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SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

Reference: Poverty and financial hardship

THURSDAY, 29 MAY 2003

NEWCASTLE

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SENATE
COMMUNITY AFFAIRS REFERENCES COMMITTEE

Thursday, 29 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 Hutchins, Knowles and Moore

Terms of reference for the inquiry:

To inquire into and report on:

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

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Committee met at 9.08 a.m.**BOERSIG, Mr John Forrest, Coordinator, Coalition of Aboriginal Legal Services of New South Wales**

CHAIR—I declare open this public hearing. The Community Affairs Reference Committee is continuing its inquiry into poverty and financial hardship. I welcome Mr Boersig, representing the Coalition of Aboriginal Legal Services New South Wales. Is there anything you would like to add about the capacity in which you appear?

Mr Boersig—I am also a senior lecturer with the Faculty of Law at the University of Newcastle.

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

Mr Boersig—Thank you for the opportunity to address you on this issue. The issue of poverty in Australia is one of the most important issues in Australia today. You will see in our submission that we have addressed quite a number of the reasons and courses that we suggest arise in relation to poverty. Today I want to address the issue of the impact of poverty, that is, its consequences upon Indigenous Australians. Our particular concern is with the impact that poverty has that results in cycles of offending and criminal conduct and of consequences that arise, of course, ultimately in relation to incarceration. No doubt the committee is well aware of the statistics of incarceration of Indigenous people throughout Australia. They are horrific, they are some of the highest—

CHAIR—We have received no submission from ATSIIC at this stage. They have asked for an extension, I think twice. I suppose they are busy.

Senator MOORE—We think they are a bit diverted at the moment.

CHAIR—Anyway, go on.

Mr Boersig—I am very sorry to hear that, and certainly I can indicate that we would be happy to assist the inquiry in any way possible in terms of providing statistical information, and I will forward that information to the committee secretary.

I first saw the connection between poverty and the law when I started work with the Aboriginal Legal Services in a town called Walgett, which is in the west of New South Wales. What shocked me there was the connection between high incarceration rates, high contact with the police and the poverty that was in the local community, particularly in that rural area. There was obviously a clear connection between why young Aboriginal children were getting into trouble and the consequences of all that. It changed the course of my life seeing that, particularly when I started acting for the parents of some of the children for whom I had acted.

In consequence, in relation to this submission, we have compiled a number of statistics which I hope will be of assistance; no doubt they have been gathered by various sources. What we have tried to highlight in our submission is the gross over-representation of Indigenous people within this sector of the community. One of the correlations between offending in criminal activity is unemployment and poverty and, if those foundation issues of poverty, family dysfunction, et cetera, can be addressed then we believe that cycle can start to be affected. It is perhaps trite to say that, instead of building jails, we should be providing community workers in the community at a much earlier stage. Whilst I appreciate that is not directly the issue of a federal government, it certainly compounds in the whole picture.

The other aspect that I would like to draw to your attention in relation to this issue is that the consequences of poverty are high levels of contact with the police; the corollary of that is the need for legal services. There are a number of areas in which legal services are not met, chiefly in relation to civil law and the huge unmet needs of the community. They relate very directly to poverty issues, that is, debt recovery issues, family dysfunction consequences and so forth. I will not go on and add the whole list of those, but tenancy and social security are among the consequences of this that bring Indigenous people before the courts. Whenever that cycle starts there is virtually always a bad end and, in that regard, we would be suggesting that your committee considers the consequences of poverty and make recommendations in relation to providing appropriate legal services—both in the civil law, as I have just been discussing, and in relation to criminal law. I could go on for so many hours about the problems in criminal law, but suffice to say that the appropriateness of legal services is one of the most important ways of keeping Indigenous people out of that cycle.

The second point I would like to make attached to that is we need to develop stronger diversionary programs that link into employment options. You will no doubt be aware of the CDEP schemes that are run throughout Australia; those are very positive, in our view, in terms of making the kinds of connections that indigenous people need to bring them out of the poverty cycle.

The rest of the issues are carried in our submission, and I would be happy to answer any questions.

CHAIR—Thank you very much, Mr Boersig. Deputy Chair?

Senator KNOWLES—Sir, on looking at your submission, I am impressed by the way in which you are obviously a very firm advocate of more support for these people in terms of the way in which they are going to be legally represented. However, I come from Western Australia, so I have had fair exposure to a number of the Aboriginal communities. I find it one of the most frustrating things possible to know that money is being poured into the communities and you go and visit those communities and you would not think a cent had been spent. Sanitation is still poor—not because it has not been put in, because it has not been looked after; housing is poor—not because it has not been put in, it just has not been looked after; nutrition is poor; and the list just simply goes on. You have an endless cycle of poverty that goes on and on and on from one generation to the next. The children are not being educated—not because they have not got access to schools; they have, they just do not go. If we are really serious about trying to solve Aboriginal poverty, how do we do that without simply saying we are going to throw dollars at it, all to no avail?

Mr Boersig—I do not quibble with the facts you present in terms of what you have obviously seen, and I have certainly seen similar kinds of difficulties. The concern to me, however, is how the money that is allocated is managed and the structures that are put into place. In New South Wales we have seen a Land Rights Act which promised much for Indigenous people in Australia, but right at the start, in the early 1980s, there was not appropriate mechanisms for support, particularly in relation to accounting services and training, provided at the time of the allocation of money. Secondly, you found that the way the legislation worked, it was a half measure; they gave some communities access to more money but these were people who had been in cycles of unemployment for two or three generations. So suddenly they were required to manage \$60,000, \$70,000, \$100,000, whereas before they had never had to do that.

I am not familiar with the situation in Western Australia, I am familiar with that in western New South Wales. I can recall when I was in Walgett, for example, when there was an enterprise bought in Walgett by an offshoot of the Department of Aboriginal Affairs at that stage, it trebled the number of Aboriginal people employed on the main street, that is, it went from three to 12 people, which was marvellous because it gave a whole range of people the opportunity to learn skills that they had not before. When you put it in a historical context, if you look at what happened to Indigenous people in the 1960s when there was a different system of engagement in rural areas, that changed quite markedly during that period, and one of the consequences was structural unemployment. One of the following consequences of that was entrenched poverty and the loss of skills. It is a dreadful thing to go into a community and see underutilisation of resources—very frustrating both for the people there and for the people, no doubt such as yourself, who want to see government money appropriately spent.

Senator KNOWLES—It is very difficult and I look at both more built-up towns, like Derby and Broome, as opposed to the communities out in the Tanami Desert, off from Halls Creek, Fitzroy Crossing and so forth. From what I have seen in the many years I have been in this job, some of the communities on this side of the country are not that different from the other. I agree with you that CDEP programs have been absolutely fantastic in trying to focus some of the people and giving them an opportunity.

In a place like Broome, for example, down one of the back streets is the Aboriginal Legal Service, the Aboriginal Medical Service, the Aboriginal something other else, and they have all got different offices, staff, cars, housing, all from the suburbs. Yet you walk around the block to the park and there are a lot of Aboriginal people sitting there swathed in bandages from the night before, out like a light from the alcohol, sitting under a palm tree. Is it any wonder that the community there get pretty suspicious about all this money that has been poured into that street, while these poor people still do not have a job and are still deeply affected by alcohol. That then perpetuates that cycle of poverty. What I am trying to find out from innovative people like you who are working in the field is: how do we utilise those people there to get those people from the park up and running?

Mr Boersig—One of the current trends over the last few years has been the process of contracting, tendering and so forth and thereby trying to identify the best service providers and the best economies with a set of criteria that addresses quite a number of issues, including financial accountability, community support and specialisation. On the other hand, we are looking at trying to find appropriate partnerships—I appreciate that is a pretty worn phrase currently but I think it is still a very important one—in terms of linking Indigenous organisations

with other service providers to strengthen both services. In New South Wales, for example, in the legal sphere in the last five years there have been a lot of links made between the provision of legal services generally by Aboriginal Legal Services and the provision of services by the Legal Aid Commission in terms of outsourcing and so forth. Those kinds of programs start to address the issues that you are raising.

The difficulties one sees in the situation you describe are obvious for a community like that, and they do not just relate to the immediate situation but stem from a long historical trend and consequences. It seems to me the point is how you address that, and that is, of course, what you are saying. You cannot turn back the hands of time but you can try to engender stronger senses of community. I do not know whether you saw it last night, but there was a program on a situation at Moree—it is called the Aboriginal Employment Strategy. It was very valuable night. It was started by a fellow in Moree. I have worked in Moree, I know what it is like up there. They found 650 jobs in six years for Indigenous people by developing positive programs. That kind of initiative, which is a local partnership between local people and non-Indigenous people and Indigenous people has worked marvellously well. We can do that as well as the landscape changes over the next few years. It would seem to me that some of the issues coming out of ATSIC, and perhaps its new structure now, may encourage just those kinds of relationships. In the long run that will be the answer and obviously, in the short run, we need to develop lines of communication at a local level, and I accept that, to overcome some of the issues you alluded to.

