exacerbates the vulnerability of individuals and families.

In addressing the issues of poverty we need to peel back the layers of poverty and injustice that keep people poor, revealing something that is already there: human dignity and a desire to live and enjoy life. Poverty permeates body, mind and soul. The poor are excluded from the

influential. Tasmanians who access services from the Salvation Army experience life from a very unstable base. They are able to influence very few areas of their lives. Individuals, families and groups are said to be in poverty when they lack the resources to obtain the types of diets, participate in the activities and have the living conditions which are customary to, or at least encouraged or approved by, the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities. The Salvation Army has not deserted its call to the excluded. It still invests a great deal of its resources, both human and financial, in the war against exclusion in its varied forms. The support that the Salvation Army receives from the Tasmanian community, although economically they are really not able to afford to do that, is quite amazing; we never cease to be amazed by the support that we receive.

Negative language has already been mentioned. I also want to say something about that. The poor often are excluded by language. John Solas, in an article on the war on poverty in Australia, said that negative language designates poverty as the effect rather than the cause of problems plaguing the poor. The poor are poor not because of moral, psychological, genetic or social defects but because of economic conditions that cause jobs to disappear and frustrate the will and ability to work. Our contact with people constantly reminds us that no-one is immune from experiencing financial hardship—from becoming poor. Daily we are seeing people that would once have supported our organisation financially but are now in the situation of requiring assistance from us. The poor are poor not because of their moral, psychological, genetic or social defects but because of the economic conditions that we experience today. The Senate inquiry into poverty is an opportunity for us to examine what sort of people we Australians really are, what should move us and what in the character of Australia and Australians needs to change in order to create a fair and equitable Australia for all. Thank you for this opportunity.

Proceedings suspended from 10.59 a.m. to 11.18 a.m.

CHAIR—I now invite committee members to ask questions on any of the subject matters that we have been presented with this morning. It is entirely a free session—we will not go to housing, then employment, then income, or anything like that.

Senator LEES—We had one other group to come—perhaps later on?

Ms Heron—Yes, we are waiting on someone to turn up. They will not be here until 11.30.

Senator LEES—Sorry, I looked and realised that we had not heard from one group. As I read through the submissions I find all these gaps; I also heard that in several of the presentations this morning. I think Mrs Grant mentioned a shortage of school teachers. A shortage of child-care workers was mentioned in a couple of submissions. Looking at the health work force, several people talked about the medical issues and ready access to, for example, hospitals, and again the shortage of staff. Has anyone done any work in Tasmania to look at the jobs that are there which nobody is paying for—in other words, looking at where some of the 15 people out there for every job vacancy could genuinely and urgently be employed, given the skills that they need to be a child-care worker, a nurse, a teacher or whatever? Have you done any work on the missing jobs?

Mr Owen—I think there are two levels of answer there. At the state government level there is some useful work occurring within the skills unit of the Department of Economic Development to try and identify where the gaps are—and that is occurring at a local and regional level, to some extent—and to anticipate potential growth areas for employment. I think we are starting to see some data emerge from that process, although it is not yet filtering down to our non-government organisations in a sufficiently coherent form that we would be able to say, ‘We need more of these by this time in that region.’

At a local level, perhaps of more interest to some of our organisations here, there is a growing emphasis on community enterprise, where local organisations come together to attempt to do just that—they try to identify where jobs can be created, what gaps in our service fabric might lead to employment creation and what kinds of particular goods and services we could specialise in in a particular town or subregion. We have seen that movement, if I can call it that, in community enterprise job creation in a number of other Western nations and it is starting to pick up speed in Tasmania. We are quietly confident that, in the state budget to be brought down on 22 May this year, there will be Tasmanian government assistance for that movement and dollars provided to assist local groups to start on that process.

It has already begun, in a sense—a number of local organisations are working informally and formally to try to identify opportunities for job creation at a local level. What has been missing is an overarching strategy, a system of resourcing for those local groups and a means of linking them so that they are not reinventing too many wheels and they are able to actually address job creation as a means of poverty alleviation at the local level, rather than waiting, as we have tended to do in recent times, for trickle-down effects from major economic development projects of the infrastructure kind that you have heard about in Tasmania. We applaud Basslink, gas reticulation, the ferries and all of those other kinds of things, but they do not yet appear to be creating jobs where they are most needed—in job-poor communities and jobless households.

Ms Flanagan—Anglicare is arguing that enterprise initiative thinking needs to be complemented by state based labour market programs, because of the particular problems that long-term unemployed people face here. I know that has been done in Queensland and Victoria quite successfully and we are hoping that our state government will also look at that. We do have labour shortages of very skilled workers—certainly, like other states, there are great shortages of psychiatrists, dentists, doctors and professions like that—but we have many people who have come out of the manufacturing industry and unskilled work who have not been successful in making the transition to this new labour market and who need assistance to find work.

Senator DENMAN—As a fellow Tasmanian I can relate to all the things that you have talked about this morning. David, in the TasCOSS submission you have called for or recommended that allowances be brought up to the level of the pension and indexed to 25 per cent of male average weekly earnings. Can you tell me which payments fall below those basic rates?

Mr Owen—Our focus has been on Newstart, youth allowance and Austudy. They are the three most prominent forms of Commonwealth payment that currently do not come up to that level. We can see no justification for that differential. We recognise that, once upon a time, people who were on the dole were expected to be on the dole only for a short period of time. That is not the case anymore. We have made the point in our submission that, in Tasmania now, we have something like 34.4 per cent of job seekers out of work for more than three years. I

think Jo gave the figures for more than one year and more than two years in her oral evidence. That is a different situation, where the cumulative impacts of low income as a driver of poverty have to be taken into account. That is to say, a system that was designed largely as a short-term intervention—as a prop-up payment for people who would be back in the work force in a relatively short period of time—is now often having to see people through for one, two or three years or more. Frankly, there is no real prospect of that turning around in the short term for Tasmania, much as we would like to believe otherwise.

Under those circumstances it becomes even more important that that bare subsistence level of income through our social security system is appropriate. And we think that it is more appropriate to equate it to the long-term nature of a pension because of that long-term nature of unemployment. Notwithstanding the debates about measuring poverty in this country, nobody seems to be arguing that the level of payment for Newstart, Austudy and youth allowance recipients is anything other than bare subsistence. We are not hearing arguments that that is a generous allowance under any circumstance. The arguments are about whether it is at or below whatever poverty line is accepted by whatever commentator.

Under those circumstances we believe there is a *prima facie* argument for getting it up to a level that seems to be accepted as at least a reasonable subsistence level—25 per cent of average male equal earnings. We would not advocate that as anything other than a basic subsistence level. But if it is deemed appropriate for one portion of the population, we cannot see an argument for why people who are out of work, on Austudy or youth allowance should be treated differently.

Senator DENMAN—I would like to talk about this basic subsistence level. We have high unemployment here as we know but you have all addressed the issue that our cost of living is higher than it is elsewhere; therefore our poverty must be greater, in a way, than it is elsewhere. Is that right?

Ms Flanagan—Yes, we would argue that.

Senator DENMAN—I think Maureen addressed the issue of various areas in Tasmania and the high unemployment rates. I am from the north-west coast and I think our unemployment rates up there are probably higher than elsewhere in the state. So the poverty there is probably to some degree greater than it is elsewhere in the state.

CHAIR—I wonder if you would like to flesh this out a bit more. You said one of the major triggers of financial stress was education costs. We have been advised of the education costs but you say it is a major trigger. As I said, we have been advised that education costs are a difficulty in families. Do you have some sort of means tested grant for families?

Ms Flanagan—Yes, it is called the Student Assistance Scheme.

CHAIR—What is the means test? What is the income you have to be below, do you know?

Ms Flanagan—It is an equivalent scale based on family size. Roughly it is equivalent to health care card eligibility and pension concession card eligibility.

CHAIR—That applies to 40 per cent of children in the public school system and 18 per cent in the systemic Catholic schools.

Ms Flanagan—In the Catholic parish schools.

CHAIR—Mr Owen, did you say that 42 per cent of adult Tasmanians have access to the health card or the pension concession cards?

Mr Owen—They currently hold those cards. They are listed by Centrelink as being recipients of those cards.

CHAIR—Do you know what the figure is in the rest of the country, state by state?

Mr Owen—I do not, I am sorry, Senator.

Ms Flanagan—I believe the next highest state is South Australia, with 28 per cent.

CHAIR—Even 28 per cent is a lot of people, and 42 per cent is almost half the adult population in this state.

Mr Owen—It is not inconsistent with components of that eligibility in terms of the higher unemployment and the higher numbers of people who, by virtue of age and disability, are dependent on some form of Commonwealth benefit. In that sense there are clear demographics that underpin it rather than just the labour market. But our labour market appears to be driving it most of all—that plus the low level of wages for those who are working. We have a higher proportion, we believe, of people who are working but are nevertheless eligible to receive a health care card.

CHAIR—Do you know whether those figures are divided up into the five electorates? When you said ‘demographic’, Senator Denman was talking about her area up the north-west.

Mr Owen—The figures that we have are by local offices of Centrelink rather than by region, but they could be quite readily re-aggregated at a regional level.

Senator FORSHAW—I want to ask some questions about breaching, which we heard a fair bit about in our earlier hearings this week. We are all aware of the quite horrendous situations that have occurred, where people have been taken off income support benefits because of breaching—for example, we were given evidence of one case where a chap who was deaf missed an interview because he did not hear the phone ring. A number of submissions, and I think Ms Holloway too, said that we should get rid of breaching or suspend it. The system, to me at least, suggests that we are moving more and more to one which has focused less on assistance through government departments or agencies than on enforcement using breaching. What sort of mutual obligation—if I can use that term—system would one think should replace the current one? In the old days, there was the CES and social security. I can recall a person having to attend once a month. Do people have alternative propositions? It would seem that to go from the current regime to nothing is not going to happen, certainly under this current government—and maybe not under any government, but I do not want to speculate on that.

Ms Flanagan—I think the Australian income support system has always had an obligation component in it. It is just that the obligations for activity were a lot less and the penalties were also a lot less. We would argue for a return to how it was manifested in the early seventies. We believe that these obligations and penalties simply are not necessary. Anglicare Tasmania has recently withdrawn from running Work for the Dole programs, but we had run them for quite a long time. There are quite heavy penalties on participants in the Work for the Dole programs if they do not attend and they do not participate. Our experience was that we had young people volunteering to come back a second and a third time, which is tragic in itself. They were not moving on to employment from these programs, but it proved to us that young people want to participate. If there had been a labour market program that would have provided training for them, they would happily have gone for it. We believe that the stick is not necessary; the carrot of getting a job is enough for most job seekers.

Senator FORSHAW—Does anyone else want to comment?

Ms Holloway—My concern is the punitive nature and the whole notion of blame that is associated with this kind of system. I do not have any easy answers to alternatives, I am afraid, but, talking of human lives, to take away the basic level of support and forcing people to beggary is just an inadequate system. I am sure that there are greater minds than mine out there. I think it is a very important question. There must be people who have ideas of alternatives to this kind of degradation.

Senator FORSHAW—We cannot pre-empt what this committee is going to report at this point in time. We are very early into the inquiry. But if we were to look at recommendations along the lines of trying to do something about breaching, it would help us if, rather than just saying, ‘We know what the problems are,’ some alternative propositions or sets of policy ideas were put forward.

Mr Owen—It is difficult. In the Tasmanian context, our starting point is that in our last full financial year there were 2,000 new jobs created and 20,000 people queuing for them. Under those circumstances, it is very difficult for us to see the justification for a system designed to try to increase the motivation of people to engage in job seeking activities when they know those odds, those likelihoods, of actually acquiring positions—especially as we also know that the positions created over that full financial year were essentially not of the sort that were ever likely to be filled by the long-term unemployed in this state.

It is in that context that I guess we become even more frustrated than would be the case in a more buoyant employment market about those punitive elements of the breaching system. For us, it comes back to this principle: under what circumstance can it be justified that a basic subsistence level of income be further reduced? It is not something that we would apply even in an imprisonment situation in terms of denying people the capacity to be fed, housed and provided with health care, which is essentially what happens when somebody is breached from an already subsistence level of income.

As with Jo, TasCOSS’s argument is that we do not need those extra penalties in order to encourage people to be active in seeking work. We believe that it will be very interesting to monitor the three-month period of no breaching in the transition from one set of Job Network organisations to the other to see whether in fact there is any diminution in the actual activity

levels of job seekers. We would argue that despite the absence of breaching that will occur during that period the activity levels will not change because people do want to get work. The ACOSS submission makes the point very strongly that, compared to other nations, the difference between our levels of social security income and even the basic low levels of full-time employment income is greater in Australia than elsewhere—that is to say, the incentive for work is in those terms greater than in many other OECD countries. It still seems to us to be ironic that under those circumstances, with that built-in incentive to find and secure work, we have the most punitive system of breaches compared to those other nations.

Senator FORSHAW—There is a whole equity issue about the variations from region to region and so forth. The other issue I want to raise which was mentioned by Mrs Grant—and the chair indicated that it been raised with use earlier this week—is gambling and the alcohol and drug position. We have heard, particularly in Victoria yesterday, of the problems associated with the massive expansion of the availability of poker machines and that sort of thing. Can somebody give us a quick summary of the situation in Tasmania as it impacts upon people on low incomes and on poverty? I might be wrong but I am not sure that you have the huge club and pub poker machine industry that we have in New South Wales and Victoria. Maybe you can enlighten me as to what the problem is here.

Mrs Grant—I do not have all the facts and figures with me but our government depends on the gambling industry for its revenue, which is a very sad state of affairs, and has just recently said that it will increase the number of poker machines in clubs and hotels by another 280—something like that—and we already have more. I do not know what the facts and figures are for the number of problem gamblers at the moment. I do know of people who have excluded themselves from the casinos, but when every place they go to when they go out has a poker machine, and they are addicted, it is a very cruel situation. They cannot go out anymore.

Senator FORSHAW—So you have them in clubs and in hotels?

Mrs Grant—Absolutely. They are everywhere. Places where you least expect them have half a dozen or more machines. It is not an easy situation.

Ms Holloway—Of particular concern, too, is that often they are located in the lower socioeconomic areas. That means that it is a choice between gambling—which alleviates pain, no doubt—and food on the table. These are people who cannot afford to gamble. It is a major concern in Tasmania. Many groups are raising concerns about the issue. Certainly the continual increase in poker machines is a real worry.

Senator DENMAN—Can I follow that up? I have attended on a couple of occasions as a guest of a gambling anonymous group. Do you think that some of the gambling comes from their need to socialise? Some comes, of course, from the hope that their money will increase, but do you think socialisation has got a role to play in that for the gambler?

Mrs Grant—Part of it is the reverse, actually. They are isolated and they feel cut off from people and they do not know how to relate anymore, so the excitement and the socialisation they ought to be getting from people they are getting through playing a machine.

Ms McIntyre—One of the concerns we have is the enticement that is used by some of the gambling places. We have playgrounds set up where children can be left while parents go in and gamble. It is a cheap way for families to be able to have some form of socialisation in the community.

Senator LEES—Do they allow coffee to be brought round in Tasmania and people to smoke at the machines?

Mr Owen—Yes.

Ms Flanagan—Tasmania has all the worst practices that you see on the mainland, so we have buses running from disadvantaged areas to the casino on payday, free tea and coffee and child care provided, movies with children and those practices. We have no betting limits on our machines and we have a monopoly by Federal Hotels to provide all the machines. This is the deed that was referred to that was just signed by the state government. It was offered as a positive to the community that the cap was set at only 290 more, but the community has consistently indicated in surveys that they want no more gambling machines. I am not sure if my figure is correct but I think about 10 per cent of state revenue now comes from machines. You can see the general context of poverty and the demands on the state's resources that are there, so you can see their eagerness to grab this money. Anglicare's concern, and TasCOSS's as well, is that we feel we do not have an independent regulatory body in Tasmania to comment on those issues. The Tasmanian Gaming Commission sits within Treasury and is chaired by the secretary of Treasury, who provides government with Treasury advice and with another hat on provides independent advice. We feel it is not a system that is working for us.

Senator FORSHAW—I have one other question. We could probably approach the national bodies for the national position, but does anyone have any data on the level of gambling addiction problems among those people on income support as distinct from working people, who are basically spending their income support and channelling it back through gambling?

Mr Owen—There are some data but it is as yet inadequate, despite frequent and consistent calls by our organisations in recent years for more research. While it is an easy call that everybody can make, it is because we have not been able to put to rest some of the debates about the nature and extent of so-called problem gambling. We continually have figures thrust back at us by our state government indicating that the level of problem gambling in this state is still lower than in New South Wales and Victoria and that therefore it is okay for us to continue to roll out gaming machines, presumably until we get to a state which is as bad as elsewhere and then it becomes a problem.

Our argument is twofold. Firstly, we do not want to wait until the situation is as bad as elsewhere. Secondly, the whole notion of problem gambling overlooks the Tasmanian context. We have made the argument already this morning that in a state with low incomes and higher expenses and therefore a very small margin, if I can put it that way, for people battling, losing \$20 or \$40 in a given week or fortnight through a gaming machine creates a major problem even though it does not necessarily lead to that individual or household being defined as a problem gambler. If that \$20 or \$40 means that a child in the family is not able to go on an excursion or that the family is late in the payment of a bill, leading to a penalty or extra charge which exacerbates the circumstance, you have got a major problem beginning to occur. Those sorts of

figures are not likely to be turning up in the sorts of data that are collected at the moment. So we are not able to provide chapter and verse about a nice cross-tabulation of income level by level of gambling. There is some data indicating a very rapid increase in the number of young people spending time in gaming venues, and we know enough about the income levels of young people to see a correlation there with low income, but beyond that the figures are inadequate.

CHAIR—Ms McIntyre, you said that boarding houses, particularly those for people suffering psychiatric problems and all that, were of a low standard. Who has the responsibility to regulate the standard of houses? Is it the local government or the state government? People with disabilities might like to comment on this as well.

Ms McIntyre—We do not have a regulator for boarding houses here in Tasmania at this stage. In Hobart we have one privately owned, very substandard boarding house; that is a major concern.

CHAIR—Would you like to comment, Ms Wilkinson? Also, you might like to make a brief statement.

Ms Wilkinson—For a lot of people with disabilities, even if some of those services are available they are not accessible to people with disabilities, so you cannot use them. That becomes an even greater issue: how do you assist people with disabilities that require perhaps a bit more than so-called average people's needs.

CHAIR—So there is no state or local authority regulator?

Ms Flanagan—Legislation is before parliament at the moment—boarding and rooming house legislation—but it is still under debate.

CHAIR—Is it being contested?

Ms Flanagan—They have just asked to stop it so there can be a debate on it. It was introduced at the end of the session. The complaint about a lot of the legislation that surrounds the housing area is that there is no mechanism for redress for grievances from tenants.

CHAIR—Ms Wilkinson, would you like to say a few words?

Ms Wilkinson—Do you mean generally?

CHAIR—Yes.

Ms Wilkinson—Lorraine Heron will do the introduction; we have split up what we want to say.

Ms Heron—Jane Miller will also be providing information. We represent Tasmanians with Disabilities Inc. It is a small voluntary organisation and, picking up on Senator Lees's earlier point, currently we average 178 hours per week in direct work, which is funded at a total of 19 hours. So we very much rely on people voluntarily coming along to, for example, events such as

today. Unfortunately, we could not put in a written submission to you; we do not have the resources. So I thank you for taking evidence from us today.

Tasmanians with Disabilities was formed back in the 1980s as a result of all the rights based issues and the movements that led to the International Year of Disabled Persons. It was formed by people with disabilities for people with disabilities. As such, we cover all types of disabilities: physical, sensory, intellectual, neurological, psychiatric and hidden. Our vision as an organisation is for a society that demonstrates that it values and respects people with a disability and provides equal access to all aspects of community life. As an organisation we work towards this by advocating for the advancement and full participation of people with disabilities in Australian society.

There is a Tasmanian branch of the Physical Disability Council of Australia, and I understand that you will also be receiving representation from the Queensland branch when you visit Brisbane. The Physical Disability Council of Australia has commissioned extensive research into the cost of disability and the income support received by people with disabilities to show that there is a huge differential that leads to people with disabilities, in the main, living in poverty.

We are not going to spend much time covering the research by the Physical Disability Council of Australia because you will get that in other forums. However, we are going to put a distinctly Tasmanian flavour on it and give you three specific, real examples that affect us as people with disabilities, particularly in the Tasmanian context, which David Owen from TasCOSS outlined earlier. I will ask Robin Wilkinson to present one of the specific examples for you before we move on to Jan Miller.

Ms Wilkinson—Thank you for this opportunity. It is fairly topical at the moment, if any of you have seen the advertisements for *A Current Affair*, that people with disabilities are concerned about the cost of transport. It is costly for people with disabilities and for the industry to provide accessible transport. From the point of view of a person with a disability, you are often limited in how much you can participate in life, whether it is going to and from work, going to and from education or just going out for leisure because of those costs on an individual level. However, it is costly for the industry to provide accessible transport.

I believe that a lot of people within the industry desire to provide accessible transport. However, I also think that they are being knocked a fair bit, and perhaps rightly so in some ways, because they have to pass on their extra costs to the consumer. Again, I believe that from a Tasmanian perspective many of us within the disability rights movement want to work together with industry and with any necessary government departments to provide a fairer and more equitable system of transport generally for people with disabilities.

Taxis do not address the issue for a lot of people on fairly low incomes as a result of their disability. Taxi fares are always going to be more expensive than bus fares, but often buses are not our option. They are not accessible. Even the ones that are accessible, for us to get in place and tie up are sometimes really difficult. Also, after hours here it is very hard to get some accessible transport, even if you book it in advance. Sometimes planes are delayed, for example. One that I was meant to get in on by half-past seven did not get in until quarter to one in the morning. There are those sorts of issues. I was fine—it was prebooked—but for some people it

can be an issue if they have not made a booking. We do not have the cabs on the rank like they do on the mainland. Those are issues.

I will now pass over to Jan, but I hope that I have made it clear that transport is a really big cost on people with disabilities. It is also a big cost for the industry. We would be interested to find out how we can all work together to create an equitable system and maybe get a system the cost of which is the equivalent of a bus fare so that we can participate in life more equitably.

Ms Miller—Like people with physical disabilities, people with sensory disabilities and, in particular, blind people have the same transport issues. Physical access is not the problem. The problem is the availability of transport and the cost of taxis, particularly when travelling at night or after hours, just to be part of the community. Another thing that people with vision impairment have to think of when buying or renting a home is that they have to be within easy distance of shopping centres and other facilities and transport. Even a taxi fare may be the limiting factor for someone relocating to a particular area.

For blind people in particular, one of the main problems is accessibility of information. Communication is a great problem for us in a world in which information technology is extremely important these days. We are finding it a great plus to us in some respects, but in other respects it has been a negative. For instance, the piece of equipment that I am using now to remind myself of my notes cost me \$8,000—this is my pen and paper—and the cost is increasing because I have to keep upgrading this equipment to keep it viable to access information. Information access is extremely important, and most of us—unless someone is in a program seeking work and gets some compensation for the expense of this equipment—have to foot these bills ourselves. Most blind and vision impaired people, if they are employed, tend to be in lower paid positions or under-employed; but we still have the same costs of accessing what everyone else takes as a given—information and the ability to hold down a job, participate in leisure and social activities and do volunteer work as a worthwhile member of the community.

Ms Wilkinson—I will cover some of the general extra costs of disability. It seems to enter just about every area of life. Jan has mentioned the employment issues, and I stress that these are not just for people with vision impairments. People with hearing impairments have communication costs as well, with interpreters. They have extra costs for specialised equipment—the latest hearing aid equipment—that is really expensive, and they get no support for that. There are other issues with employment. Not only might you need extra equipment—and there are ways of getting that—but also the extra costs of getting to and from work might make it not worthwhile going to work.

There are issues with accommodation, both at a permanent level and at a temporary level. At a permanent level, people with disabilities like to be reasonably close to facilities, just to enable them to be part of the community, and there is an extra cost in that. Also, having a house that is accessible or meets your needs often raises the cost quite significantly. On a temporary level, it is very hard to get accessible places in, say, caravan parks for ordinary holiday activities or participation in conferences and things like that. Most of the hotels that will accommodate people with disabilities are far more expensive. Also, the whole area of temporary transitional accommodation is really hard for people with disabilities to access, even if they could afford it.

Often our heating and utility use is greater which, again, means higher costs than most people have. Jan has talked to a certain extent about communication needs. There are extra communication costs for a lot of people with disabilities across the board. Clothing costs associated with disability are usually higher—for example, clothing with sleeves is more expensive. The wear and tear on your clothing is often higher if you have a disability. If you have a vision impairment and you are in the work force, you might have to use things like dry cleaning services to enable you to participate equally.

So there is access to services and there is also specialised equipment and the usual household equipment. We often recognise some of the specialised equipment for people with disabilities, but for example, to open a can I need an electric can-opener. I remember, in the past, I had an American friend with an electric can-opener. I thought it was a luxury and she said to me, ‘No, for people like you it is an essential item to enable you to manage.’ So there are those sorts of things. The necessary equipment might be a clothes dryer, which is an option for some people, more like a luxury than an absolute essential, but again, for people with disabilities, it might be essential. An item necessary for survival might be something like an airconditioning unit, which for other people is an option but for us it is not an option. Jan has already mentioned some upgrading of equipment but there is also general maintenance. If you are lucky enough to get some of your equipment provided—and not all of us do by any means—you then have to maintain it. For example, at the moment I have an electric scooter, which needs not only new batteries but also a general maintenance overhaul. The cost of that is prohibitive.

We have talked about transport, and recreation and leisure but the other area is education. To participate in education, information accessibility actually costs us more. It costs our organisation, for example, more to provide things in braille for some people or in electronic formats or tape and a whole lot of other things. So there are those extra costs. It is my experience that people with disabilities really want to participate not only in the community generally but in working with the rest of the community to create a fairer and just society for all of us. We do not want to always be seen as separate and requiring special needs. We want our special needs to be just part of the everyday requirements that we all need.

Ms Miller—Both Robin and I have outlined to you the costs that people with disabilities incur as a result of their disabilities. These are non-optional costs. If a person with a disability has a job, a considerable amount of that income is spent on the non-optional costs of their disability, which is unfair. If a person with a disability is on a low or fixed income, it is extremely difficult for them to cope with the non-optional costs of their disability, some of which we have outlined today. I thank you for giving us the opportunity and the time to explain some of what people with disabilities face in trying to, as Robin said, participate in the community as other people do.

Ms Heron—Briefly, in summary, Tasmanians with Disabilities wants to get the message across to you that people with disabilities have additional costs in maintaining the same lifestyle as other people. These costs vary from disability to disability and even from individual to individual. On the other hand, people with disabilities are underemployed across Australia and have a higher rate of unemployment. This is actually increased in Tasmania because of the specific issues in this state. We end up in a situation where people with disabilities may get a disability support pension but that is paid at the same rate as other pensions and makes no allowance for the costs of disability. If people try to get employment, it is usually in a part-time casual or low paid position and for them to be able to actually participate in life fully there needs

to be some way of addressing the costs. Most people with significant disabilities are pushed into poverty by a combination of low work force participation, low incomes and high costs of living. I would like to present a paper showing the research and the proposed solutions.

CHAIR—Certainly. If you do not mind, we will ask some general questions, as before, but there may be specific ones to your organisation.

Senator HUMPHRIES—I have a question for TasCOSS, based on its submission to the inquiry. You say on page 8:

We contend that state and territory governments have a crucially important role to play in addressing poverty, but that they have yet to acknowledge their responsibilities (or indeed their capacities) in this regard.

You go on to talk about the focus on income support from the Commonwealth, and then you say:

TasCOSS asserts that the provision of cornerstone public services ... and the appropriate funding and management of community services represent equally important factors in poverty alleviation.

What did you mean by that? What sort of shortcomings have there been in state and territory governments?

Mr Owen—One of the ways that we try to understand poverty is not just as a snapshot of what is happening now but in terms of what has actually occurred in recent years to change the circumstances facing low-income households in Tasmania and across the nation. What we have witnessed is a change in the relevance or appropriateness of some of those cornerstone, previously publicly provided, key services. There has been evidence given today with respect to public housing, public health, public education and public transport as no longer being cushioning devices between low-income on the one hand and poverty on the other. It is in fact now contributing to the process whereby low income starts to equal poverty. In this state we have seen—as in other states, but in slightly different ways—a withdrawal by the state government from a responsibility to ensure that, especially with things like public housing and public health, low-income households will definitely have access to key services.