Senator KNOWLES—Do you see any magic formula of getting role models back into these communities? People have achieved, they have gone to university, they have become lawyers, doctors, this, that or whatever. Invariably when they do achieve like that, they might spend a short time back in their communities but, understandably so, they want to go on to bigger and better things. In your experience, do you see any way in which we could generate more role models getting back into the communities to be able to have something for those children, in particular, to idolise and aim for?

Mr Boersig—There are a number of options there. One of them is cadetships that link Aboriginal people to skills training, education and then working with indigenous communities in the future. Many years ago people were bonded to work for a few years in the country on the basis that they got scholarships. There are a lot of options arising now similar to that, I would think, coming out of contemporary changes in the current federal government's policies that would allow for that sort of opportunity. Another is identifying key people within the community and fostering those few people. Sport is a big issue in Indigenous communities, as you are probably all aware, and a lot of young sports people go back to their communities and so forth. Again, that came out very strongly in the program last night, but I have seen it for myself on many, many occasions.

Living in rural communities when you do not come from there is very hard. I lived for a few years in Walgett and that was a big change for me coming from Sydney. I learned a lot, but it is hard to live for lengthy periods in those environments. Various services provide financial loadings and so forth that encourage people to stay, and appropriate accommodation—that also helps. In the end, though, whilst you have people coming in and out who are skilled and interested, you need to develop local talent.

Senator KNOWLES—How is the recruitment going in this area for Indigenous police?

Mr Boersig—I can only give you my opinion on that, and I think it is still low. They are not visible. In terms of criminal law, you would come across them if they were visible. It has never been high. I think it is increasing—this is just my feeling about that—but it is not very visible.

Senator KNOWLES—It has been used with great success in some of the country towns.

Mr Boersig—That and liaison officers as well, and the liaison officers allow for a different entry level into that sphere.

Senator KNOWLES—Thank you.

CHAIR—Mr Boersig, can I ask you how the \$400 million in cuts to the legal aid funding since 1996 has affected Indigenous Australians' representation in the court system? I will put these three questions to you; you may answer them together. Does your organisation receive any legal aid funding? Thirdly, if so, how has that funding affected your ability to deliver services to indigenous Australians?

Mr Boersig—In relation to Aboriginal Legal Services, there has been virtually nil increase in funding over the last five years. There was one CPI increase just recently. That means in real terms they are still providing the same kinds of services, the same dollars, without any increase. Of course, during that period of time there have been massive changes in New South Wales legislation that raised the expectations of Aboriginal Legal Service lawyers, for example, to participate in youth conferencing, circle sentencing. And there has been a significant growth rate in the Aboriginal population in New South Wales, which has the highest number of people but has the lowest per capita funding from ATSIC.

In relation to the higher court services, there has been no increase, we are still working on the same amount of money that we were five or six years ago, but the salaries, for example, of public defenders have gone up something like 20 per cent. Aboriginal Legal Services staff have not had pay increases. There has been shuffling internally, but legal service staff and DPP staff have had CPI and other productivity increases over that time, something like 17 per cent. The cost of outsourcing services has been funded. For example, the hourly rate of a lawyer funded by the Legal Aid Commission to do private work has risen from something like \$90 an hour to \$120; we have had no comparable funding. Similarly, there was a 17 per cent increase in disbursements payable, such as psychiatric reports and so forth, of which Aboriginal Legal Services had not had the benefit.

In many ways the lack of injection to funds has meant that, as the most recent internal audit has shown, we provide a streamlined service because we have not had the money. The effect of that is that you often lose experienced people after a few years, because they can walk from a \$40,000 job in the Aboriginal Legal Service to a \$60,000 job in the Legal Aid Commission. When you couple that with having to live in a rural environment, you can see the attractions; you have to be pretty committed to stay for a long time. In real terms there are real consequences in terms of experience and loss of experience.

There are similar figures in relation to field officer Aboriginal staff. If you are employed, for example, by the police as a liaison officer, you are on about \$15,000 more than if you are a field officer with Aboriginal Legal Service.

CHAIR—In your opinion, have the cuts to legal aid funding meant that Indigenous suspects in criminal cases have spent more time in jail without being convicted of a crime?

Mr Boersig—I would have to think about that. There are real consequences in terms of lack of staff—

CHAIR—You do not have to answer now; you may wish to write back to us and give a considered answer on that.

Mr Boersig—Yes.

CHAIR—Finally, you have referred to over-representation of Indigenous people in the criminal justice system. I understand there is a project being trialled in Nowra called ‘Circle Sentencing’.

Mr Boersig—Yes.

CHAIR—Would you like to explain to us what Circle Sentencing is and also if you think it is effective.

Mr Boersig—Circle Sentencing was first inaugurated by a judge in the northern parts of Canada. It occurred within the context of indigenous, that is, North American Indian, people within remote communities in Canada. The whole idea was to include all the participants, both the victim and the community, within the sentencing process. From that concept there has been a number of different offshoots, but in Australia we tried to develop a similar system and that has been inaugurated in Nowra; it is about to go out to Brewarrina, Bourke and Dubbo.

They mostly deal with serious matters. The Indigenous people sit in a group—the offender, support people and members of the community—and through that process they try to work out the most appropriate sentence. The appropriate sentence is not one that is necessarily going to be lenient, but it is one that is going to find mechanisms for healing the pain caused within the community. As Senator Knowles alludes, there is a lot of pain in the community when people offend. The idea is to bring all the participants into that process so that everyone gets an idea about why this young fellow offended—usually a young fellow, although women are increasingly in that category—and an understanding of that person personally about why they should not continue to offend.

It takes longer, but all the evidence that is coming from Canada and the initial evidence in New South Wales is that there are real possibilities here. There are similar kinds of notions for circle sentencing everywhere from Rwanda, where you see the grass village courts that are held, through to the Aboriginal day in court in South Australia and in both Queensland and Victoria, where it is just starting. I think it will spread pretty well. In terms of healing pain and issues, it is likely to be much more effective than simply saying, ‘You’re wrong, son, don’t do it again.’

CHAIR—Thank you.

Senator MOORE—I have a couple of questions, and they lead on from Senator Knowles’s question in terms of the linkage between the poverty in the community and the offending, and

then the cycle that people get into. In your submission, apart from the statistics, which no-one questions in terms of the high representation of people in the system from Aboriginal and Indigenous backgrounds, you look at how you engender the concept of hope into that cycle. Can you tell us what you do to bring in the hope?

Mr Boersig—From my experience in acting for young Aboriginal people, one of the strongest factors I have seen is that they develop a view of the world which is very negative, and they do not see opportunities that arise. That is what I mean about finding ways in which they can give them hope. The schemes that I have seen working with young people are one-to-one and small groups that have strong Indigenous components, that is, that the solutions are seen in the way that the Indigenous community would like to see a result flow.

One of the most important factors for Indigenous people is the reaffirmation of their identity as Indigenous Australians. One of the consequences of poverty and the 200 years of history is that often they do not feel a part of the Australian community. If you look physically, that is reflected in where they live—in country areas they are on the outskirts of the town or they are in a specific part of the town such as the housing commission area. They feel separated and unsupported, and criticised. You do not have to spend a lot of time with Aboriginal people on a one-to-one level to know that there is a lot of pain underneath about difference and the consequence of difference. I have seen that time and time again. I will not give you the exact language, but when I have dealt with young Aboriginal people when they have been accused of something rudely and roughly, it is always ‘You black ...’ It is not just ‘You don’t do it again,’ it is that colour issue that comes up time and time again, and we need to address that in a positive way.

There are many role models starting to develop—a lot of them through the sporting field but also through entertainment and culture and some of the more successful people in bureaucracies as well.

Senator MOORE—We have heard from a number of people the linkage between employment and breaking the cycle of poverty, and also the linkage between total dependence on welfare and the establishment of the culture in that way. Would you like to comment on either or both of those?

Mr Boersig—I think there are strong reasons to look at those partnerships that free Indigenous people from the welfare mind-set—they are my words, probably bad words to choose—that look to develop independence and self-determination. They are the key expressions. You have heard that we had Noel Pearson recently come to speak at a lecture here run by the law faculty. He gave a marvellous talk in just those terms. There are other Indigenous leaders talking about that.

None of the people I speak with want to be dependent on welfare; they want to develop a sense of self-determination. Some of the policies that were seen to be coming out of ATSIC and now the new organisation turn on developing regional autonomy and decision making power in allocation of funds and the development of enterprise within those communities. That is where I see the hope. The other area is using community services to develop strong, healthy, educated young Aboriginal people because they will provide a different future. They can see that hope.