Public housing is the obvious example that has been talked about most. It had been such an important tool in the tool bag of policy makers and is almost irrelevant now in this state. We actually have a higher proportion of public housing in this state than in all other states, other than South Australia—notwithstanding the ACT's higher proportion as well. Yet it has ceased to be a tool available to deal with the crises that arise for low-income households—facing poverty and facing homelessness.

We assert that the public housing system has been allowed to run down as a result of inadequate funding not just from the Commonwealth—though we certainly point to the lessening of funds through successive Commonwealth-state housing agreements over last 15 years or so—but from the fact that successive Tasmanian governments of both political persuasions have failed to put their own dollars in to ensure the continuation of a useful public housing system. Accordingly, we no longer have the capacity to use that tool to address the poverty issues that arise from, at the moment, an extraordinarily tight and expensive private rental market. It is just not there as an option.

So too with public health. We know the budgets at a state level have grown dramatically and appear at times to be out of control, but we also know that it has become more difficult for low-income households to access what had been accessible and affordable basic public health services. The issue of hospitals, with respect to oral health, has already been raised. In parts of the state, the wait times are truly, almost literally, unbelievable. People spend years and years waiting for oral health services in all but the most urgent and emergency form.

We have seen those kinds of key cornerstone services retreat. Jo has talked about the costs of what had been an essentially free public education system that is no longer free, so we are pointing the finger at our state government—and, I need to emphasise, at successive state governments—as having not taken a responsibility that they have for poverty alleviation. If pressed, we would still point the bone most seriously at the Commonwealth government in terms of those key income support issues, but we are unable to avoid also asserting that our state governments are not doing their bit.

It has become too easy for some to call poverty a national Commonwealth issue, when we know that historically successive governments in a number of states, and certainly in this state, did a huge amount of work to develop the key infrastructure that cushioned low-income Tasmanians from poverty. State governments here in Tasmania built public housing, they built public hospitals and health systems and they built schools, and they knew that what they were doing was a means of alleviating some of the other economic impacts of low incomes that arise from being an island state.

They knew they had a responsibility and they fulfilled it. They were prepared to borrow against the returns from poverty alleviation that would come in future decades. We no longer see that; we no longer see the same political will to address poverty by taking political risks and by making bold decisions, especially by deficit funding of key infrastructure developments. That is not part of the political climate now.

Senator HUMPHRIES—Would you like to see some of the revenue that will begin to flow to the states through the GST being directed into rebuilding the sorts of services you have just referred to?

Mr Owen—We certainly would. One of the dilemmas we face—and I think the organisations around this table would probably say the same thing—is that we, like most Australians, are battling to tease out the truth in the various arguments about just how much money is coming and about just how much better off the states might be this year and in 2007 and years after. We have put a lot of work into trying to understand that so that we can be as measured and accurate as we can be in our criticisms or in our advocacy around those kinds of expenditures that are required and so that we can target which level of government should be making those expenditures. Frankly, we are no closer to understanding it than we were two or three years ago.

We are caught up in a series of debates between Commonwealth and state, especially about special purpose payments, key Commonwealth-state agreements that impact on us crucially in the areas of housing, disability and the health care agreement that is being discussed this very day, I understand, by Commonwealth and state ministers. Those kinds of debates are extremely difficult for our organisations to stay on top of and, therefore, to understand whether we really

should be putting most pressure on one or another level of government to address these poverty issues.

To answer your question, if there is to be a significant increase of funds to the states as result of those GST payments—a real net increase—then we would be arguing that it should go into key issues that relate to the poverty of Tasmanian households, especially those infrastructure issues of rebuilding the support systems that have been allowed to degrade.

Senator HUMPHRIES—You said poverty is a tool of government. I think that is what you said. What did you mean by that?

Mr Owen—I was referring there to the mutual obligation philosophy and the practice of breaching jobseekers for failing various tests. What I am alleging there is that the Commonwealth is using the fear and the actuality of poverty, in terms of being on a less than subsistence level of income, as a means of generating behavioural change. Our assertion is that it is not necessary, that it was not a problem to be fixed in terms of Australians' desire to be in employment—that the problem was the absence of jobs for those people, not the system of incentives or disincentives relating to acquiring work.

We know, as everybody knows, that there will be some people in this country, as in any country, who will not work in an iron lung, but they will be a very small number of people who, frankly, I would not want to be in work in place of those who really want to work. Our argument continues to be that, especially while there are so few jobs available—but even if there were more jobs available—that it is an inappropriate and ultimately unconscionable approach to take to fine people to below a subsistence poverty line.

Senator DENMAN—You have all mentioned the Tasmanian public housing crisis. I am particularly interested to know whether the impact is even greater on people with various disabilities, because of the user-friendly public housing.

Ms Wilkinson—Yes, that is definitely so. In the private market there are just not many accessible places, even if you could afford them. Public housing waiting lists are now becoming longer and longer, so people with disabilities that might once have had priority for state housing are having to wait and living in fairly unacceptable conditions as a temporary measure. It is also harder for people with disabilities to access those temporary accommodations.

Ms Heron—We were talking about housing yesterday at Tasmanians With Disabilities. Going back three or four years, if someone with a disability came forward who was in urgent need of public housing, it usually took only five to six weeks, because the housing department had a certain amount of stock and we could get people in. But the housing crisis is such that one particular individual we are working with at the present time, whose only disability after a motorbike accident is the loss of his left arm but who has, unfortunately, scars down his face, has now been in Bethlehem House, which is a men's shelter run by the Salvation Army, for three weeks. He has enough money to pay rent. He has tried the private rental market, but no-one will let their property to him because there are other more appealing, more needy people around. It is the same for the state housing system. Because of the tightness of the rental market in this state, both in the private and public sectors, people with disabilities are being pushed further and further down.

Senator DENMAN—So what you are saying is that people who are in the private rental market are being selective about tenants—it is discrimination, you realise.

Ms Heron—They can afford to. We now have ads in the ‘to let’ columns asking people to put in tenders on flats!

Ms Flanagan—One group that is particularly disadvantaged in the housing market is people with mental health problems. They are often last in line for any form of housing. We do have a huge crisis in supported housing in this state. If people with mental health problems can get private rentals, they do not have the support to help them maintain those tenancies and can often find themselves blacklisted because of episodes while they were in tenancies.

Senator LEES—We have heard elsewhere that local government has been stepping in and picking up some of the services. What is the record here in Tasmania of local government involvement in the provision of services, including services for the homeless?

Mr Owen—Local government in this state has been hampered historically by being based on a very small scale. There have been some changes in this state in the last decade, but not on the scale of amalgamations that have occurred in some of the mainland states. Accordingly, a number of our local government bodies are still essentially below the size that really provides them with the capacity to engage in a broader range of service provision roles. There are a number of important exceptions to that generalisation and, I am pleased to say, we are sitting here today within one of those exceptions—the Glenorchy City Council is one such local government body that has, for a very long time now, engaged in a wide range of community service activities.

Senator LEES—Do they supply things like a community bus to assist with some of the transport issues that have been mentioned? Do they actually look at assisting with accommodation through supporting groups that are offering community housing?

Mr Owen—Some do. Indeed, even some of the smaller rural councils have a long history of providing assistance, especially with aged accommodation and with some supported transport services. But, by and large, the fabric of service provision at the local government level is underdeveloped, is rather threadbare and is not linked in a coherent way. There has been resistance on the part of a number of councils to broaden the scope of their activity beyond that traditional ‘rats, rates, rubbish and roads’ kind of approach. In that sense, Tasmania is still a little way behind some other states in terms of an awareness of the extremely valuable role that local government can play. But it is starting to move now and it requires assistance and support, again, from state and Commonwealth governments to encourage local government to do more of that.

Senator LEES—For example, elsewhere one local government in particular was getting involved in scholarships in schools and supporting disadvantaged kids. Yesterday, I think there was one offering a tertiary scholarship as well. Are local government looking at any of those issues here?

Mrs Grant—Not that I know of.

Mr Owen—Financial counsellors or—

Senator LEES—Yes. Those sorts of support services.

Mr Owen—It is almost solely the non-government sector involved in that kind of activity.

Senator LEES—Through all these submissions you talk about the cost of heating, and we have heard more about that today. Is there any state body or other body here that offers the ability for people to have their houses energy audited and then for some retrofitting or services to be provided on some sort of a system either subsidised or whereby, if they own the house, they pay it off gradually through reduced electricity bills?

Mrs Grant—People have access to pay-as-they-go electricity.

Senator LEES—I am actually looking at energy auditing a house. We heard yesterday about some very expensive hot water services, for example, that are in rental properties. The landlord just leaves things there that basically run all day to heat the hot water and the tenant gets a horrendous bill. Is anyone looking at auditing some of the public rental properties in particular and saying, ‘Your heating bills do not need to be as much if you do this and this; you can reduce the cost of your hot water if you do that and that’?

Mr Owen—There is a program that is gradually attending to the public housing stock in terms of audit and retrofit, but my understanding is that there is no equivalent form of assistance in the private housing market yet that I appreciate does exist in some other states.

Ms Flanagan—There used to be but it was closed down.

Senator LEES—Was there? When did that happen?

Ms Flanagan—Perhaps seven or eight years ago.

CHAIR—We heard yesterday from an energy users group and another lady about a no-disconnection policy in Victoria. Do the energy authorities here have no-disconnection policies that you are aware of?

Ms Flanagan—The energy authority has just been through a process of offering payment plans to people and is approaching a period in which that is going to have to be evaluated because families are onto their third, fourth or even seventh payment plan. While it had been measured as a great success because disconnection rates dropped dramatically, we are now facing a period when they are probably going to go up again as families come off the system of payment plans. We do have the pay-as-you-go meters, which they are anxious not to have marketed as a tool for low income families so that they do not become a negative thing, but our feedback from clients is that they like them very much; they help them to educate themselves about consumption and pricing. There is also a scheme whereby you can pay a slightly higher rate to pay back electricity bills that might be hanging over you. So there are some patron care policies that are run by Aurora.

Ms Heron—The electricity provider in the state has an indicator on the number of disconnections and it seeks to lower that all the time. There is not a no-disconnection policy but it is a benchmark for them to aim for.

Mr Owen—There is a trap in focusing too much on the level of disconnections as opposed to the level of access to appropriate heating. Disconnection is only one way that low income households are denied access to appropriate heating. The other way through some of these innovative programs is that the households deny themselves appropriate heating on the basis of the greater information and feedback they have. It does not alter the fact that those households are endangered by some of those heating practices or non-heating practices, whether they are imposed on them or whether they impose them on themselves. What we are not getting, unfortunately, is information about those self-imposed restrictions on heating, and it is hard to imagine how we will without a fairly rigorous survey approach. It clearly cannot come from the retailer of energy services.

Ms Flanagan—As evidence to support the claim that widespread electricity rationing is happening, if you look at the household expenditure surveys you will see that in the power and fuels sections Tasmanians spend less on electricity, even though we have higher electricity costs in the lowest income quintiles. It is clear that people are rationing their usage.

CHAIR—As in Mrs Grant's cul-de-sac.

Ms Flanagan—Yes, it is quite a common story—people say that they go to bed at teatime or even mid-afternoon sometimes.

Senator McLUCAS—On the issue of energy and pay-as-you-go meters, is the cost of a unit of electricity higher if you are purchasing in that way?

Mr Owen—No.

Senator McLUCAS—So the welfare sector is in support of pay-as-you-go meters, generally?

Ms Flanagan—I guess we have been pretty circumspect about them because we are concerned that there is no data on self-disconnections. But I would have to be fair and say that our client group like them and the feedback is very positive.

Senator McLUCAS—That is interesting because it is different from the evidence that we had yesterday about the cost of a unit. Tasmania might be different in that respect.

Mr Owen—Yes, there is not a premium on the actual cost by virtue of going into those programs, but I think the jury is still out in terms of our sector's assessment of the overall impact. That will take not just more time but also, as I said, access to different kinds of data to that we currently have to be able to provide an informed response as to whether it is a model that should be extended to other states. We know other states are looking very closely at what Aurora has been doing in this state. We know that Aurora are very pleased and proud of what they are doing. We are less sure at this stage.

Senator FORSHAW—The issue of financial counselling was mentioned. There has been an incredible increase in the requirement for organisations such as yours, and the states, to provide more of that service. We heard examples yesterday, and I have heard other examples, of people who finally get to a point where they are prepared to seek financial counselling because of large debts, particularly credit card debts and so on, but they might wait quite a number of weeks

because of the demand on non-government organisations to provide it. I take it that is not any different down here. Is that the experience that you are having?

Ms McIntyre—Yes, that is certainly the experience that we have with some of the people that we see. The other dilemma that we have is getting people to go. They say, ‘We haven’t got a financial problem, because we don’t have enough money.’ That is certainly an issue as well. On one hand, yes, we do need financial counselling, but there also needs to be another stream of more budgeting or money management types of programs.

Senator FORSHAW—I was probably including that. For these people financial counselling is pretty much ‘budgeting if you can’. I have heard people say, ‘I can’t afford a budget,’ let alone talk about other sorts of things, such as counselling and investment planning.

Ms Holloway—Could I just offer a comment about the increases that Telstra have recently introduced in line rental and the effect that has upon people on incredibly low incomes. It takes out of their hands the capacity to have control over their budgeting when there is an increase in fixed costs like that. That concerns me. It is very relevant to our discussions today when a huge service like that implements changes of that nature. If it is a user-pays service then people have some control over how they use the service, but if they increase line rentals then that is very much disadvantaging the people we are talking about today.

Senator McLUCAS—I want to ask some questions around health. I was a bit worried about your comment, Ms McIntyre, about the increase in the use of emergency relief for the gap payments. Is that across all sectors? Are you finding that people are having to come in and get their gap payment before they go to the doctor?

Ms McIntyre—We are finding that in some of our smaller, isolated communities—particularly in places like George Town, Burnie and areas like that—more so than in Launceston and Hobart.

Senator McLUCAS—The rates of bulk-billing in Tasmania are some of the worst in the nation. Do you have any comments about the proposals? Is there any Tasmanian information that we need to understand, in terms of the package the government has announced this week?

Ms Flanagan—We are deeply concerned about it. As you said, we surveyed bulk-billing about two years ago and found that we had the lowest rate in the nation at that time. At that stage, although it was falling off nationally, it was falling off much faster in Tasmania. We had the best rate on the north-west coast which, interestingly enough, has the least specific mental health service provision. As primary care providers for people with mental health issues, the GPs are enormously important. In the new national mental health strategy that is being developed, GP intervention is considered to be extremely important in that whole area of primary care. We are already having difficulty in Tasmania in accessing GPs. It is a huge issue for our clients. If you talk to your parliamentary colleagues you will find that it is an issue that flows into electoral offices a lot. People ring up.

Senator LEES—On page 4 of the Tasmanian Catholic Justice and Peace Commission submission, you state that:

Unpublished research by the Department of Health and Human Services, cited in an Anglicare report, found that 31 per cent of adult Tasmanians had difficulty in meeting their financial needs ... 31.5 per cent of them did not seek healthcare due to these difficulties.

Does anyone have that research? I realise that it is unpublished, but does anyone have it or can anyone point us to where we can get it? It goes on to say:

... and 29.1 per cent of them did not purchase medication prescribed by their GP.

Ms Flanagan—That is a health in the community survey. We can ensure that it is available.

Mr Owen—It is actually in a published form and, for the most part, is available. There may be some unpublished cross-tabs that have been accessed but it will not be difficult to provide that information.

Ms Wilkinson—That would also apply to other forms of disability about which people are trying to make those decisions, for example, about what they can and cannot afford to have, or what they can go without. It is often to the detriment of their health.

Senator LEES—So you are saying that people are regularly not getting scripts filled, or are you finding that people are building up debts with pharmacists as they are putting it on their cards and later on—

Ms Wilkinson—They are not filling them.

Senator LEES—I would be most grateful for any statistics or information any of you have on that.

Ms Flanagan—The health in the community survey has statistics on that and there are also qualitative data about people talking about selecting from a group of prescriptions which one they will purchase.

Senator LEES—I have heard a lot about it anecdotally, particularly from pharmacists, but there has not been a lot of research into the quantity of what is happening.

Ms McIntyre—We have also had clients who have been excluded from seeing the doctor again until their debt has been cleared.

Senator LEES—We heard that from South Australia.

Senator McLUCAS—The other issue is access to specialists. Someone said earlier today that you have a low number of specialists. What happens if you need to see a specialist? Does it mean a trip to Victoria? How do poor people contemplate that?

Ms McIntyre—That is another issue, particularly with people travelling from the north and north-west of the state to Hobart to access specialist medical care. Very often that bill is being paid by the Salvation Army.

Senator McLUCAS—Does the state provide a patient transfer scheme or anything like that?

Ms McIntyre—If a patient has to go to Melbourne, one fare of the primary carer is paid. However, if other members of the family need to go, if there are young children, that becomes a real difficulty for some families.

Senator McLUCAS—So there is no travelling companion component?

Ms McIntyre—No.

CHAIR—Thank you very much for coming this morning. It has been very informative for us.

[12.34 p.m.]

LIANG, Mr Wei-Siong, Treasurer, Student Association Inc., University of Tasmania

CHAIR—Welcome. 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. You are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee has before it your submission. I now invite you to make an opening statement to be followed by questions from the committee.

Mr Liang—To the Chair of the Senate Community Affairs References Committee and to all who are present at this public hearing, thank you for having me here today. I am Wei-Siong Liang, the Treasurer of the Student Association Inc. of the University of Tasmania. I am doing this presentation on behalf of Daniel Hulme, who is the President of SA Inc. The Student Association Council is an elected student body that represents students studying at three campuses in northern Tasmania, namely the Newnham campus, Inveresk campus in Launceston and the North West Centre campus in Burnie. On behalf of these students I would like to thank the committee for granting us this opportunity to comment on the current inquiry being undertaken into poverty in Australia. This presentation will summarise and highlight the submission we submitted earlier. I believe all of the committee members have a copy of it. We believe this issue should be considered in conjunction with and as part of the higher education review, as many students live below the poverty line. In light of this we have singled out the following terms of reference and addressed them from a student perspective:

1. (a) the extent, nature and financial cost of:
 - (i) poverty and inequality in Australia,
 - (ii) poverty amongst working Australians,
-

(c) the effectiveness of income-support payments in protecting individuals and households from poverty ...

Our working definition of poverty encompasses not only financial hardship but also the consequences of it, such as poor quality of life and stress. At present, government income support for some students is inadequate. The extent and nature of poverty and the way in which it impacts on some students' lives and quality of education in general is therefore completely at odds with the federal government's ideals for the higher education sector. Poverty primarily impacts on commitment to study, student retention and general health and wellbeing, but it also has far reaching consequences.

In the current welfare support structure, a single adult student on the common youth allowance lives 37 per cent below the poverty line. In comparison, single unemployed people under the age of 21 live 32 per cent below the poverty line and single adult unemployed people over 21 live 21

per cent below the poverty line—ACOSS is the source of these figures. We believe that this is inequitable. Social security for students should be considered both under the higher education review and the Senate inquiry into poverty and financial hardship, given the impact of poverty on the quality of education and the number of students living below the poverty line. The disparity of support level between those on unemployment benefits and those on student benefits means that there is more of a short-term incentive to be unemployed than to pursue higher education. In other words, the government, instead of providing incentives for youth to further their education, thereby enhancing employment prospects, is actually encouraging young people to go on full unemployment benefits rather than receive more training. I will pause for a second because I would like to apologise if I pronounce any words wrongly, because English is not my first language.

CHAIR—Mr Liang, we have a copy of the Student Association submission. You do not need to read it all out—we have it in front of us.

Mr Liang—I will just highlight some of it. The way I see it—having talked with my friends and with people who have come to me in my office—is that, even though I am the Treasurer, my role as an elected student officer does not really have much to do with the welfare and equity of students. But I have seen a lot. I have spent a lot of time in the office. People have come to me and have related the financial hardship that they have come into. For example, a lot of students scrimp on heating. It is so cold in Tasmania, and a lot of houses are not very well built in the sense that they require high and constant burning of fuel because they do not have high thermal mass in the design; they have not given that a lot of consideration in the building design. As a result, a lot of university students have to spend time studying outside their houses. They spend time in the library or anywhere else, just to be out of the house because it is so cold. I personally have experienced that as well. No matter how I heat up the room with the heater, the room temperature just will not go above 15 degrees, and that applies to many people.

CHAIR—Where are you from originally?

Mr Liang—I was born on the coast of the South China Sea, between Thailand and Malaysia. I have travelled a lot—backpacking, camping in the bush and things like that—so I am more resistant to the cold than most of my friends are. But I still find it very hard as a foreigner. Even a lot of Australian students find it very hard to live in a 15-degree or lower temperature.

CHAIR—That is true.

Mr Liang—Another thing the welfare group has talked about is unfilled prescriptions, which is something I also discovered when I talked to some students who were really sick. They came to uni and I said, ‘Have you taken your prescription?’ They said that they take the first lot but the second lot was just too expensive. They have to get books and they have to photostat things, so they can save on that. You cannot really save on antibiotics, but out of sheer desperation these people do. I think it is a vicious circle.

There are many forms of the problem—not just for Australian students who are from Tasmania but also for interstate students who have difficulty and for international students. Very often the universities see overseas students as a cash cow, but the reality is that a lot of people who come to Australia are actually loaned money. Everybody in their family scrimps just to send

one of their children to Australia to get a better education for them to go back and bring up the living standard and the quality of life for everybody involved. Most Asian countries are very family oriented.

Financial hardship impacts across the board—on Australian interstate students as well as on international students. I have seen so much of it. International students do not know much about the support that is there and very often they do not have access to that support. For example, one international student was harassed, verbally abused and threatened with physical violence on the direct line coach from Launceston to Hobart. For 2½ hours he was harangued by someone who was very aggressive towards him. He had had a similar experience in Malaysia, up north where 95 per cent of people are Muslim, and he knew that people had been killed in a similar situation. When that happened, eventually that student hit back. A lot of people saw it, but no-one wanted to get involved, because the man was very abusive and people were scared. As a result, this student was charged, and his living expenses have to cover that. He approached a legal aid centre and he was told that because he is an international student he could not get any support from them. As a result, he has to scrimp and save and he has to borrow money to get by day to day and to pay his lawyer's fees so that he will not get sent back.

A lot of students in northern Tasmania are from Burnie and Ulverstone and outlying areas like that, and they go to Launceston to study. The poverty issue that hits them is mainly the fact that they cannot travel to and from their family home to university, and so they have to rent, and that takes a lot of their money away. Very often they live in a cheaper household, and most of the university terms are in the wintertime so, again, heating costs a lot of money as well. They cannot afford a better house, and they get cheaper rent, but the higher end, private market is not really willing to take students. So a lot of them are in this catch-22 situation. I do not know what else to add, but I have seen a lot and it is very hard to really put it across to you. I do not know if you can understand, because I do not know if you have talked to many of these students or seen them. I do not know why, but people seem to gravitate to me and talk to me in my office for some reason.

The Nelson review wants Australia to have a world-class education system but, at the same time, the current policy is actually discouraging students from staying at university. Instead, from the data I have, it seems that it is encouraging people to stay on unemployment benefits rather than go to university and get an education so that they can improve their career prospects. To me, the way it is going is just not logical.

CHAIR—Thank you very much, Mr Liang; that was well done.

Senator FORSHAW—What proportion of the students in higher education here live at home, as against living in rented accommodation? Some of the things we have heard in our hearings over the last couple of days in South Australia and Victoria have been about the impact of accommodation costs on students. There are also issues, as we know, about the definition of when you qualify to be independent, which is effectively at age 25—which is towards the end of when a lot of undergraduate students are finishing.

Mr Liang—They would be finished by then.

Senator FORSHAW—Can you give us a bit of a quick picture of the way accommodation works here? That can be a big cost for a student.

Mr Liang—Some people do apply for rent support. The student association has not done a survey to find out how many people actually live out of their own family home. But from the evidence from the people I meet, we can see that many people who are studying there are not from Launceston itself. A lot of them are from elsewhere; I think that about 40 per cent, or possibly more, are not from Launceston. A lot of people seem to have to travel from Hobart to Launceston and vice versa, and sometimes they have to do day trips and things like that.

Senator McLUCAS—Does the university union provide emergency relief support to students? And, if you do, do you collect any data on why people are presenting to the union in need of financial support?

Mr Liang—There is a thing called the safety net grant application, whereby students can put a case to the student association to have their student amenities fee waived. Usually they have letters from, say, the Salvation Army or Anglicare to show they are in dire financial need. They do provide some support. But a lot of people, for a lot of reasons, are very reluctant to go and say, ‘I need some help.’ As a result, a lot of people are in a very dire situation and they give up study. I have talked to people like that.

Senator McLUCAS—We heard yesterday from the National Union of Students, and they talked about the difficulty students have balancing work and study. We have heard this morning about the unemployment rate in Tasmania. It seems to me that it would be fairly hard for a student to actually find work. Trying to balance that work with study adds a different dimension here.

Mr Liang—There is a thing called the black economy, where people do a lot of work which is not officially recorded. A lot of them get paid below award wages. If they do not take the job, somebody else will. A lot of people do something like that.

Senator McLUCAS—In what sectors is that employment?

Mr Liang—Mostly it is in the service industry—for example, mowing lawns, letterbox drops, being a tour guide or something in the tourism industry. Many of them are paid really low wages—maybe \$8 or \$10 per hour. Usually they have to spend more time than they are paid for—they have to travel to the place and wait to be picked up and things like that. It is not declared, so it is illegal, and people are not willing to come forward and say, ‘This is what we do,’ but it is common knowledge to a lot of people who keep their ears open.

Senator McLUCAS—What proportion of student employment is illegal, at a guess?

Mr Liang—There is this study by McInnes and the AVCC. I am not sure whether it is accurate, because whenever people face authority figures they are very reluctant to say anything about that. They are willing to tell their friends. As a result, there is really no way of gauging how many people are working illegally. I know that when people are absent from a class or tutorial it very often has something to do with work.

Senator McLUCAS—We had that evidence yesterday, as well.

Senator HUMPHRIES—I put this argument to you for your response: although poverty among students is very real, they belong to a class of people who will in most cases move beyond poverty and into quite good earning brackets over time and, therefore, the question of alleviating poverty amongst students should rank fairly low on the list of issues in addressing poverty that a committee like this would be considering.

Mr Liang—In other words, you are saying that students experiencing poverty is a rite of passage before—

Senator HUMPHRIES—It is a temporary exercise, and when the students graduate they will tend to go into higher paid jobs, and therefore in a sense it is a temporary problem rather than a permanent problem.

Mr Liang—I have seen many cases of students who graduated from, say, psychology, social work and other degrees but just could not get a job in those areas. They worked delivering pizza, serving behind the counter in a takeaway, as waiters and so on. It seems that for a few years—I do not know for a long; I do not have the figures—they take jobs that perhaps can be done by those people who do not have a higher education, theoretically speaking. But they still have to pay off HECS. What I am trying to say is that for those people who do not go to university poverty will just become longer and longer and become a vicious circle. Wouldn't it be better if we encouraged them to study at university? A lot of people are put off by having to endure three to four years of poverty in order to get later benefits. A lot of people who are sidelined are very often from those lower economic strata. They just cannot fathom the importance of education as much as those who belong to economically better off and better informed social groups. As a result, we are creating a sort of permanent underclass whereby generation after generation of people are in that stratum. We are creating a social class. I think this is an affront to Australia's values of equal opportunity and an egalitarian society. This is a contradiction.

Senator FORSHAW—It is changing the nature of tertiary education; that is what it is doing. It is going from an emphasis on education full-time and getting some income supplement or support in vacations or whatever to having to manage working and doing a full-time degree. To take it to its absolute worst extent, which I do not necessarily suggest would happen, for families on low incomes that have one or two kids at university you are almost looking at the sort of scenario where it becomes financially impossible for the family to support those students at uni.

Mr Liang—There are two ways of looking at it. If you look at current globalisation, the way the Australian economy is going is that there will be fewer low-skilled jobs and most jobs will require more training as a result. As the economic structure of Australia is changing, we need a population that is more well trained, and human capital is what makes a society more competitive, economically stronger and more robust. We should look at spending money to eliminate the poverty problem as an investment, not as a liability to the government's coffers.

Senator McLUCAS—Well said.

CHAIR—Most of us would agree. Thank you very much, Mr Liang.

[1.00 p.m.]

GARTLAN, Dr Janette Gwendoline, Representative, Catholic Women's League Tasmania

GARTLAN, Mrs Patricia Frances, State President, Catholic Women's League Tasmania

ROBERTS, Mrs Betty Ann, OAM, Member, Catholic Women's League Tasmania

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

Mrs Roberts—I am a member of the Catholic Women's League Tasmania and the author of the submission.

Dr Gartlan—I am a general practitioner, and I am representing the Catholic Women's League.