Senator MOORE—Is it how you see your recommended whole of government approach, not one layer of government as opposed to another?

Mr Boersig—That is right. Also, this whole idea of a whole of government approach is one which develops a real sense of autonomy throughout the community. With those kinds of strategies, we are more likely to see change in five and 10 years time.

Senator MOORE—This is a totally wishy-washy question, but anecdotally, are you seeing it getting better or worse? You have been in the field for how long now?

Mr Boersig—Twenty years.

Senator MOORE—In that period, has it got better or worse?

Mr Boersig—Anecdotally, it is still problematic, it is still a problem. The incarceration rates of Indigenous people are still gross. Until that has changed, until there are more Indigenous people who are not in that socio-economic level of poverty, then it is going to be hard to change the results.

Senator MOORE—Thank you.

CHAIR—Thank you very much, Mr Boersig. If you could come back to us with that reply.

[9.39 a.m.]

POSTMA, Ms Therese, Social Planner and Member, Social Plan Advisory Committee, Newcastle City Council

MAHONY, Mr Terence, Community Member, Social Plan Advisory Committee, Newcastle City Council

CHAIR—Welcome. Is there anything you want to add about the capacity in which you appear?

Mr Mahony—I am not employed by council; I am basically a community rep that sits on one of their committees.

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

Ms Postma—Thank you. I would like to thank you for the opportunity to put together this submission. It is an excellent process to have to think of poverty rather than employment or housing. While it is nice to have an overarching banner, there are so many issues that you need to consider underneath that banner that it makes it very complex to put it in one paper, so it was quite a challenging exercise. As you have probably noticed, I have tried to focus in the submission as much on Newcastle as the local government area. In doing that, it is difficult sometimes to get specific information on an LGA basis, so we have done as much as we can on that with that regard, but we have also relied a lot on anecdotal evidence from the community through our consultation processes.

This submission was developed on behalf of the Social Plan Advisory Committee, which comprises both councillors and community representatives. The committee's role is to guide council in the development of its social plan, which is a document that identifies key social and community needs and strategies in which those needs can be addressed. The community members on that committee have been nominated through an expression of interest process and they are very familiar with community social justice issues and also in developing strategic approaches to addressing these problems, and Terence is a member of that committee.

In preparing the submission, we considered issues that were creating poverty today, but we are also putting some flags up in terms of some of the potential future issues that we might be needing to look at too. The submission covers a broad range of issues that I am aware some of the other agencies today will also be highlighting, so in terms of my 10-minute presentation I wanted to focus on key issues such as access to employment in Newcastle, to a liveable wage, to learning and to housing as being some of the issues which are contributing to poverty to Newcastle. Of particular concern to us are the impacts on youth in Newcastle now and in the future, and also for the future ageing community.

As you would be aware, our submission identifies a number of key indicators. Newcastle experiences a higher than national rate of unemployment and has done so for some time, and the youth unemployment rates are particularly concerning. There is a relatively high proportion of people in Newcastle with disabilities, probably because we have got a good range of services and people are attracted to the services. There is a relatively high proportion of people in Newcastle who are aged. Also, for some time we have had an average individual income lower than the national average. Newcastle also has an education attainment level that sits below the national average. All these indicators have remained relatively stable during the last two census periods, so there has been no real marked improvement in any of those indicators.

Our submission attempts to highlight some of the many positive aspects of living in Newcastle. In particular, some of the positive trends are: a diversifying employment sector; improved retention rates in schools; a community that works well together, with high levels of participation in voluntary work and community consultations; and a community sector that works collaboratively to develop innovative projects, and there are many good examples of that—people do work well together in Newcastle.

However, some concerning trends include that our manufacturing sector has decreased significantly, and many of the areas of new job growth are in high-skilled areas. Something we have not been able to validate yet is whether there is now a skills mismatch in Newcastle in terms of the skills that people have and the new jobs that are being created in Newcastle. The new jobs are more in the highly skilled areas. Unemployment levels remain high and there has been a net job loss experienced of something like 6,000 jobs in the last five years.

Housing affordability has decreased. You could say we have been fortunate enough to experience housing growth and demand for housing in Newcastle, but it has had a dramatic impact on our housing affordability. An increasing proportion of the community is on welfare payments due to the ageing population, and that will increase as time goes on.

There is a growing prevalence of intergenerational unemployment. Some of our local agencies are reporting that they are now seeing third generation unemployment coming through the doors, which is children that have never had anyone work in their family, and what kind of culture does that create.

There are decreasing numbers of young people. You could say that that is normal, and for some time we have had a drain on young people leaving Newcastle, but the last census indicates there has been quite a drop, more so than is a normal cyclical pattern, and we need to start questioning why that might be occurring. We do not have the answers yet. And there is increasing difficulty accessing child care.

The social plan survey conducted in 2000 identified that 10 per cent of the Newcastle population was experiencing difficulty. That is roughly 13,000 people in Newcastle experiencing difficulty paying day-to-day costs, which could equate to around 5,000 households. We are waiting for the new social plan survey to come into effect in, I think, next year, but I am anticipating that those figures will be increasing due to the housing affordability issues.

A currency policy environment tends to favour people who are working and those who can afford to pay for services. These two things are not mutually inclusive. Unfortunately, not all

people who work can afford to pay for services, which is largely due to rising housing costs, transport and childcare costs. This creates a dilemma on an individual level as to whether it is worth working, but it also creates a dilemma for the community as addressing poverty requires an integrated approach, which realistically will not be resolved in the short term.

The Social Plan Advisory Committee believes that it is increasingly important for the government to be focusing on strategies that build community capacity to respond to the rapid social, environmental, technological and economic changes that are occurring; focusing on developing and supporting models that involve private-public community sector involvement; encouraging the development of service models that have an integrated approach rather than a sectoral approach; having a greater focus on prevention; needing to focus on not only creating employment opportunities but creating a workplace environment that allows for the provision of a liveable wage, and I think the strategies in that are quite diverse. There is the need to manage the impacts—I have not mentioned this one in our submission, but it has come to mind recently—of city growth in major centres on regional and rural areas to ensure their sustainability.

In implementing the above principles, the submission has made a range of specific recommendations, and I will outline a few of these: the need to support large infrastructure projects, such as roads, our football stadium and the port redevelopment, in combination with local community based employment projects—and Terence will talk to you about the Mayfield employment project that is currently being investigated; the need for the federal government to encourage and promote a culture of learning, so that people are valued for their informal learning as well as their formal learning, as a means of developing community capacity to respond to change—we are saying that perhaps the government needs to think about also being responsible for the tier under the VET system and having some role in overseeing that; the need to develop financing models to broker partnerships to deliver affordable and adaptable housing; the need to encourage and support projects which attempt to develop collaborative partnerships between agencies. One example that we have of that is in regard to homelessness and the possibility of an outreach service going to the homeless in Newcastle. Then there is the need to review long-term and short-term impacts of current policies on youth from an individual family and community perspective; and the need to consider seriously the potential effects of an ageing population from the viewpoints of succession and adequate resourcing at home for ageing.

In summary, resolving poverty will require integrated short- and long-term solutions which focus on providing real opportunities for increasing individual and community capacity to respond to change. We need to focus not only on those who are not working, and for whatever reason that might be, but also those on low incomes. We need to acknowledge that lack of access to services and opportunities and costs of services can create an environment where people can become stuck in poverty. We need to provide a work environment that enables people to earn liveable wages, and we need to be concerned that unless there are changes the numbers of people who are living in poverty in Newcastle is only likely to increase.

CHAIR—Thank you, Ms Postma.

Mr Mahony—I will mention the Mayfield project. It might sound a little bit out of context, but it is not as it really relates to the work that the social planning committee has done over the years.

We always look at the points as part of the review process of the social plan, and one that kept recurring was unemployment and, as a social planning structure, how we address employment issues. What spun off from that was the social planning committee was kind enough to facilitate a community consultation process where an idea was put forward that we look at a particular area within our community. We chose Mayfield, which is an industrial suburb of Newcastle close to BHP, some major industries, the river and port facilities, and some of the structures that are happening along that area, but it also has its unique levels of unemployment and poverty. We thought that we should try to present the basis of a project by saying, 'How do we involve the local community in creating enterprise?' So at this stage we have gone through a consultation process with key stakeholders in the community, such as business and local community organisations. We have workshopped a few ideas and looked at some models that are taking place around the world and locally in Australia, such as the Maleny Cooperative process in Queensland. We discussed those and came up with a concept that we will put out to the community for debate. That is where we are up to at the moment. There is a small working group and we will be calling our first public meeting on 30 June to see if the ideas fly.

CHAIR—What is the name of that project in Queensland?