CHAIR—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. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee has before it your submission. I now invite you to make an opening statement, to be followed by questions from the committee.

Mrs Roberts—The title of the submission from the CWL Tasmania is 'Poverty and Fertility in Australia'. It is based on the findings of the Monash University Centre for Population and Urban Research of 1997, which tell us that marriage break-up rather than unemployment is the main cause of poverty in Australia.

After bearing and rearing seven children, I worked for over 27 years with pregnant, homeless and addicted women and the families of addicts. I headed the steering committee and was the founding president of the Pregnancy Support Service. I was one of those responsible for the establishment of Caroline House for homeless women, and I worked with those women many hours a day. I founded and operated Holyoake Tasmania Inc., a treatment program for the families of addicts. I did this latter work for 12 years.

Even so, I was astonished by what I uncovered in researching poverty for the submission, and it led me to question whether all married couples have the economic capacity to raise a family and why a woman who is fully employed at home rearing a family is pressured to return to the work force. I will tell you why I was astonished: it was because I am forever defending single parents against the charges against them that they are so generously looked after and so forth, when in fact they are just barely managing. Senator McLucas, you asked earlier whether going to the doctor would be a hardship for people. For these people, who are just managing every cent, it would indeed be a hardship.

The cost of raising children and the social benefits that families provide must become a major factor in formulating government policy. We contend that financial stress contributes to marriage breakdown, and marriage breakdown leads to poverty. We must find ways to alleviate the serious anxiety of families stuck on the margins of poverty. We question the effectiveness of income support when, despite the Howard government's generous parenting payments to sole parents and low-income families and the training for those deemed ready to re-enter the paid work force, many families are struggling and jobs are simply not there.

We have a few suggestions for you. They are pretty well based on the recommendations at the end of our submission. League members believe there is urgent need to arrange family incentives and rebates through the tax system where applicable, rather than relying on complex welfare payments that are expensive to administer. I have a heap of literature here, and you almost need a degree to plough through it—it is a real maze. Our current system of taxation fails to recognise the costs and responsibilities of child rearing to all families. A woman could be encouraged to have children earlier if the accumulation of interest on HECS payments were to be suspended while she is engaged in full-time mothering. Why can't we make it possible for women to stay at home with their children through income splitting for taxation purposes? They could have children when they are young and get the qualifications and employment later. I got that, by the way, from a German magazine *Deutschland*. A baby bonus and two years maternity leave with an allowance provided by either the employer or the state, not both, could be paid to all mothers following each birth.

I will briefly mention the cost of marriage breakdown. Over one-third of Australian marriages end in divorce. Marriage breakdown costs \$2.5 billion annually. As we said in our submission, the tax base cannot continue to provide \$5 billion a year to support the every increasing number of single mothers and lone fathers. The shrinking tax base already poses serious problems for the entire welfare system. We were told as recently as 23 April, when the report was released by the union and by business, that an ageing population is estimated to cost \$27 billion each decade in lost economic growth and spending.

There is an urgent need, in our view, to safeguard marriage and the family and make it possible for mothers to remain at home with their children. The financial situation has forced a lot of women out to work who would prefer to work at home and rear children. There is little job satisfaction—and we have a lot of people who are looking for that because they have been promised that—for mothers who are forced to surrender the care of children, some as young as 10 weeks often for up to 10 hours a day, to registered carers. Monash University researchers Dr Mariah Evans and Dr Jonathan Kelley maintain that 'the great majority of mothers, 71 per cent, think that it is right to stay at home when children are under preschool age'. We believe that mothers are child carers par excellence and provide the best growing environment for young people well into their teens. Armand Nicholi, a clinical professor of psychiatry at Harvard Medical School who studied over 40 years of research on the question of parental absence and children's wellbeing, said this:

What has been shown over and over again to contribute most to the emotional development of the child is a close, warm, sustained and continuous relationship with both parents.

He goes on to say that the studies 'paint an unmistakably clear picture of the adverse effects of parental absence'.

We have linked the part of our submission on fertility to the Monash finding. We know that government funded abortion deprives us of 100,000 Australians a year. The fertility rate is at an all-time low. Australians need to address the problem now before the number of births fall below the number of deaths, which the Australian Bureau of Statistics forecasts for 2030. Keeping families together and encouraging them to bear children is in the best interests of our country both economically and socially. Perhaps we can get onto the question of immigration during questions.

I have also drawn attention in our recommendations to the Family Law Act. It is time we reviewed the Family Law Act, insisting on compulsory mediation where couples contemplating divorce can be acquainted with the reality and consequences of divorce. The Family Law Pathways report of 2001 states: ‘The government believes that families and communities are the basic ingredients to secure Australia’s future and are critical influences on the future of children.’

The architects of the act hoped that the availability of free counselling through the Family Court counselling service might help to prevent many marriages from reaching the stage of irretrievable breakdown and reduce the associated bitterness. I have counselled many people and I can tell you that that has not been achieved. Due to lack of finance, marriage counselling is no longer available at the Family Court in Tasmania. Sadly, by the time couples have reached the court they have already resolved to permanently separate.

The Family Law Act made divorce so easy that, when troubles arise, divorce becomes the first option of the couple, rather than the last. The only difference between many of the people who divorce and us is that, when the difficulties presented themselves, we persevered. I am not talking about those who divorce because of violence or substance abuse. The government has produced a marriage education kit called *Two equals one*. I have not seen it yet and I know of nobody who has, so let us get it out there—it might help. One survey shows that 37 per cent of people regret their divorce five years later and up to 40 per cent believe that divorce could have been avoided.

We have many impoverished fathers who are maintaining the children they love in a separate residence—the result of a divorce which may have been no choice of theirs—and who do not even receive a tax rebate in recognition of their child support payments. The Child Support Agency claims 27 per cent of the absent parent’s gross income for two children, rising to 36 per cent of gross income for three or more children. In America there are generous rebates that result in a much higher child support compliance rate. Dr Jan Gartlan will be telling you about her daily experience in serving people in a public housing area.

Government policies must address the cause of infertility. The UN International Covenant on Civil and Political Rights acknowledges that the family is the natural and fundamental group unit of society, entitled to protection by society and state. This fundamental group unit is threatened. The cost of raising children and the social benefits that families provide must become a major factor in the formulation of government policy. To alleviate the serious anxiety of families who feel themselves stuck on the margins of poverty, we must provide a tax system based on the number of people dependent on a single income, rather than on the individual’s income.

It is essential to the nation that marriage and the family endure, for a society without children is poor socially, economically and spiritually. We must find ways of protecting the family, which

is identified by the United Nations International Covenant on Civil and Political Rights as the natural and fundamental group unit of society, entitled to protection by society and state. Mindful of the findings of the Monash University Centre for Population and Urban Research, which tell us that marriage break-up, rather than unemployment, is the main cause of poverty in Australia, we must investigate the causes of marriage break-up and of declining fertility in Australia, because presently we are only addressing the symptoms.

Mrs Gartlan—I would include some thoughts that I had. I think that marriage breakdown in Australia is accepted as being a problem and poverty in Australia is accepted as being a problem. They do link together. Our society is more complicated than it used to be and there are a great many changes taking place among people in lifestyle, values and preferences.

Just in the last couple of days I came upon a paper given at the Australian Institute of Family Studies by Dr Catherine Hakim of the London School of Economics. I would like to make that available to members of the committee, if I may. She is doing a very interesting study where she looks at the three aspects of women's lives as she describes them: the values, the preferences, the lifestyle and the life goals of women. The problem is that we have to have the background as to why it is all occurring. She says that, once genuine choices become open to them, women choose three different lifestyles: home-centred, work-centred and what she calls adaptive. The divergent lifestyle preferences are found at all levels of education and all social classes. She goes on to expand on the fact that the lifestyle preferences cut across education groups, as well as socioeconomic groups and income groups. I think it is particularly interesting because we need to understand why people are making the choices they are making, which we contend are linked to poverty. If the government does not understand those choices, they do not make good decisions about how to cope with the question of protecting the family.

We need to cope with the conflict we have at the moment with those who are putting mothering down as something that is a bit old-fashioned—the great picket fence picture is evoked. This is doing a great deal of disservice to our community. A lot of quite eccentric language is being used—for example, mothers are not being referred to; parenting women are being referred to. I think we have to get past all this eccentricity, and that is why I recommend this very useful paper to help us to understand the new way that we need to do things.

We need to reinstate mothering—not child caring—as a job worth doing. We need to reinstate fathering as a job worth doing. We need to understand the extraordinarily important part that fathers play in lives. If we can do that, we will go some of the way to maintaining the integrity of families so that they can raise their own children and we can avoid the extraordinarily expensive—financially and socially—spin-offs which come from families breaking down. That is all linked to the question of poverty in our community.

Dr Gartlan—I have worked for six years in the public housing area of Hobart, Bridgewater and Gagebrook. About 70 per cent of health care card and pension card holders attend the practice. I would like to give you my perspective, as a GP, on family breakdown in this impoverished region. It has been my experience that a lot of fathers who live in this area have a lack of sense of commitment to their family, and I wonder why this is so. I feel the men are lost. They do not have a sense of purpose in their lives and they have poor self-confidence. Is this due to their lives being impoverished of good male role models as they grew up? I believe the attitudes of the men living in poverty have led to problems with drugs, crime and alcohol, and

this had led to problems directly impacting on the functioning of the family. I feel that a large proportion of the women I see living in poverty have poor self-confidence too. They have a low expectation of their male partners. They do not seem to expect their relationships with their partners to last a lifetime. They do not expect their children's fathers to have a lasting relationship with their children. I wonder what could be done to enhance the functioning of family units in poverty. I think the answer might lie in the future generation, in the children that come through.

From my perspective, I wonder whether there could be some primary school programs for males and females that encourage self-esteem, self-confidence building and developing relationships with good same-sex role models; whether governments could provide incentives to encourage more male primary school teachers in impoverished areas; whether there could be more free parental education about raising children, and some free lectures for the parents by special parent educators; and whether some low-cost, out of school activities such as sports, music and hobbies could be provided. That would encourage the children to develop outside interests and develop their self-esteem. It would keep them from just hanging around their suburbs and would help them to build more confidence and self-worth.

Mrs Roberts—I agree with everything Jan has said, but we have to get the birth rate up. We need 3.85 children but we are getting less than two. We cannot go on like this. I feel that, as a nation, we just cannot go on like this. As Pat said, we need to find out why lots of young people are choosing to marry but have no children. Lots of them try to have children late in their 30s when their careers are done, and are unable to conceive. The idea of putting studies on hold and having the family first is not a bad one; it can work. Seven of my children are graduates and some of them have more than one degree, but only two of them went on directly from school to get those qualifications. Do you think it is possible to make it so attractive that women will want to bear children when they are young, for the good of our nation? And for their own good, I might add.

Senator FORSHAW—Dr Gartlan, we heard some evidence in other states in the last couple of days about problems associated with child support payment. It is something that both mothers and fathers constantly write to members of parliament about, but I won't get into that. The problem raised was particularly in respect of where the non-custodial parent has the child or the children for, say, the weekend—a couple of days—and, on that basis, the amount of child support paid to the mother is reduced proportionately on a time basis. It is argued that quite often there is greater expense for the custodial parent because there are a lot of costs that that person has to bear, so the payment should not just be divided by the number of days in the week; and losing that proportion of the payment is putting an added imposition on sole parents looking after the children as the primary carer. Are you aware that this is a problem?

Dr Gartlan—I have had anecdotal evidence of patients who have had to buy two sets of clothing, one of which stays at the non-custodial parents place, because if they send their own clothes they are losing sets of clothes all the time. So, yes, there is an added cost, sometimes, in providing the non-custodial parent with general things for the child's day-to-day life which the custodial parents are forking out for.

Senator FORSHAW—It was said that the custodial parent might be the one that actually picks up the bigger items of expenditure, for example, school fees and everything like that. If the

child goes and stays at the other parent's place on a weekend that should not equate to two-sevenths of the total payment because it is a visit as distinct from essentially the permanent caring for or raising of the child. These things are difficult because there are so many different situations, as we know. There are people who are avoiding their responsibilities and there are traps in the system where amounts of child support payments are paid in lump sums backdated and people then find themselves having a debt to Centrelink and so on.

Mrs Roberts—What you say is true. The custodial parent does have the greater expense but the other parent who has to house themselves in a separate residence often is so impoverished by the maintenance that they cannot have a place worthy of taking their children to on the weekend. You see them all in McDonald's. Have you been to a McDonald's on a weekend and seen all the access parents?

Senator FORSHAW—Yes, I think so.

Mrs Roberts—It is largely, I think, because dad—most mothers still get the custody of the children, though not always—has nowhere decent enough to take them because he cannot afford it. If they were to be given a rebate on their tax because of the maintenance payments, it would up the maintenance payments and up their residential accommodation a little bit.

Senator FORSHAW—I think the proposition that was put to us was that there should not be a reduction overall in the amount paid to the custodial parent in those situations but rather you have got to find some extra finances to enable both to have some left.

CHAIR—We were advised this morning that there is a teacher shortage here in Tasmania. Dr Gartlan, you have suggested that there should be more male primary school teachers in impoverished areas. Would you like to expand on the reasons you think that should be considered?

Dr Gartlan—Some young boys living in these areas do not have a father figure and may have quite a poor male role model of, say, a mother's boyfriend. I feel that good male role models are not that common in some families and, if they had exposure in primary school to good male role models, it may make a difference. Steve Biddulph in his book *Raising Boys* suggested that boys need good male role models from the age of about six till 12. That was the ideal time. The mother is the most important role model until about the age of six and then a good male role model becomes important. I felt that perhaps primary school was a good time for boys who are missing out on having good male role models to get exposure to one.

CHAIR—Also, there seems to be a problem attracting men into teaching, even into primary school teaching.

Dr Gartlan—Yes. There are issues there. I suppose a lot of the church problems that are surfacing at the moment with males being accused of sexual and physical abuse are issues that probably discourage males from going into teaching.

Senator HUMPHRIES—I wish to ask you about the tension between supporting marriage and supporting women who raise children outside of marriage. You are not the first people to submit to the committee that it is important for us to identify family breakdown as an important

factor in unemployment and poverty, and you say we should be emphasising the value of marriage. Is it possible to do that without also sending a signal to mothers outside marriage that in some way their role is less valuable than that of mothers inside marriage?

Mrs Gartlan—I think that there does not have to be a conflict, because your focus is on the children and your focus has to be on what is best for the children. I think we would not have an argument with the fact that a stable home life is best for children. If the home life has fallen down and if the parents are doing their best to assist the child and see to it that the child gets what it needs, the government should support them. I cannot see that there is necessarily a conflict. Once you establish that the child is the one who needs the care, as this is the next generation that we are talking about, if you put a lot of effort into seeing that marriages work—and to do that you have to work out what makes marriages work and what makes them fall apart and what sort of training people have had through their lives up until the stage when they got married—I do not think there will necessarily be a conflict. I do not think it needs to be an either/or situation, provided you are looking at what the needs of the children are. That is your most important focus.

Mrs Roberts—These single parents are doing a magnificent job. They are producing children, which has my big tick. I do not think that there needs to be a conflict. I support a lot of single parents to the best of my ability. What they need most, Senator Humphries, is someone to talk to. Being at home with little children all day is very wearing. Often when fathers do not have access, the women are left with the children seven days a week, 24 hours a day, 365 days a year and they need to talk; they need a mental stimulus. A lot of the community houses are absolutely fantastic, but it is getting the mums to go along for the stimulation that I perceive that they require. I have often offered to go with them to a community house and to playgroup and things like that until they feel comfortable. Jan says that the men are losing their self-respect—and so often are these single parents. I cannot praise them enough. I do not see that there is any ‘tension’, as you have put it, which is nice. I like that term.

Senator LEES—I wish to ask Dr Gartlan a question. We have had a number of different submissions, including one this morning relating to the cost of medical services and the difficulties that people have paying. There were suggestions that, if there are three or four children and two or three of them get sick at once, pharmaceutical products are not being bought. Indeed one of the deterrents to going and seeing a doctor is that people know that with sore ears and sore throats there are probably going to be scripts that they cannot have filled. Can you give us any evidence from your experience as to how people have difficulties paying medical bills?

Dr Gartlan—Our practice does not bulk-bill. It has a \$5 gap fee per consultation. If someone has attended frequently, usually within the last week or two, that gap fee is waived, so they are bulk-billed for those consultations. If patients say they cannot afford it, it is usually waived as well. I have a lot of patients who often cannot afford pharmaceuticals until their next pension day. We have a drugs sample cupboard and we often confine medications in there that can last them a couple of days so that they can get through until they can afford the full script. But I have had a few patients—and they are usually young women—for whom I have prescribed a medication and they have gone off with a script and, when I have seen them for follow-up, I found they did not tell me at the time that they could not afford the script. When I asked them how the treatment went, they said, ‘I couldn’t afford it, so I didn’t even go to the chemist.’ It is a

shame that they were not more open about that on the first consultation as I could have worked around that, so it is certainly an issue.

Senator LEES—Are pharmacists prepared to run up debt? Is there a pharmacy, for example, that you can refer people to if you know kids have to have something?

Dr Gartlan—No, I am not aware of any—apart from our drug sample cupboard.

Senator LEES—Do some of these kids end up in hospital? Is that one of the alternatives—they go and sit in the waiting room?

Dr Gartlan—Yes. They probably do not even front up to us if they know they are not going to be able to afford the medication. It is a big issue.

Senator LEES—Are these families that are struggling generally ones with a health care card or ones that miss out on a health care card?

Dr Gartlan—They are generally ones with a health care card, in my experience.

Senator LEES—You said that something like 70 per cent of your patients have health care cards?

Dr Gartlan—Yes.

Senator McLUCAS—The government's baby bonus was brought in about 18 months to two years ago. Do you have any comments about how effective that is as a policy?

Mrs Roberts—It is only for the first baby, isn't it?

Senator McLUCAS—Yes, I think so.

Mrs Roberts—I think it ought to be payable for each baby. For each and every child there needs to be a bonus because each and every child is needed and wonderful. It would be marvellous if it were extended to all the other children.

Senator McLUCAS—Thank you.

Senator DENMAN—How would you address the declining fertility rates?

Mrs Roberts—I would make it attractive for double income, no kids people to have children. I have already said earlier that we need to investigate why they are not having children. It is very necessary. We can talk about the symptoms, like all these people sitting along here did this morning. You heard endless symptoms but we are not addressing the cause. I do not know what the cause is except that they have a very good lifestyle—better than we ever had—because women get pretty well equal pay. That is one of the reasons, too, for the breakdown in marriage: a lot of them do not discuss what they are going to do with the money afterwards. It is his money, her money and their money. My husband and I knew what it was to be on the breadline. He had a second job working at the technical college and it was always the tech cheque that was

going to pay for everything. We committed it probably six or seven times before it ever came. I did not have a great income to surrender upon entering marriage. Maybe equal pay has had an effect—I do not know. I do not want to deprive women of their money. We said in our recommendation that if we establish a living wage based on each of the four basic types of income unit—single people, married couples without children, married couples with children and sole parents—it might be a move in the right direction.

I know too that lots of double income, no kids people say, ‘It’s not my scene.’ But dig as I might, I cannot get beneath that. Or they say, ‘I want to travel.’ Then at the age of 37 or thereabouts they go for IVF because they cannot conceive. There is a myth about this biological clock, isn’t there—that you can have a baby whatever age you are. It is simply a myth. There is a short-term opportunity and that opportunity is often being lost, and I think primarily for financial reasons. If I had all that loot—who knows?—I might have found it hard to forfeit it.

Senator FORSHAW—One of the things might be—at least at the moment or in recent years—the cost of housing. In Sydney it is difficult to even raise a deposit to get a house. If you are going to try and have a family you have at least some intention to get a house. I am not saying that is exclusively the case, but to me it is something that—

Mrs Gartlan—Why are we not asking people why they are not having children? We can make all sorts of guesses.

Mrs Roberts—That is what I would like to do.

Senator LEES—When you have half-a-dozen kids at university at the one time and those sorts of issues, it adds up. Even trying to put five or six kids through school at once, I imagine, is quite a financial stress.

Mrs Gartlan—It looks to be a very daunting prospect. Having a child is a big decision. Do you do it or don’t you? Will I be a success at it? Will we be broke as a result? It is a massive barrier in front of a person. It would be worth asking people, rather than guessing, why it is they are putting off having their children. On the whole, many people intend to have children at some stage. So why not just ask them? The fact that it is such a major decision as to whether you do or not means that you are left with the problem of whether it was a good decision, and that is very scary.

Mrs Roberts—Maybe marriages need a more positive profile. Pat and I have done a lot. We gained the confidence to do it by accepting the responsibility of parenting. It is a huge responsibility. You have to make decisions daily—life altering decisions at times—and that provides you with a great deal of confidence. A large number of women say to me, ‘I’m just a mum,’ when they are doing the most important thing in the world. Pat and I—and Eris, who is in the gallery and has done multiple things with trade unions and so forth—have given our services. Mums are not just doing the most important thing of all, which is rearing children—look at all the extra services they give: playgroup, tuckshop, school outings, mothers help, caring for aged relatives, meals on wheels and so on. I was never paid for the almost 30 years of service I have given to the community, and neither Pat nor Eris has been paid for the service they have given. Now Jan is joining us in giving that type of service and being a mum and a doctor.

So it is not ‘just being a mum’; it is gaining the wherewithal to do absolutely anything. Once you have been a mum you can do absolutely anything, believe me. That is perhaps the message we need to get across, and we are not getting it across. Mums speak about themselves as ‘less than’. When I am asked my occupation I will always put ‘wife and mother’. That is my occupation. It is not on the form, but that is what I put, because I think that I am doing the most important job in being a wife and mother. Jan said to us the other day that on the census form she wanted to put down that she was a mother, but there was no place for it. Perhaps what we have to do is raise the profile of motherhood. I know Senator Denman is a mum because I know her son Paul. I expect that you two ladies are mothers, are you?

Senator McLUCAS—Yes.

Senator LEES—Yes.

Mrs Roberts—Yes. So you know what I am saying is true.

CHAIR—We are fathers here, too.

Senator McLUCAS—But you are not as important as us!

Mrs Roberts—We have an edge, Chair.

Mrs Gartlan—We are talking about raising the status; that is what we are after.

Mrs Roberts—That is what we want to do—raise the status.

CHAIR—Right.

Mrs Roberts—And we could not do it without you guys, after all, could we?

Senator FORSHAW—Thank you for that concession. Maybe we should do a bit more!

CHAIR—I was thinking that, but we have been away all week!

Mrs Roberts—We are very grateful for you coming down.

CHAIR—As there are no more questions, thank you very much for coming along today and waiting that bit of time.

Mrs Roberts—Could I say one more thing, please?

CHAIR—Sure.

Mrs Roberts—I know I am greedy and I know you are starving, but I just want to say that there is an urgent need for higher levels of immigration to counter the effects of fewer people of working age, because we are headed towards economic stagnation. You only have to speak to the retailers to find out what is wrong. There are simply not enough people. The shops here in

Tasmania are now open seven days a week, which means that the price of everything has gone up so that they can pay the wages. That impacts on the poor. There are just not enough people. I have never seen so many sales. Not only are there not enough people to buy the goods; there are not enough people to create employment, fill the schools or create a demand for services. We need to up the immigration.

CHAIR—Thank you very much for appearing here today.

Proceedings suspended from 1.47 p.m. to 2.28 p.m.

AMBIKAPATHY, Mrs Patmalar, Commissioner, Office of the Commissioner for Children

BUCZYNSKI, Mrs Karen, Advisory Council Member, Office of the Commissioner for Children

CHAIR—I welcome both Mrs Ambikapathy and Mrs Buczynski to the hearing today. 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. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee has before it your submission. I now invite you both—together or independently—to make an opening statement, to be followed by questions from the committee.

Mrs Ambikapathy—Thank you very much. I think the most important thing I need to say is that a lot of the information you see in our submission has been gleaned from community consultations throughout Tasmania. I have made a point of contacting every single council area—we have 29 in Tasmania—and I have gone to 27. I have spoken to people in the other two areas, which are Clarence and Glenorchy, areas of high disadvantage. Also, we base our submission on statistics that are publicly available. You can see from our submission that it has been framed in a human rights context. We framed it in a human rights context because the Children, Young Persons and their Families Act in Tasmania is based on the Convention of the Rights of the Child. So I have based my office very much on a human rights perspective of the rights of the child.

It means we have moved away from the perspective there was in the past of charity and generosity, the welfare model, and people saying, ‘Look how charitable and generous we are.’ We are also moving away from the old social responsibility model about community development. Although those are two very important aspects I have shifted it into the context of the rights of the child. In other words, it is a birthright of children to have certain standards of living, to be free from poverty and exploitation. This is their birthright. Nobody needs to give to them; they already have it. We have to be careful that the community and society do not take those rights away by policies, programs and practices that are to the detriment of children. Karen might like to add something else.

Mrs Buczynski—No, except to say that I think Tasmania has very specific problems with regard to children and poverty. This report was based on trying to look at the statistics as well as speaking, as the commissioner has said, to many people around Tasmania and isolating the problems of children and poverty.

Mrs Ambikapathy—That is quite true. We have rural poor—I am sure that is true in all parts of Australia—and they are largely hidden until they come to the fringes of the urban areas and then they become visible and a ‘problem’. Those are the kinds of issues that are emerging. Fundamentally, we were trying to paint a picture here for you not just based on a quantitative analysis of figures but also a qualitative study. The nature and quality of poverty in Tasmania is very hidden because you tend to see the beautiful aspects of the state, but behind that is a picture of a fairly entrenched community with disadvantages that run through generations.

We have an almost feudal heritage from the 18th century when you had people who were in power overseeing people who were totally disenfranchised and had very few rights because they came here as convicts. These people graduated to being indentured labour and then they became free citizens. So it is a curious mix of European feudalism that has permeated a new egalitarian system. But it has not shaken off its past; it is still there.

The most impoverished section of the community are children because they are the most invisible. As I have said in my report, their parents are least able to articulate that huge disadvantage they have because their poverty boils down even to the language. They are not able to articulate. For example, when I went to talk to a young person in a juvenile justice centre I asked him his date of birth. He looked at me blankly till one of his friends jabbed him in the ribs and said, ‘When is your birthday, mate?’ He had not heard the term ‘date of birth’. That was not part of his vocabulary. That kind of entrenched poverty is even in language and they cannot articulate it. That is why it is extremely important for my advisory council members, who are from all sections of the community, to inform me of issues so I can put them to the Senate committee.

CHAIR—Mrs Buczynski, you said there were particular problems in Tasmania. Does that follow on from the commissioner’s comments?

Mrs Buczynski—Yes. I think that there are particular problems because of education. The education system is different and they have just made moves to change that.

CHAIR—Would you expand on that for us, please?

Mrs Buczynski—It is a high school system and then a matriculation system here, so children have tended not to stay at school for longer. The minister for education changed this only two weeks ago. There has been a culture of not going on to school. Education has been a problem. But it is not just education; it is generational education. I think that is in the report.

Mrs Ambikapathy—The district schools cover primary and secondary school, up to year 10. If they want to continue, sometimes they have to leave their area and go to another area. There are all the issues about transport and living, and, although the government tries to assist them, that is a real problem for rural communities. There is not the seamless education that there is in other states. They are having a review of the education act. I am leaning towards the view that we should try and do something about that schism and maybe even look at making education, training or some sort of vocational guidance activity available for children after the age of 16 because, in a high unemployment area like Tasmania, what do you do with children who leave school at 16? Children leaving at that age and not having work to go to is an uncomfortable situation. They will sometimes be lucky enough to get junior wages, but that is only short-lived. That will be something, I suppose, throughout Australia. Our figures are not good compared to the rest of the developed world, but it is compounded in Tasmania.

CHAIR—When you talked about the largely hidden rural poor, were you referring to families on farms, as well as in towns, or is there a difference between farmers, labourers, timber workers and whatever?

Mrs Ambikapathy—It is the workers on the farms, not so much the farmers who have farms and property. They are people without significant property, who are used to working, sometimes on a seasonal basis only—seasonal work is their only occupation. They are the kinds of people I am talking about. Then, of course, there is the middleclass working poor, who are all over Australia. Women from farms have been forced to go out to work to keep their husband's farming properties viable. The ones I am talking about are even more hidden than the workers who can look forward to only seasonal work. Their children suffer too. They are isolated. We have huge problems with transport, so there are very limited opportunities to move. Even if there are opportunities to work somewhere else, there is always the issue of how we transport them.

Senator FORSHAW—Some years ago—I cannot remember which year, but it was in either the late eighties or early nineties—I was a member of a working party established by the federal government at the time to look at education in rural and regional Australia. I remember coming to Hobart and having a public hearing something like this. I think it was the first time I had come to realise the nature of the school system in Tasmania where you have the schools going to year 10. If you wanted to go on to year 11 and 12 you had to live away from home or travel very long distances. In terms of the definition of what rural and regional was, the whole of the state fell into that category. That was a long time ago, but there is still a problem.