Ms Postma—It is Maleny Cooperative.

Mr Mahony—That was one of the projects that we had presented to us from one of the representatives. At the moment, we have gone through that process of looking at how we can help local communities help themselves, and how we empower those communities to have input, and it is now up to the community to lay bare some information and ability and see if people put their hands up. They have what I think are called community entrepreneurs who put their hands up to put phase 2 into process, which is to formalise some structures to try to create some enterprises at a local level which will create employment opportunities and the needs of a local base.

So it is within the tier of things but it is not at that sort of regional level of activities; it is more at a very focused community based level. There are examples across the world. Canada supports cooperative bases throughout Canada; I think they have a minister for properties in Saskatchewan that looks after cooperatives at a regional level and they fund these things. There is Savannah in America which has a blocks program, which looks at city blocks, youth development projects, neighbourhood pride activities, workshops and crime prevention strategies. There are models around the world that have been going for some 10 to 20 years. We are not going to give the community a model; we are going to help the community to construct the model that best suits their needs to hopefully then generate it. The concept is that the council's role will be to help us to facilitate some mentors to provide information and professional support structures for the projects that come to base.

I suppose it is getting away from that sort of business model where we just tell people to write business plans and then throw them out into the community; it will be hopefully a more supportive model where the communities will be identifying their needs, solving their problems and creating their own opportunities. That is the process of it. It has also got a catch to it that we also hope it will be an educational type experience for people, which is based on our belief and our concept of life-long learning. The city is also working on a life-long learning network and that is one of the things that we look at again as a base. But it is all very well to have tiers of

education, such as universities, TAFEs and the VET system—the official institutionalised education—but a lot of education and skills development should be happening at a community level and the opportunity should be given at workshop level to be able to get people out of communities, give them a feeling of self-worth and value to get them even into VET programs. So we see it as part of a cycle, and it is probably the part of the pie that is missing at the moment.

Senator KNOWLES—Ms Postma, you talked about a large number of people with disabilities in Newcastle because of the services you provide here. Is there a particular concentration of people with disabilities? What particular services do you provide that would, as you say, attract more people with disabilities to Newcastle?

Ms Postma—The John Hunter Hospital is a regional hospital, but its catchment area is quite broad and, in some cases, goes up to the border of New South Wales. There are very specialist medical services that are offered by the John Hunter Hospital. In terms of the facilities, we have got mental health services based in Newcastle, and some of the drug and alcohol services. Newcastle is a base or a home for a lot of these services.

Senator KNOWLES—When you say John Hunter is providing a lot of services, for what disabilities are they specifically providing?

Ms Postma—You could say that the John Hunter Hospital is providing specialist services from Newcastle and that, because those services are here, people with disabilities—whether they be psych or drug and alcohol issues or health issues—tend to come to Newcastle and stay here because of the transport issues and those sorts of things. I think we are defining disabilities quite broadly.

Senator KNOWLES—I notice in your submission you talk about the difficulties in transport. What has been done to try to resolve that problem of transport?

Ms Postma—There have been a lot of studies done.

Senator KNOWLES—Anything happen as a consequence?

Mr Mahony—No extra buses.

Ms Postma—There has been a lot of debate in Newcastle about whether the railway line should continue to come into the city. One of the key concerns is that the public transport we have is not highly patronised.

Senator KNOWLES—Is that because it is running in the wrong areas?

Ms Postma—That is what the community is saying, and that there is not enough of it, but it is like a dog chasing its tail as to where you start. Do you wait for more people to use it, or do you set up a system that is usable that people are going to use? We had the bus services come in a couple of years ago and do an extensive review in Newcastle on the basis that the service that they were operating was not efficient. They did an extensive study on where people were using bus services and, on the basis of that, made some decisions about where buses should go and, of course, there were some cuts in the service.

Senator KNOWLES—And redirections.

Ms Postma—Redirections, and making connections more with the shopping centres and hospitals which, in itself, is a good thing. But there is a lot of community concern now that people who used to use those services no longer can because they are in different places, and particularly older people are concerned about their access to public transport. They bought along those lines to be next to the transport; that has now moved and no longer do they have access to public transport. In terms of planning those issues, these are the things that one has to keep in the back of one's mind.

Senator KNOWLES—Why is there a discussion as to whether or not the train should still come into the city?

Ms Postma—That is more to do with the development that is happening on the Honeysuckle site. I do not know where you are staying at the moment, but along the waterside there is a feeling that the railway line is dividing the city—that if the railway line was not there, more people could walk across the pathways to the water and to the city and it would be much easier. There is also concern about the traffic, people having to wait a long time at the boom gates and that sort of thing. Because it is not being utilised that much, people think that perhaps we could do without that. The counter-argument to that is that Newcastle LGA is getting bigger and we need to keep that infrastructure there for long-term purposes, but it has been a debate going for—

Mr Mahony—I think 1923 was when it first started.

Senator KNOWLES—Quite recently. One of the things that you mentioned in your submission but have not talked about today is the question of gambling. I know one should never judge a book by its cover, but I went for a walk in your fair city last night and I decided to observe some practices. I saw a couple of young chaps in a pub drinking, smoking—smokes are \$10 a packet, or something like that, these days—and they were constantly feeding a poker machine. There was another bloke—who made my eyes pop out like organ stops, I have to say—who, just in the short time I was watching him, fed in eight \$50 bills and lost it all in the space of about 90 seconds, I suppose, for each \$50 bill. It is pretty alarming when you are on an inquiry such as this and that is just a snapshot of behaviour. This is a million-dollar question, but what is Newcastle doing to try to solve the gambling problem that inevitably leads to poverty?

Ms Postma—That is a very hard question. We do have some very good services—unfortunately council cannot control the number of machines that come to Newcastle. Even in the DA process, we do not have any comment about the number of machines that can go into a hotel as that is outside the DA process.

Senator KNOWLES—But you are picking up the pieces.

Ms Postma—Yes, we are picking up the processes, and it is organisations like City Mission, which you will be seeing this afternoon, that do have counselling services for people who are problem gamblers. In our discussions in preparing this submission, gambling came up quite a bit. Agencies like Centrelink and some of our support agencies are recording that they could use all their emergency accommodation within a very short time frame on Monday after a weekend

of gambling. So there is concern about how gambling is impacting upon poverty and people's ability to pay.

Senator KNOWLES—Do you have any quantitative research that has been done on the number of people potentially affected by gambling?

Ms Postma—We did do some work in our social plan survey where we asked people how much they spent and what they tended to spend it on.

Mr Mahony—It was within national average, I think, which is something like \$550 a year.

Ms Postma—Yes.

Senator KNOWLES—They wouldn't be telling you they go down and put \$400 in in 10 minutes, would they?

Ms Postma—No. I was a bit surprised that the figures were what I thought to be quite low; I would have expected them to be higher.

Senator KNOWLES—I think in situations like that it is always going to be an underreporting because people are embarrassed to say, 'Yes, sure, I have a problem and I go down there every night and throw away the bread and milk money.'

Ms Postma—One of the things that became very apparent was the areas that had access to gaming machines were the ones that tended to gamble more. I guess that is not surprising, but some of the areas where the gaming machines are do tend to be in the poorer areas.

Mr Mahony—I do not think it is just a local issue; I think we realise it is an Australia-wide issue. One could take a cynical view that you could solve the problem a bit with poker machines if you enforced the process that governments did not raise revenue from gambling but that as a matter of income distribution the machines paid out 99.9 per cent of the money that went in there. I do not think that then you would have much of a gambling problem because the revenue base would be going to the players, not to the providers of the machines or to the government, but I doubt if that will occur.

Senator KNOWLES—I come from a country town called Perth and we do not have poker machines other than at the casino and, quite frankly, from going around and seeing what I see with the poker machines, I am no prude and no social engineer but I certainly hope it does not happen.

Mr Mahony—When I was a young boy Victoria did not have gambling machines and everyone used to come to New South Wales. That has been an ongoing problem and I think it is just spreading.

Senator KNOWLES—That is right.

Mr Mahony—As I say, it is a revenue based thing.

CHAIR— They have stopped them smoking at poker machines in Victoria now, so the 25 per cent that do not like the idea of not being able to smoke have been catching the buses to the New South Wales border again.

Senator KNOWLES—On page 3 of your submission you say:

The 2001 ABS found that 65% of people who are unemployed and looking for work that did not have post education qualifications.

What is happening in this region about getting people into the trades?

Ms Postma—There is a lot of work being done by agencies like the HEDC, which is the Hunter Economic Development Corporation, and the Hunter Area Consultative Committee in looking at ways in which we can increase traineeships and apprenticeships in Newcastle. There is quite a lot of concern that those opportunities are becoming less prevalent and it seems to be less of an attractive option for employers. You need to keep in mind that, in Newcastle, 85 per cent of our business is small business, so it is a big ask for small business to be making these commitments. With the other costs that go along with it—OH&S and so on—it is having a cumulative impact on small business capacity to take on traineeships.