Mrs Ambikapathy—It is still like that. There is still a problem.

Mrs Buczynski—And the schools are not well catered for.

Senator FORSHAW—Has there ever been any sort of recognition by any government or the parliament down here of that? Why would Tasmania continue to have a different model to the rest of the country?

Mrs Ambikapathy—I think that is why they are having a review of the education act now.

Senator FORSHAW—About damn time, by the sound of it.

Mrs Ambikapathy—They are certainly looking at that. I write memorandums and advice for the minister. Today I finished one which is looking at the whole of the west coast. There is not a single year 11 and 12 school in the entire west coast region. Those children have to be relocated to Burnie to go to school there—that is huge!

Senator FORSHAW—What is the retention rate now? Because the retention rates, as we know, were quite low and they did increase substantially—I might be political and say under the previous Labor government. There was a big push to get retention rates up over 80 per cent or into that sort of area. What is it now in Tasmania? What has happened in the last 10 to 15 years when we have seen the level increasing nationally? It has started to come off a bit now, but what has been happening here?

Mrs Ambikapathy—I remember putting in my report that we had the highest rates of children leaving, but apparently that has been turning around. In the last financial year we have had a change and we are not on the top of the league any more—I just heard that the other day—which is very welcome news. We no longer have the highest rates of children leaving school. And I am not quite sure why—

Senator FORSHAW—That is at 16 years of age, isn't it?

Mrs Ambikapathy—Yes. When we talk about leaving school it is now at 16 years of age.

Senator FORSHAW—Sorry to interrupt, but a hidden reason for that could well be the nature of the employment market too.

Mrs Ambikapathy—It could be. It could be because the tourism industry is beginning to have a bit of a resurgence, so children are going off to train or work in the hospitality trade. The other thing I will update you with is the Australian Institute of Health and Welfare statistics. We have a curious mixture of statistical evidence that shows that we may have the lowest rate of substantiation of abuse and neglect but we have above average rates of children actually taken into out-of-home care and children on care and protection orders. That is an intriguing figure. I am analysing it without much success, but I reckon it is because we have a different system of classification about what is and what is not maltreatment and what is or is not something that needs statutory intervention. Be that as it may, I think it would be more realistic to look at the actual figures we have for care and protection and out-of-home care.

There are high rates for care and protection and out-of-home care, which means that despite all our efforts to try and classify and make things respond in accordance with our resources—which are limited—children are still falling through the net and coming into the care of the state. That is not just a reflection of the fact that parents are not doing their job properly and are neglecting—which is a very quick knee-jerk response that I am not in favour of. I am much more in favour of the analysis that we have areas of disadvantage. You have to look at the difficulties of parents in the context of the disadvantage and difficulties they face. Any of us put in that position would lose a lot of our skills and fall into depression, addiction or other antisocial activities to the detriment of our children. Even with a middle class person losing their wages and not being able to pay for their mortgage or their car you have stress in families, but try that for three generations. We have to be very careful about judging parents, because when children come into care you worry that they are not doing their job properly. But why is that the case? We have to have a bit more than a superficial analysis.

Senator LEES—I would like to go back to what Senator Hutchins was asking in relation to the school system. It is the same as the ACT system. I have friends with kids in the ACT system and who also teach in it, and it works extremely well there. I am looking at whether perhaps here, where you are reviewing the primary/secondary college model, poverty may be a factor. I understand that when students swap from high school to college they have to find a new uniform and, as you say, they often have to travel. There is no other alternative. There is no tech school, as you have said, on the West Coast. There is no what is called an 'area school' in South Australia, where you have the whole lot together in the one school, from reception right through to year 12, even if you have only six year 12 kids.

I am looking at your model because it is reportedly working very well, particularly in what would be upper primary in South Australia but for you is the first year in high school. These kids are getting lost in other states, because they are bored witless these days. They want the additional stimulation of a high school, not to spend another year in primary school. So I am looking at whether the issue of poverty has been factored in at the various levels and whether that is the main reason, rather than the structure of the school system.

Mrs Ambikapathy—I think that is a very meaningful comment; that issue worries me too. We do have some online centres in various district schools for VET courses. I am not saying we do not have them. I know we have one in Queenstown because I have been there and seen it. However, it does worry me that the lack of resources of parents underlies a lot of the problems.

Senator LEES—But even if kids want to work online—and I think in South Australia some in fact do work online, because there are not enough students for some of the specialist science or language courses—they still go to school and they are still part of the school. They might do the course in the library but they at least have some teacher supervision. That does not happen here?

Mrs Ambikapathy—Is this in the ACT?

Senator LEES—No, this is in South Australia. The ACT has a similar system, but they do not have the distance to travel that you have. It is quite compact and they do not have the levels of poverty.

Mrs Buczynski—There are three matriculation colleges, as they are called, within the Hobart area, and students choose which college they wish to go to. There is quite a lot of distance to travel to these colleges. That education is of importance is not as strong here and, yes, that probably does have a lot to do with poverty, in all that that means. So I think that is a big factor. There is the culture of education not being of importance, so a lot of students do not continue. I think you are right that poverty is part of it, but I think it is also distance.

Mrs Ambikapathy—There are other small points that I did not make in the submission. I did not find out about them until afterwards because I am constantly going out and talking to people. There used to be a system where Aboriginal children got tutorials, and that was funded federally. That has gone, and they expect the state government to fund it. So there are things like that. Another one that has gone was for Aboriginal child health and child care. So there are quite a lot of things that used to come from the federal level that have been whittled away. I am hoping that, with this new initiative for early childhood, some of those other things may be resurrected, because there is a very strong economic rationalist argument for early childhood services.

Without seeming partisan—because I am not partisan—we have very good tripartite support for children in Tasmania. I had a look at Knowledge Nation—an early initiative of the Labor Party—and at the family policies of the Labor government. It was clear that the family policies of the Liberal government were strong, but the Labor government's policies were very strong and research based, using best-practice evidence about children. When the federal government inquiry comes, I am hoping to try to steer them to that way of thinking, which is best practice, but starting early with children, because only then can you start breaking the poverty cycle. In Third World countries, education has helped economic lift-off. It is helping children to attain standards of living that can actually secure their human rights. One of the best ways of doing that is education. I think that all of you have homed in on that very important aspect, which is education.

Senator McLUCAS—Talking about the other end of a child's education, what is the level of attendance of children in preschool years in this state?

Mrs Ambikapathy—We have a real crisis with child-care places.

Senator McLUCAS—I mean formal preschool rather than child care.

Mrs Ambikapathy—You mean like kindergarten?

Senator McLUCAS—It is called different things in different states.

Mrs Ambikapathy—Yes. I heard that, apparently, we have an increasing number of children going into the preschool stage now. The government feels comfortable about recommending in the Tasmanian Education Act that we lower the age to four because a lot of children are actually attending preschool at ages four and five. So the law is going to follow practice.

Senator McLUCAS—Is that part of the current review that this state is looking at?

Mrs Ambikapathy—Yes.

Senator McLUCAS—Do you know the figures for children attending formal preschool in the year they turn five?

Mrs Ambikapathy—No. Regrettably I cannot give that to you.

Senator McLUCAS—Okay. I am sure the government will be able to provide that. Thank you.

Senator DENMAN—Do you consider that the level of child poverty you encounter touches upon Australia's obligation arising from the Convention on the Rights of Children of 1990?

Mrs Ambikapathy—Absolutely, and also the so-called national plan. That was set up for 10 years. When you think about survival and development of children it is all to do with the human rights of the child. That was in 1948. We are simply not fulfilling that. When you look at Australia, I really believe that that is the level of commitment you need at the Commonwealth level. You have signed those documents and the international instruments and plans of action. The last one was in 2002, and even the one that was signed-off 10 years earlier has not been properly implemented or fulfilled. It is very much in their court. I have highlighted a lot of points about financial support and housing and the glaring discrepancy between that and our international obligations.

Senator DENMAN—On page 4 of your submission, you say that the longitudinal study of children in Australia—the Tasmanian section of that—has not been fully funded. Were you given reasons for that?

Mrs Ambikapathy—No. I am still making a bit of a fuss about that, but I do not really know. I have been given a sort of reason by the minister responsible for children and families that the resourcing is adequate. However, because of our small figures, if you look at things proportionally they are not adequate. To get a representative survey we need more numbers. This is a very good example of treating people equally, and us coming out unequal at the other end.

Senator HUMPHRIES—Do you have any suggestions about the issue of grandparents caring for children, in place of parents? What might the federal child support system do to recognise that or otherwise support grandparents in those circumstances?

Mrs Ambikapathy—We have a parliamentary inquiry into that at the moment. I think the experience of grandparents is that they have a lot of problems with Centrelink. Sometimes there are also issues with parents not wanting to be marginalised. A lot of it is not to do with the best interests of the child, but to do with wanting that income support. Things need to be clarified properly so that children do not fall between all the cracks—there are not just two cracks. There are a lot of things that can be done and I hope that the parliamentary committee will come up with some suggestions. I think partly they want to see more funding in the state, but at a federal level it needs clarification.

Children with grandparents need to come into the picture and be counted in statistics. They tend not to be. They tend not even to be in the kith and kin. It is sort of a voluntary thing, so they are outside. I have advocated in Tasmania that we bring them all in so we have a picture of exactly what the situation is, and then we can see how we can help them. That needs to be done at a federal level. You need to cast your net wide to find out where these children are, because I suspect that the baby boomer generations are going to have to deal with that issue in a big way, just when we are beginning to think about retirement.

Senator LEES—Are these kids that the Family Court has decided should live with the grandparents or are these generally decisions the family has made?

Mrs Ambikapathy—Both. When I was practising, it was always difficult for grandparents to get residents' rights for children, but it is changing, because they could see that, when parents are seriously in trouble with mental health or other health or addiction problems, it is probably in the best interests of the children. Sometimes you have assets which preclude you from getting the kind of assistance you really need. The children are deprived of their grandparents in lots of different ways and that is one of the poverty traps. It looks all right, but they do not have the disposable income. They have the assets but not the disposable income to help their grandchildren to go on school excursions and that kind of thing. We first have to get the numbers and then have a look at where it is coming from and how we can help them.

CHAIR—Could you expand on your concerns about the gaps in assistance available to unaccompanied and homeless minors under the age of 16, which you refer to between pages 12 and 16 of your submission?

Mrs Ambikapathy—That is another thing that I put my finger on. Some of the unaccompanied minors are falling between lots of different cracks. They are not even eligible for the kinds of homeless benefits that some Australians get. When I say unaccompanied minors, I mean the ones that have been let out of detention centres and who come in as refugees or asylum seekers. They are a very special category and we kind of accidentally stumbled into their problems.

I said in the submission that the position of non-Australian unaccompanied minors under the age of 16 in Tasmania would be similar to the position of homeless children in Tasmania. We have a small problem here but I am sure you have a far bigger problem in other states. I said that

they would not be eligible for the youth allowance and would only be entitled to special benefits. That is the same situation as for other Australian teenagers, because youth allowance is only for those who are above the school leaving age; it is not for those who are under the school leaving age. If they are under that age, they would not be eligible.

I remember in parliament recently—a year or so ago—Larry Anthony saying that he was going to treat them all equally. That is another very good example of treating people who are unequal equally, and that actually disadvantages them, because it is not a level playing field at all. Unaccompanied minors who seek social security benefits have to comply with the mutual obligation requirements—and some of them are not required from ordinary Australians, so it would be a form of discrimination against these children, who are not temporary protection visa holders in Tasmania. I am sure this is not new to you. You have come across it in other submissions, haven't you—or is this unusual?

CHAIR—I cannot recall.

Mrs Ambikapathy—You cannot recall?

CHAIR—Not off the top of my head, no. We will ask the questions.

Mrs Ambikapathy—In Tasmania we have an extra problem because our school leaving age is 16. So they will be in the same position as our 15-year-olds. They would not be entitled to youth allowance. All those kids are falling into that crack. They end up not having any money at all and then it is a care and protection issue for the state. There is a constant demarcation dispute between the state and federal level. That is all very well, but children fall between those cracks. Somebody has got to accept that. Going from what Senator Kay Denman said, after Burdekin I am sorry but it is very clearly in the court of the federal government. There are no two ways about it. If I was arguing a case for special benefits in the Social Security Tribunal I would be invoking those international conventions. You have ethical, moral and legal obligations to do that. I think that is even more poignant with unaccompanied minors.

CHAIR—I do not think we have any more questions. Thank you, ladies, very much for coming along this afternoon.

Mrs Ambikapathy—Thank you. I hope we have been able to help you.

CHAIR—You have.

Mrs Ambikapathy—Thank you.

[3.02 p.m.]

BOOTH, Mr Kim Dion, Member, House of Assembly, Tasmanian Greens

CHAIR—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. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. We have your submission before us, Mr Booth, and I invite you to make a statement.

Mr Booth—Thank you for allowing me to make a late submission. I had not realised the inquiry was on, so I apologise for not getting a paper to you in advance. I found it very interesting listening to some of the agency speakers earlier on. The last speaker in particular raised issues of rural disadvantage on which, although it is not part of my submission, I could answer some questions having lived in a rural environment for a long time and seen the disadvantage that students moving to the higher education level suffer having to move from home because they do not have access to educational opportunities in the bush.

I am tabling a background paper about gaming machines in pubs and clubs which may provide some answers for you in regard to some of the questions you asked about poker machines and the effect that they have. The background information is the report of the Legislative Council select committee inquiry into the impacts of gaming machines in pubs and clubs, which would probably be useful research for you in regard to addressing what is, from my point of view, one of the prime problems we have to address in regard to poverty in Tasmania. I would like to start by reading from my submission, which is probably the quickest way, and then you can ask me questions.

The Tasmanian Greens have advocated consistently that Tasmania's economic strategy must shift from where it has been historically, based on exploiting our natural resources, which has left the state unable to compete in crowded undifferentiated low-value, high-volume commodity markets. Instead, we see Tasmania's future economic strategy to be based upon creating prosperity by protecting Tasmania's environment and harnessing the knowledge, skills and ingenuity of the Tasmanian people. We believe that government policies must be developed in a strategic manner which positions Tasmania to compete equally in a 21st century marketplace of knowledge and skills based competition. In this regard, sustainable long-term prosperity, economic growth and job creation are dependent on building strong and vibrant local industries and increasing the skills and knowledge of the Tasmanian people.