Senator KNOWLES—What worries me, to a degree, is that there does not seem to be an emphasis at school with a lot of children to elevate the dignity of a trade as a future option.

Ms Postma—Yes.

Senator KNOWLES—A lot of children seem to be told, ‘You must go on to tertiary education,’ many of whom just simply are not equipped to do so.

Mr Mahony— Senator, I think the VET in Schools program, which is now I think in its second year of running, is trying to address some of those issues. The underlying thing is that there are a lot of trades out there that have disappeared, especially with the death of the manufacturing industry, so there is a change process taking place. If you look at the skill base, again I go back to the concept of life-long learning and what the European Community is doing and the amount of money it is putting into learning communities to address those issues. It is unfortunate that Australia does not seem to be following that lead where we are not just concentrating on the new apprenticeship schemes or new traineeships but they are taking a whole-of-picture issue to look at the skill base across the broader community. So people that have not done well in either secondary or tertiary education have the opportunities to keep learning and increasing the skill base. Statistically I think it is proven that people with degrees are only about three per cent of the unemployment statistics whereas people with a lower level of skills are something like 75 per cent. So there is all that statistical analysis to say that the greater and broader the skill base you have and the more opportunities you have to continue learning and improving your skills, the greater your opportunity not to fall into poverty because you have an income base. I suppose it falls back to a concept of asset based welfare—your skills and knowledge is one of the greatest assets you can carry through life and if you do not improve those you will stay within that poverty trap.

Senator KNOWLES—The best form of welfare is a job.

Mr Mahony—Or involvement in your community that gives you another form of remuneration rather than this concept of employment. If you keep on thinking about employment as a key issue, yes, it may be, but I look at unemployment as a negative for a lot of people, having been retrenched a couple of times in my life and also having gone those sorts of issues, from an early retrenchment to an age retrenchment, and I am still managing to re-do my skills. So employment is handy, but unemployment should not be seen as a stigma that you carry. How we think about the unemployed in this country is something that should be readjusted and thought about, and also do something more about making sure that they are empowered to change their environment themselves, more so than having a welfare type handout thing, which I do not really think most people on unemployment benefits really like that much. They would rather be out there doing things for themselves; the opportunity is always the issue.

Senator KNOWLES—I was talking about role models earlier on with a previous witness, and I think that probably we do not use role models enough in schools these days. In the west I try to get people who have done apprenticeships as electricians or plumbers or whatever and scraped through year 10 if they were lucky, who are now running their own businesses and employing maybe only two or three people, maybe 10 people, but their peers would never have thought that they would ever have been successful businessmen. I wonder whether we are doing enough with those deemed to be the underachievers but who are not necessarily underachievers—just because they are not academically smart does not mean that they are not smart in other ways.

Ms Postma—We have got some very good programs happening in Newcastle through the schools and the relationships with the Hunter Institute that Terence has talked about. Recently there were also some partnerships that were formed between the schools and Port Waratah Coal Services, which is one of our bigger employment providers. What they have done is that for people who are deemed to have problems at school or be underachievers they actually have a work experience program at Port Waratah Coal Services, so there is a certain amount of work done out there and a certain amount of work that is done within the school. There is a commitment from Port Waratah Coal Services that if the students participate in this program and they do well, they will take them on after school and give them up to 12 months work experience so that they have got that under their belts and they can move on. That is one really good example.

Mr Mahony—Can I throw in another example which is at the other end of the spectrum where one leads off to a work environment. There is also a program by the Police Boys Club at Windale where they had people classified at risk in youth and they put them through a ‘learn to surf’ program, where they taught them surfing skills. Okay, so they did not come up with employability skills—or one day they may be world champions—but it gave those people self-confidence and all the other things that you cannot teach in a classroom environment. It was one of those programs that gave people self-worth and a feeling of ‘I’m okay, Jack’, rather than being undervalued. So the improvement in those people is measurable as well, not just the outcome of getting employment for 12 months. There is a whole different way you can approach skills and knowledge that will serve you better to seek employment and add value to your life.

Ms Postma—It is having that breadth of a flexible range of learning opportunities, I think, that people can fit into.

Senator MOORE—That leads straight on from Sue’s points in terms of offering the hope. I was talking to the previous witness about breaking the cycle and the definition of poverty which is not just financial, it is the cultural process. How does your social policy survey operate? You used the data from that to build your case about people who are in difficulty in the community. How did your survey work? Who did you talk to, how do you get the information?

Ms Postma—The survey was developed by the Social Plan Advisory Committee in combination with a range of different council officers. We identified areas that we wanted more information about—things like gambling, wanting to know about volunteers, how many hours, those sorts of things. We worked with the Hunter Valley Research Foundation, which is an organisation that is renowned for social and economic research in the Hunter, and we undertook a telephone survey. From memory, the response rates to that telephone survey were very high and they used a random sampling technique where we got a broad range of people from the community who were represented in that survey. We interviewed 1,200 people across the Newcastle LGA area and we interviewed a statistically relevant sample number for each planning precinct area as well so that we could do more analysis on a planning area by planning area.

Senator MOORE—Is it your expectation that you are going to do this on a regular basis to build up your database?

Ms Postma—Yes, we will doing some more of that. In fact, some of the questions that we developed for that survey are now being asked in our council satisfaction survey that is being run every year.

Senator MOORE—One of the real issues is how you find out from people what is going on. You have got academic research, but it is quantifying how people feel and what the impact on their lives is.

Mr Mahony—That also goes back to the council’s communication strategy. Council has a system of community forums that operate within the postcode areas of the city. They have always had a pretty transparent and proactive method of seeking community consultation. It is a combination of all those, not just talking to stakeholders that have been identified from in-house, but also having the community identify who people should be talking to. I am proof of that, because I am not the only person who sits on council’s committees or different types of committees. The involvement of local residents in the running of the city or looking at committees in the city is very high. I believe that is one of the processes of communication where council keeps a good loop within the communication cycle and stops becoming institutionalised in its thinking.

Senator MOORE—Why did you nominate to be on the body?

Mr Mahony— It is my area of interest—basically that is the reason. It is one of the things that interests me greatly. I lived in Glasgow for a number of years and I saw what could be done with a bit of money thrown at some problems.

Senator MOORE—The Glasgow projects are extraordinary.

Mr Mahony—That was in the eighties. It might have been done for political reasons by Thatcher to stop the devolution of Scotland away from England so they could maintain all revenue.

Senator MOORE—Any moves for Newcastle to secede here?

Mr Mahony—There was in 1966 but we failed. They wanted Armidale as the capital—I think that is why it fell over! We have had the people from Glasgow come and address council. Glasgow is a prime example of an industry based area that did a lot of work and achieved a lot of aims. It is one of those examples.

Senator MOORE—On Monday we had evidence from people doing research in New South Wales, also with a research technique from the UK in terms of a series of questions about identifying what constitutes poverty, which people are grappling with, so there is that linkage there.

Ms Postma—In that survey we identified that one in four people said they participated in a council consultation process in the previous year, so that gives an indication that people do get involved and are very participatory in Newcastle in terms of—

Senator MOORE—Could we get a copy of the questions that you asked?

Ms Postma—Sure.

Senator MOORE—That would be very useful in terms of process. Your recommendations indicate a lot of expectation of government involvement, and another term that has been thrown around a lot is the term ‘whole-of-government involvement’. Do you think anyone understands what level does what now?

Mr Mahony—I would say no. It has always been an issue that there is not much political education in Australia; it would be better if there was a bit more political education in schools. I know my daughter was asked the question some five years ago when she was in about third grade who was the Lord Mayor of Newcastle, and she was the only one that knew it. I think it is a reflection of our political understanding, and one hopes it will be addressed. Once you have got a decent understanding from your youth about how the political process works, the question 20 years down the line would be more involvement.

Ms Postma—It is a thing that changes all the time and it is hard to keep a hand on what the roles of respective agencies are. But we have written this paper specifically for federal government and tried to identify specific recommendations that we think might relate to the federal government role, but we are also very aware that there are a lot of recommendations that need to be taken on by state and local agencies as well. So this paper is very much targeted at the federal government and what it can do.

Senator MOORE—I am interested in the relationship and the interaction between people who are dependent exclusively on social security payments through Centrelink, and also the relationship between community members and Centrelink in the community policy development and service delivery issues. We have been advised by Centrelink that they have regular processes

involving interested community members in how they can develop policy, how they can better provide service, and you have spoken in very positive terms about a couple of local initiatives through the Centrelink network. In your position in council and your position as a community activist, have you been involved in those processes with Centrelink?

Ms Postma—Centrelink have been involved in some of our consultations. They are involved in some of our networks, like our homelessness network, so on a local level they have been quite participatory in what the local community perceives are its issues and looking at how they can work on local community issues. We have also been invited to Centrelink forums regarding venue policies, been briefed on what those policies are and been asked for input. Those processes are very open.

Mr Mahony—Centrelink did participate in the Mayfield think tank.

Ms Postma—Yes.

Mr Mahony—Which was good because again, we had people throwing up ideas for projects and they were able to give an analysis of presently what the law would say about the effects on income support or benefits. I think they have been in most forums that I have been in and have always given a cross-fertilisation of ideas.

Ms Postma—It is very hard though, and we have heard some cynical things from the community. For example, if Centrelink does ask the people that they work with what they believe should happen or what direction should be taken, some community members do not necessarily feel that they can be totally truthful there because of the trust issue. We have heard that, and perhaps there might be other ways of looking at how those consultations could be done so that it is not directly FACS or Centrelink that runs the processes—it could be a step aside so there might be more trust in what is being heard and how it is reacted to. That is just something that we have heard from the community.

Senator MOORE—The issue of homelessness and housing continues to come up; it is one of the core issues. From your observation, is the homelessness issue in your area becoming worse?

Ms Postma—I think it is changing. About three or four years ago we had a very visible homelessness problem in Newcastle. It is not so visible any more, but we understand that people are still out there. We are hearing that the face of homelessness is changing. Four or five years ago it used to be the older man with alcohol; now it is younger men, younger families, with drug abuse and mental health problems. We are also hearing that there are more youth turning up, that youth are now experiencing more problems with homelessness.

Senator MOORE—It is one stream of your task force within the social planning area within the council?

Ms Postma—It was an area that we were very involved with and concerned about four or five years ago and we did a lot of research on it. One of the strategies that came out of that was to set up a homelessness interagency network, which we call IN. That network has been going for four years and it is autonomous of council now; we are a participant on that network. It has been very effective and very strong in terms of getting agencies that are involved in working with

homelessness to talk to each other. There are local, state and federal agencies coming together to look at policy issues, how we can better work together as a community, information exchange, referral processes, talking about access to crisis services and particularly how people with complex needs can access housing, so it has been very effective.

Senator MOORE—We will be visiting some places this afternoon which will be useful. There was a suggestion by a couple of the key larger agencies that there needs to be some form of partnership arrangement developed in terms of having a forum involving business, government, non-government and other interested people to set direction for the issue of poverty in Australia. There are dangers to having just another round of talkfests, but in terms of a threshold concept, from people who are working in the field in a regional area, do you have any comment on that proposal? That has come from the Smith Family, ACOSS—

Mr Mahony—Yes, it would be nice, rather than have a talkfest and then create a model, to have a few models to discuss. My only suggestion would be that it would be better to have an idea and throw it up the flagpole to see if it worked, rather than again create something that may sit on a shelf. There is nothing wrong with consultation as long as it goes off into implementation. I think that is the problem: there is a lot of consultation and not enough implementation.

Ms Postma—I like that idea from the perspective that I think we have been dealing with poverty too much as either an employment, housing or welfare issue. If we are looking at poverty, we would be looking at the strategies that might inform different types of employment and housing responses in order to address poverty directly.

CHAIR—In your submission you talk about the problems that casualisation has been creating. In fact, in your statement you talk about a liveable wage. In your opinion, are a non-liveable wage and the increase in casualisation connected? Is that an observation you have had or do you have figures on it? Maybe Mr Mahony might want to comment as well.

Ms Postma—I do not have figures to be able to say there is a strong correlation. A lot of the job growth that has happened in Newcastle has been through the casualisation of the work force and contracting.

CHAIR—Any particular jobs or types of employment?

Mr Mahony—It is across all fields at the moment.

Ms Postma—Even our education sector—

Senator MOORE—What about call centres in Newcastle?

Ms Postma—That is seen as one of our saviours.

Senator MOORE—You have been told that?

Ms Postma—It is something that we cannot turn our back on and it could be very useful, but there are questions about long-term sustainability of call centres. One of the big attractions of

call centres is having a larger non-English-speaking background basis as well which unfortunately we do not have and which is also an issue we are looking at at the moment as to whether we can increase that base. But call centres are something that we are looking into in a big way in Newcastle.

CHAIR—When you say ‘looking into’, do they come to the council and say, ‘I have this offer for you, I will employ X amount of people’?

Ms Postma—Yes.

CHAIR—Do you say to them, ‘Well, I would like them to be employed at least 38 hours a week. I would like them to be paid overtime and shiftwork and guaranteed full-time employment’?

Ms Postma—We are not saying that at the moment.

CHAIR—When you talk about increased casualisation, in what sorts of industries is this casualisation occurring?

Ms Postma—I think it is occurring in the entertainment sector—in restaurants and those sorts of areas.

Mr Mahony—Education.

Ms Postma—Yes, there is more contract work happening in the education sector.

CHAIR—Like teachers or—

Mr Mahony—Teachers, and I think TAFE runs more on casual positions, where you do your 20 hours a week and that is your lot, you cannot do any more than that. There is a set standard that they are allowed to do face to face, and there are more of those positions than there are full-time teaching positions.

CHAIR—Do you have any experience of these labour hire agencies here?

Mr Mahony—My nephew has. That has always been a good experience because it got him work. But not any negative ones that we have had directly. I know there are a lot of issues that have arisen but I have not had any first-hand knowledge of them.

CHAIR—We have had evidence before us of people falling into credit traps. Would you like to comment on your experience of that, whether you have seen this increase or decrease in the last few years, or is it not as visible?

Ms Postma—I think there are people here who would talk better about that later on, but we have been informed that there is a concern that people are going into more debt. We are trying to source information on that, but that is very difficult to get. I think there is a new database at the moment but it has only collected information for one year so there is no comparative stuff. Some of the agencies you will be talking to later on can provide you with anecdotal evidence.

Senator KNOWLES—It is another thing that people are reluctant to report, though, aren't they?

Ms Postma—Yes.

CHAIR—In the past five years has the population of the city of Newcastle declined?

Ms Postma—No, it has increased by a couple of thousand over the last five years. There was a period—I think three censuses ago—where we had a decline in population, but since then it has been increasing.

Mr Mahony—You will probably see, senators, in your travels today some of the outcomes of better city funding which coincides with the population increase, the redevelopment that has occurred—

CHAIR—Roads?

Mr Mahony—Yes.

CHAIR—A young woman drove up the back of me while I was driving. She said sorry! Do you have any comments on the proposals by the Centre for Full Employment and Equity at Newcastle University to provide paid public sector employment opportunities for the young and the long-term unemployed?

Ms Postma—It is a proposal that is worth investigating and looking into in more detail. The other night, council did agree in principle to trialling it as a pilot model. I would need to look at it in more detail before I could give a comment on that.

Mr Mahony—I have read the document. I was at the employment strategy program when it was presented, and consequently the blue paper was created. I do not have any problem with any suggestion of how to create employment within the region, but I would say you would need to look at those on their value and see what would logically come out of it. I am probably a little concerned that it is only a one project based thing, which is the rehabilitation of the Hunter River. Again, When you do a regional development program, it is a bit like going back to building the Hoover dam: you have infrastructure projects, and there is nothing wrong with them to create employment as long as after the projects are done you have created an employment base as ongoing rather than just have a lot of gardeners or one-skill people. That would be my only comment on any type of program based along those lines.

Ms Postma—Once again, when you are looking at poverty, you need to look at an integrated strategy. Just looking at employment by itself probably is not going to be enough to address poverty.

[10.39 a.m.]

COWLING, Ms Sally Ann, Research Fellow, Centre of Full Employment and Equity, University of Newcastle

MITCHELL, Professor William Francis, Director, Centre of Full Employment and Equity, University of Newcastle

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

Ms Cowling—We would like to focus our comments on the relationship between unemployment and poverty, so in effect we are addressing our comments to two of the terms of reference: 1(a), which deals with the social and economic impacts of unemployment and underemployment; and, most interestingly, 2(b), which is seeking new ideas on how we should go about addressing poverty, and our focus is on non-working individuals and households. The members have received our proposal for a community development job guarantee, and in our opening remarks we want to argue why we think that is an essential part of any strategy to alleviate poverty, particularly among the young and long-term unemployed.

From an economist's perspective, there is extensive empirical evidence about the economic and social costs of unemployment, not only in terms of loss of income but how unemployment affects the health and wellbeing of unemployed individuals and their families, and what impact that has on the cohesion of the communities in which unemployment is systemic and widespread. Certainly when our centre thinks about the relationship between unemployment and poverty, we think it is important to recognise that paid work is not the only means by which we try to secure adequate living standards, but certainly in the Australian culture it is also an extremely important part of individuals' identity and self-esteem, which is why we have got such a passionate interest in how you address and tackle unemployment.