We believe firmly that this state already has all the ingredients necessary to develop a healthy economy. High unemployment levels, low school retention rates and overstretched health systems are not the characteristics of any one Australian state; they are a few of the exacerbating factors contributing to what appears to be the ever-yawning poverty trap—and that certainly applies to Tasmania as much as anywhere else. However, there are current government policies which the Greens perceive to be in stark contrast to the direction in which Tasmania and our community need to be heading to address these and other related problems—in particular, the

state's policy of revenue raising by facilitating the expansion of video gaming machines, or more commonly known as the pokies, outside the two casinos and through pubs and clubs. Due to time limitations—and also secure in the knowledge that you have received high-quality and detailed submissions from experts and organisations which confront all facets of poverty on a regular basis—this representation to the committee on behalf of the Tasmanian Greens will focus on the impact that pokie proliferation is having on the state's poverty levels and how that undermines any attempt to turn the poverty cycle around.

The Tasmanian Greens believe that in this context the matters raised in the submission are particularly relevant to the committee's terms of reference 1(c), 1(d) and 2(b), and I will address these points specifically. We argue that either the state government is making a mockery of any attempts to address poverty and its associated complaints such as long-term unemployment or it is deliberately turning a blind eye to the fundamental hypocrisy posed by their endorsement of pokie machines in the community and their apparent commitment to alleviating poverty and the financial hardship currently affecting far too many Tasmanians. It is significant that it appears that the government has not made a submission to this hearing, I believe; yet their constant lament in parliament is that—

CHAIR—They sent one.

Mr Booth—I apologise for that; I believed that they had not. For the benefit of the committee, the Tasmanian government entered into an arrangement with Federal Hotels to facilitate a staggered roll-out of pokies into pubs and clubs across Tasmania. This resulted in the state's Gaming Control Act 1993, which began on 1 January 1997. The latest government figures show that, of the 3,393 gaming machines currently operating in the state, 1,160 are located in the two casinos; whereas 2,233 are in pubs and clubs. The Gaming Control Act not only establishes the exclusive contractual arrangement between the state government and Federal Hotels but also establishes the state treasury department as the regulator of the industry. The state budget is becoming increasingly dependent upon revenue from the pokies outside the casinos, which is of critical concern to the Tasmanian Greens. I might add that you will find in these documents the background briefing and the levels of revenue raised. Essentially, in the last financial year about \$166 million was lost in poker machines in pubs and clubs in Tasmania. This year it looks like over \$2 billion has been spent on poker machines—gaming machines—and of that there has been about \$190 million in losses, generally by the most disadvantaged in the community.

The two areas that I wish to draw to the committee's attention today are: (1) there has not been any independent social and economic impact study conducted to evaluate the impact that the pokies rollout is having on the social fabric of the Tasmanian community—from problem gamblers through to employment levels and the viability of local businesses—and (2) the inherent conflict of interest in having the state government as regulator of the gaming industry as well as being financially dependent upon it for the purpose of revenue raising.

I refer to terms of reference 1(c) and 1(d)—and I will not read them out because you have obviously got them there. I believe that poverty in Tasmania is endemic, socially destructive and intergenerational. It is the contention of the Tasmanian Greens that, unless legislative protection is afforded to the community from avaricious industry and/or unless measures are put in place to reduce access to addictive practices, any provisions recommended pursuant to 1(c) and 1(d) are likely to have little effect on the proportion of the population living in poverty as a result of

gaming addition. This is simply because addiction to poker machines and other forms of gaming is not related to income stream. It may, in fact, be argued that a failure to deal with gaming addiction will ultimately lead to poverty beyond the victim as the victim also beggars his or her family, employers, organisations et cetera through their addictive behaviour.

I want to make it absolutely clear at this point that we are by no means claiming that addiction to gaming is the only cause of poverty and inequality in Australia; the day of reckoning is merely prolonged if one has access to greater funds. Whilst problem gaming spans income levels, there are serious and growing concerns not only that gaming addiction contributes to sending people down the poverty slope but that, once people are caught in the poverty trap, gaming addiction makes it even harder for them to extricate themselves. Similarly, there are grave concerns about the ethics of pokie distributors nationally. Trends are now being identified showing that pokie machines are not distributed equally. Instead, there are concentrations of pokie machines in areas where they are removing a lot of money out of the community, which obviously reflects the profitability of those machines. The distributor tends to consider such an area a good market and attempts to increase the number of their machines there. Information was provided to the Legislative Council inquiry here last year on which Tasmanian suburbs have the highest concentrations of pokie machines, and the trend was for them to not be in the suburbs considered the more expensive to live in.

However, there should not be any inference drawn from this submission that gaming addiction is the province of any particular socioeconomic group. In fact, anecdotal evidence suggests that gaming addiction is cross-cultural and afflicts the full spectrum of the community. I say anecdotal evidence, because there has never been a socioeconomic impact study on the effects of gaming in Tasmania. This is an unbelievable situation, when we know, and when commonsense and observation will tell anyone prepared to open their eyes, that there are negative social impacts. People from agencies such as Anglicare, TasCOSS and the Poverty Coalition—the people who work at the coalface in dealing with the desperate plight of gambling victims—would be better placed to provide references to the anecdotal data collected over the years since the introduction of gaming machines into pubs and clubs throughout the Tasmanian community in 1997. But I can say that the impacts include, amongst other things, family breakdown, depression, suicide, business collapse, fraud and robbery. There is also evidence that the Risdon Women's Prison is predominantly occupied by women driven to desperation and crime as a result of pokie machines and their ensuing gaming addiction, and that house burglary, once blamed on drug addicts, is now the regime of the pokie addict.

This is also an economic problem, which makes it pertinent to your inquiry. Problem gambling is recognised as having a broader impact than upon the individual gambler's personal welfare and relationships, yet the broader economic impacts have yet to be examined methodically. There are patterns which reveal that local businesses are penalised in particular areas where there are high concentrations of pokie machines. This continues to have a negative ripple effect throughout the local economy. Businesses lose business due to the fact that a percentage of the disposable income they had relied upon is now directed elsewhere. This affects profit margins, which in turn affects staffing levels, overall viability and so on. This can reduce the nature of services provided within an area. Local economies which do not have a broad foundation and are limited in the employment opportunities they can provide obviously have a detrimental impact upon our ability to break the poverty cycle. Hence, it is the position of the Tasmanian Greens that the state government is being highly irresponsible by refusing to conduct the required

independent social and economic impact studies which have been called for by the Greens since 1999 and consistently by many other non-government and religious organisations. Indeed, only last year a house of parliament attempted to drag the self-imposed blindfold from the government's eyes.

I am tabling for your reference the parliament of Tasmania Legislative Council select committee report of 2002 entitled *Impacts of gaming machines*. The following statements from that report are pertinent to your inquiry. The report states:

It could be concluded that the Tasmanian Government is playing a contradictory role, because as a Government, they are both participants in, and promoters of gambling activity whilst also attempting to reduce the social harms of gambling.

It also states:

... the Government, who is the major beneficiary from gaming machine revenue, needs to accept responsibility for any social problems resulting from gambling and ensure adequate funding is provided and dispersed.

The Tasmanian state government, in our view, should take responsibility for the extent to which it is contributing to the immediate and long-term poverty cycle facing many in our community and for the way in which it profits from addictive gambling, with all of its destructive social ramifications.

In regard to your terms of reference 2(b) we contend:

... the Tasmanian Legislative Council Select Committee Recommendation:

1. The State government immediately commission a study to determine the social and economic impacts on the Tasmanian community, since the expanded operation of gaming machines in hotels and clubs;
2. The social impacts be considered separately from the economic impacts;
3. The study be conducted on a regular basis to carefully monitor changes, using the same terms of reference, criteria and guidelines;
4. This research be more extensive and independent of government; and
5. The issue of harm minimisation practices be re-addressed.

I submit to this inquiry that it is amoral for a regulator to be the beneficiary of the spoils of gaming addiction and that the Federal government may have to intervene with legislation to overcome the obvious conflict of interest that the Tasmanian State Treasury have in this matter.

Civilisation demands the protection of its people from all sorts of exploitation, robbery and violence.

In conclusion, the Tasmanian Greens believe that probity and good governance require that the community is protected from the ravages of what has now become a cancer on the community. It is neither civilised nor good governance to attempt to address the issues of poverty with one hand, and to exploit some of the very same victims with the other.

Poverty will not be overcome whilst the community is exposed to the current level of readily accessible gaming machines in hotels and clubs. There has also been recent mention of introducing gaming machines into the Tasmanian racing tracks as well.

The Greens believe that a consistent legislative approach is fundamental to addressing poverty across Australia in an equitable manner. In specific reference to the Tasmanian situation there are two key points in particular I wish to reiterate:

1. Resolving the current conflict of having State governments being both the regulator of the gaming system and simultaneously a major revenue beneficiary of that same industry is a pertinent example urgently requiring such an examination. The Greens also believe that this dual regulatory/beneficiary role is so inherently dangerous and prohibitive to seriously addressing poverty and addiction problems, that it warrants an examination of possible incentives from the Federal government to encourage State governments to wean themselves from their growing reliance upon gaming revenue.
2. The Greens believe that the first step towards resolving that conflict is an ongoing assessment of its ongoing consequences upon the community. We urgently require in Tasmania an independent social and economic impact study into the impacts of pokie machines in pubs and clubs. We need to identify how the location for further pokie machine expansion is identified by the company, whether there are targeted groups, the extent of current addiction, impact upon sustaining local employment and businesses to mention just the few known considerations. We cannot continue to stumble along the self-blinded road of current State-sponsored rhetoric that we do not have a social or economic problem due to current gaming policy because we have continued to refuse to do the research and check.

Thank you.

Senator HUMPHRIES—You said that there was now evidence that addiction to gambling was leading people to committing crimes like burglary and was replacing addiction to illicit drugs as a cause of crime. Are there figures or reports you can produce to substantiate that?

Mr Booth—That particular information came from Victoria from a report about a year ago. I could undertake to try to get you some information if I can find any that is actually in any kind of official form. The problem we have in Tasmania is identifying those things. There has never been a study done on it but anecdotally and certainly the evidence coming to us from agencies, social workers and people like that is that there is an enormous amount of petty crime—petty larceny, house burglaries and the sorts of things that were associated with drug addiction—being committed by people supposedly addicted to heroin and now it is by people addicted to poker machines.

CHAIR—You said that federal government intervention may be required. What sort of intervention are you referring to?

Mr Booth—It is the Greens' contention basically that you will not address poverty until you remove some of the sources of the problem. A lot of that relates to stuff that TasCOSS and so forth were talking about as well, such as educational opportunities. It is such a broad picture. But with regard to the poker machine industry, it is such a pernicious problem in Tasmania.

Greg James, the owner of the Oyster Bay Oyster Cove Inn, was going to come along and try to give evidence this afternoon if he could in regard to the effects the poker machine proliferation and rollouts through pubs and clubs are having on that industry, and the inability to compete

with the funds that are contributed to pubs that have Oasis, for example, where they have subsidised meals. It is causing bankruptcy in a whole lot of other clubs and has reduced the amount of available funds and so forth.

My contention is that it is such a pernicious problem that, unless your committee does something about getting legislative protection from these things for people, you will not totally solve the problem, no matter what else you do. The legislative framework is something I am not sure about, but governments do ban certain things. We make heroin illegal because we regard it as highly addictive; we do all sorts of things, like controlling the speed limit—you are not allowed to drive fast in certain areas for road safety reasons. It may be that a national approach is required for this sort of thing.

Senator McLUCAS—When did Tasmania get poker machines in clubs and pubs?

Mr Booth—I think the rollout started occurring in 1997 and there has just been an additional rollout, which the government has announced as a result, essentially, of public pressure. There is a lot of public pressure in Tasmania to try to control it. It is well known, although it is not well documented in official way, but if you talk to all those agencies, they will tell you what is going on. The Legislative Council had a select committee hearing and you have a copy of their report which you can look through and see some of the data that came out in that. One of the things that came out in that was that they have called for a full and independent economic and social impact study to be done into the effects, because nobody really knows other than they are profound. They are profound and very damaging to the social fabric of the state and also to regional economies.

As a person who has run my own business for most of my life—I was self-employed and involved in agriculture and sawmilling—I know there is a lot of anecdotal evidence around the business community, particularly in small business, that they are suffering grossly from the effects of poker machines, which are drying up income streams so money is just not available to those businesses. If you look at the amount spent, you will see that it is something like \$2 billion, and losses to the gaming machines last year were \$166 million and this financial year they were around \$190 million—generally out of the pockets of the most disadvantaged sectors of the community, the people most in need and the most desperate who are lured into going into that environment.

The lack of regulation for poker machines in Tasmania is extraordinary. They are some of the highest take rates in the world. You can lose nearly \$700 an hour through a poker machine, where you are taken into a darkened environment and there is a machine designed to emit sounds—it is similar to how you would run a battery farm with chooks in it, to lull the chooks into a sense of security so they lay eggs. It is the same in a casino. The ambience they create with music and flashing lights, the fact that you can smoke—all of that is uncontrolled. In other countries like Japan, the maximum take rate is about \$48 per hour; here it is nearly \$700, which is one of the highest take rates in the world. They are highly profitable machines that deliver an enormous benefit to a very small sector of Tasmania.

In regard to legislative matters, it may be that you look at the range of control measures they have used in other places where they have not actually removed the machines but where they have made it so that there is a reasonable chance for the players. As a bit of anecdotal evidence:

in Victoria they have banned smoking in the venues and they had a 30 per cent drop in the use of them simply by breaking the cycle.

Senator LEES—That does work but it is mostly state government legislation. Things like putting clocks back is state government legislation. I think Victoria is also banning the free tea and coffee and all of those things—

CHAIR—And putting in natural light.

Senator LEES—Yes. Most of that is state government, just as limiting smoking in restaurants is state government, as well.

Mr Booth—I understand that and I am not exactly sure what you can do at the federal level other than the fact that there is GST revenue that will flow to the states which ought to be able to compensate for the addiction that the state governments have. I recognise that they have based their budgets around these collections. It needs to be looked at. If state governments will not take the responsibility then there may need to be a national approach because one of the arguments for having the proliferation of these things here in the state was that Victoria has got them and New South Wales has got them, so we have to get on the bandwagon. It is highly irresponsible and highly destructive to the community.

CHAIR—Thank you very much, Mr Booth.

Committee adjourned at 3.25 p.m.