Since the early 1970s we have had a transformation in the composition of poverty within Australia. When Ronald Henderson was conducting his inquiry in Melbourne in the early 1970s, poverty was very much a problem for the aged. In present times, it has shifted to being a problem for the unemployed. That fact, combined with the fact that we have had a large and persistent rise in unemployment and very sharp increases in the duration of unemployment, means that for households and families where the head is in the labour force – so they have either got some work or they are out looking for work – unemployment is now the key determinant of poverty.

In the early seventies we had a situation where about 17 per cent of the unemployed were classified as poor, and that is using a traditional Henderson poverty line measure; by the late 1990s, about three-quarters of the unemployed were classified as poor. What happened in that time? Most importantly, we shifted from a situation where we had full employment, an

unemployment rate of under two per cent, to a situation where the latest budget papers are saying that right out to 2007-2008 we are going to be content with unemployment rates of six to 6½ per cent.

We would like to draw the committee's attention to the submission by Professor Peter Saunders—the version from the Social Policy Research Centre not the Centre for Independent Studies. It is a very tough problem for both Peters to deal with having two professors with the same name. But I think what the paper by Peter Saunders of the SPRC establishes is the strong relationship between poverty rates and employment status for a range of different poverty measures, so if you choose to measure poverty with traditional income based measures, you go to expenditure based measures, or if you derive more severe measures of deprivation, two very strong conclusions hold. Firstly, there is a strong relationship between poverty and joblessness. The poverty rate for jobless families for all those types of measures is about seven times greater than the poverty rate for families in which at least one person is employed.

The second important point that his research draws out is that it is not simply a case of just getting a job and that is going to lead you out of poverty. The thing that matters most is access to full-time employment, and it is only when somebody in the household gets access to a full-time job that we see poverty rates fall to five per cent or lower. That means it is really important when we think about poverty to think about how the labour market is performing. Bill is now going to talk a little bit about that and say why, in order to alleviate poverty, we actually need a paradigm shift in the way we conduct employment policy.

Prof. Mitchell—The thing that always amazes me about the performance of the Australian economy is the regime shift that occurred in 1975 with the relationship between employment and the labour force. What happened after 1975 is that employment—total number of jobs on offer—has never once gone close to matching those who want work as measured by the labour force, and the unemployment obviously is the gap between the two. We have had 28 years now of persistent unemployment and we have addressed it in a number of different ways. A number of different approaches across the political spectrum have been tried and none of them have been working. They have been achieving other things, which we can talk about, but they have not been solving unemployment. For an inquiry into poverty, in our opinion the starting point has to be addressing the issues of inadequate employment growth.

The Australian economy has grown quite strongly by international standards in the 1990s and one would have expected that, if that GDP growth was so strong, we might have made major inroads into unemployment; we have not. As Sally said, when we look at the projections in the budget papers in the recent period, we have got six per cent stuck until at least 2007. We have also got major outlays on what economists call 'supply site initiatives' through Job Network and intensive training et cetera. One has to ask the question: if the government really believes that unemployment is not a cyclical issue but a structural supply issue and they are putting major allocations into supply initiatives, then what is the effectiveness of those outlays if the projection is to be static for the next four to five years? Major questions have to be asked about the effectiveness of the current employment policy.

We would also note that it is not just unemployment that is a problem. Overall, other forms of labour underutilisation are significant. Our centre has innovative measures based upon hours of underutilisation of labour which have attracted quite a lot of interest, including from the ABS.

They measure things like underemployment and hidden unemployment. We should never forget that the difference between being unemployed and employed in this country is one hour of work in the reference week. While we have been creating jobs in the 1990 growth phase, we have been increasingly creating part-time work and, within that, increasingly towards the bottom end of the hours spectrum of closer to full-time. These are sources of underutilisation in a different way than unemployment is, but they equally contribute to the problem of lowered incomes for households and poverty as a consequence.

To make it brief, I will reflect on what the things were that we had when we had full employment post war up to the mid-1970s. What we had was a public sector commitment to full employment. What we have got now is a government commitment to what I call full employability, which is making people work-ready—their employability status is enhanced by a range of government programs more or less effectively; and that is a debatable point—but we are focusing on a diminished goal of full employability and we are forgetting that the major aim is to create a macroeconomic environment in which you have enough jobs and hours of work for those who want them.

One of the things we had in the postwar period up to the period when we entered chronic unemployment was a more or less implicit public sector role, what I call a buffer stock employer. We have always had disadvantaged and low-skilled workers, and workers with personal problems relating to the labour market in the form of alcoholism and other types of problems. They are not new things, but we used to have those people employed; now we have them mostly unemployed. The difference, in my view, is that in the past they could get jobs in the public sector in a whole range of activities and now we do not have that, due to a variety of explicitly chosen government initiatives.

The private sector can never fully employ the labour force; it can never do that. The private sector in Australia grows at about the same rate in terms of employment as the American private sector. Our private sector does very well in creating work, it does it as well the American economy. The difference between the Australian and American economies is in the role of public sector employment growth. The public sector in America basically keeps up its percentage share of labour force growth. Our public sector has fallen way behind and the difference is the measured unemployment rate, and there is a lot of research to show that.

We are not advocating—and I have had conversations with the federal employment minister on this—a return to employing all these people in utilities that have been corporatised or other areas that have been subjected to national competition policy and therefore ‘efficiency improvements’. What we are advocating is a completely new approach to employing public sector job creation. We are calling it the Community Development Job Guarantee. We are identifying unmet needs in communities and identifying pools of people who are currently in the public sector on welfare. They are already in the public sector, so why not get the people who are already in the public sector into active full-time employment, or if they want part-time employment under the scheme then that is their choice, but it should not be forced on them. So we should get them into full-time work at safety net wages, contributing to their communities. I noted the senator’s comment that ‘the best form of welfare is a job’ and I could not agree more. You have a copy of the detailed proposal and analysis, the costings and the economics of it, and we are happy to answer any questions.

CHAIR—Thank you, Professor Mitchell.

Senator KNOWLES—I congratulate you on your submission to us because I think it is very innovative. What I have to do is go away and ponder it and consider how your objectives would be achieved, because I have to say that anyone reading it on face value would say, ‘Terrific pipedream. How is it going to be achieved?’ I think you have provided a lot of information here that really needs to be digested. I really only have one question at this stage; and that is not to adversely reflect on anything you are saying, it is more to do with me examining further how it could be implemented. When you say there should be more employment in the public service, Professor, but not in the utilities, what are you actually talking about?

Prof. Mitchell—That is a direct reference to conversations I have had with the federal employment minister on this issue and he more or less issued me with a written challenge to meet a set of criteria. He has this proposal and he is considering it too, and he issued a set of dot points, more or less, that would have to be met for him to be interested, and one of them was that he did not want national competition policy compromised. Whether or not that is a sensible aim is a separate issue, but take it on face value that that is current government policy, and if we are attempting to influence current government policy, we have to do it in a way in which we can have dialogue with the government. That is fine.

In the past in Melbourne, where I grew up, the classic buffer stock job was down in the Spencer Street Goods Yards in the railways. Anybody could get a job there—I used to get work there when I was much younger—and what I noted there and I reflected on is that anybody could get a job there and load goods trucks and what-have-you, but we all had different trajectories in life as a consequence of our own initiatives. I obviously became an academic and pursued that. I am sure others became officials in the railways, worked their way up and what-have-you, and I am sure others, if those jobs were available now, probably still would have started their day at the Waterside Workers Hotel at six o’clock in the morning and would be drunk by the time they got to work. But the point I make is that at that point in time each of us, even though we had different trajectories in life, had the same need and that was an income and a job, and they were available.

So yes, a natural thing if you want to make work schemes would be to say, let us think back to the past, go back to those sorts of things. What I realised in terms of engaging in dialogue with the government is that that is not a viable solution. That would be compromising things that the government has worked on to restructure, corporatise and create efficiencies in their terminology. That is fine. If you really want to sell public sector job creation now and advocate it, then it is much better to advocate it in areas where there are unmet needs where the private sector is unlikely to provide the needs which will actually add value to the community. I am very aware of the painting rocks criticism, and I think that we can move beyond that sort of rhetoric into advocating work opportunities for people who are relatively low skilled, because that is the group that we have to embrace and provide work for, that are in areas that add value to our communities. That is what I am talking about.

Senator KNOWLES—What I am having difficulty grappling with in your submission is the going back to the past in a technological age where things have advanced and advanced, so a lot of the things that people previously did are now automated. To oversimplify, my difficulty is: are we advocating a return from what we have now in the technological age back to the abacus and

the pencil to create jobs? Have I completely missed the point here? I just do not understand how, in this technological age, we can go back to what you are suggesting.

Prof. Mitchell—The question is quite amazing, really. I think that you have stylised an incorrect situation. Yes, we have a technological age and that is going to impose even greater imagination on us in years to come to redefine what we think of as meaningful work, that is true. But hopefully technology will take away a whole range of activities that we will not have to do, but then we will have to think creatively about what we do with the people who were previously doing those jobs. That is true.

Senator KNOWLES—That is the question I am asking

Prof. Mitchell—That is absolutely true. In the long run, we are going to have to become increasingly liberal in terms of what we call meaningful work, much more liberal than we are now, to have people working and accessing the income distribution through work. There are big debates out there about whether we should have guaranteed work or guaranteed incomes. I happen to believe that, because of the social importance of work, we should have guaranteed work. We should not solve this problem by hiving people off on to guaranteed incomes.

There is going to be a major debate in this country over the next 50 years as to what meaningful work is, but we are right here and now, and we have not got to the stage where we have eliminated all manual work by technology, and I doubt whether we ever will. More to the point, a growing area of need is going to be in personal care services, particularly at the moment in aged care services, and there is evidence that there is strain on the aged care industry because of the increasing numbers of people who are forced to access care and move out of their own accommodation.

When you go round and ask questions such as ‘Why are you being moved out of your accommodation—is it because you are old?’, people say the most mundane things: ‘I can no longer keep my garden,’ ‘I can no longer paint my house,’ ‘I can no longer do my shopping,’ ‘I can no longer do simple, menial things.’ Technology is not going to solve those problems right now. Maybe in the future we will have a solution to those sorts of things. But we can see that there is this growing need. We talk increasingly of the ageing population—and that is us—and we are going to be demanding more and more aged care services.

Many of those opportunities are service, labour-intensive and relatively low skilled, but they are meaningful work, they are developing our community ethic and they can provide income opportunities for people who are relatively disadvantaged. More to the point, they can provide linkages to more skilled work by being augmented by training, but you are never going to get to that stage if you say, ‘We do not want to go back to providing menial work for people who are unskilled.’ That is their work. Technology has not eliminated all of that yet. It may and hopefully it will. Hopefully, we can project into the future on that and have long-running education schemes to lift the general skill of our work force. That is an admirable ambition. It is not solving unemployment now and it is not solving poverty now.

Senator MOORE—I like the name of your organisation—it has got a good title. I know Senator Knowles is struggling with the same thing: what is the key difference between the proposal that you have worked on and presented and Work for the Dole?

Ms Cowling—They are completely different things. Job guarantee jobs are permanent positions; Work for the Dole are time limited, program placements. We know from evidence that comes through Senate estimates hearings, among other things that we see large numbers of repeat episodes through Work for the Dole. We are talking about real jobs; the job guarantee proposal is costed at full-time minimum wage jobs. The workers in them will be entitled to superannuation, holiday pay and leave, so it is a very different conception from Work for the Dole.

Part of the thinking around this came by saying: how are we tackling unemployment at the moment; what suite of policy options are we using? We know that there are programs like Work for the Dole and the full range of programs within Job Network. If we look at people after they have finished a Work for the Dole placement—and unfortunately we do not collect enough data long periods out to know what happens over time—three months after, the proportion of people who go through a Work for the Dole placement who are in full-time work is between about 10 and 12 per cent. We know from the Productivity Commission's inquiry into the Job Network that there are high levels of churning and parking among the most disadvantaged workers. So people who are receiving intensive assistance at funding band B, who have quite severe labour market barriers, are coming back into intensive assistance. Some of them make exits to employment but, once again, the data shows that it is generally just casual or seasonal work, so we are just really churning these people through the system.

This proposal is about asking: what is the role of the public sector as an employer? As Bill pointed out, there is so much enthusiasm among economists, probably at different ends of the spectrum to our centre, about the super American performance. We have got to think: why is America generating so many jobs? One of the big differences between the American economy and the Australian economy is that the American public sector held its own as an employer.

We want to say, clearly from our understanding of economic history, there is an important role for the public sector as an employer, so what we need to think about is: what sort of work should the public sector be creating? What we do not want to do with this scheme is have the public sector replace private sector jobs, because we are trying to generate net job increases. What we have tried to do in the proposal is look at growth areas and areas where the private sector is unlikely to generate jobs in the environment. We have both sides of politics, for example, talking about the need to address problems like salinity and saving rivers. A lot of the work that is required is extremely low skilled; it is tree planting and things like that. Who is to conceptualise that as anything other than meaningful work, and we have clear groups in our labour market that existing programs are not working for; they are not leading to employment outcomes; they are not leading to financial independence. The proposal is really about how we should try to tackle that.

Prof. Mitchell—The other key difference is in the way we structure the solution. I think Work for the Dole, on the department's own answers in Senate estimates, is a compliance program. It is a program as part of the activity test and overall mutual obligation. In that sense, it is embedded in the welfare system. Our proposal is embedded in the employment system. Our proposal is a positive thing whereby we are saying to people, 'You can have your own independence. You no longer have to face welfare. You can make a contribution to your communities and families on your own efforts in the same way that currently 93 per cent, 94 per cent of the employed work force do. It is a fundamental, philosophical change about the way we

see individuals and the role of employment in our communities. Work for the Dole is a compliance welfare based program. Our Community Development Job Guarantee is part of the employed work force.

Senator MOORE—Changing that marketing process so people feel a part of it.

Prof. Mitchell—Exactly, and it is saying that welfare is a thing of the past. As you will be aware, part of our proposal is to eliminate the unemployment benefit. We do not see any need for it. If the government truly engages in mutual obligation, which imposes obligations on both sides, then they have an obligation, in my view, under the United Nations Human Rights Charter and ILO conventions, to ensure there is enough work. If the government has that obligation, people have an obligation to take it.

Senator MOORE—How are you going on your seven dot points?

Prof. Mitchell—I did not say seven, I said ‘several’ dot points.

Senator MOORE—So how are you going on your several dot points?

Professor Mitchell—In terms of the federal employment minister?

Senator MOORE—On meeting the compliance requirements of the government.

Prof. Mitchell—We currently have dialogue with the federal employment minister and we are awaiting his latest reply. In my view, he was attracted to the idea. I think he might put a different spin on the idea, and that is fair enough, but he would recognise that unemployment—and I think he uses the words—is a ‘cancer’. I think he also expressed the view that there is a very hard core group of people that are not being embraced by the intensive assistance supply side initiatives, and I think he sees value in community based employment schemes. You can ask him.

Ms Cowling—Perhaps the other point that is worth making is that, as we developed the proposal and talked about it to businesses, community groups and local councils within the Hunter region, we found that nobody has any problem with answering the question: is there work in our communities that needs to be done that is not being done? The answer was unambiguously yes, and people would list off streams and streams of things that people could do. The second question was: is that work suitable for people that have few formal labour market skills? The answer once again was yes. So it has been extremely interesting that we have certainly had local support from the business community, the trade union movement and community and welfare organisations. They are having a look around and saying that, from what they know and their understanding of unemployment at a local level, they see this as certainly being a viable option.

Prof. Mitchell—On Tuesday, by the way, Newcastle City Council endorsed it as a policy and would like to become a pilot region for it. What that shows is that we have support from every sector in the community who see this as a viable way to go ahead. If you have got that level of consensus among the Chambers of Manufactures, the Trades Hall Council, the Australian Workers Union, local government and academics, then you have got a community that is willing to try something. I often make the point that if I had said to you that I was going to take a

substantial portion of skilled labour out of an industry and replace it with a totally unskilled labour force who have never had experience in that industry and that productivity would go up, you would say I was a lunatic, but that is what we did during the Second World War in manufacturing.

CHAIR—Has this been tried anywhere else, Professor Mitchell, in any form at all that you are aware of?

Prof. Mitchell—The important point to note, first of all, like we are behind in the top-40 hit parade, we also tend to be somewhat behind in the evolution of policy awareness, and there is a major swing occurring in, say, the European labour market debate towards public sector job creation. They have gone down the same track of supply-side initiatives, the OECD model, as we have and we have probably done it ‘better’. But they are now starting to see the same thing: regional disparities, problem groups who are not going to be able to get a job—and you can train people until the cows come home but, if there are no paid work opportunities, it is largely shuffling queues.

So, the general trend in the European debate—which I am very well aware of as our centre has a branch in Europe—is towards consideration of these things again. Countries like Norway, which effectively has full employment, rode the rough years that we all went through after the OPEC oil shocks and the two big recessions in that period. Norway has performed much better than most other OECD countries. It has faced the same sorts of pressures that we faced in terms of de-industrialisation, global competition and increased participation of married women. It has the highest married women change in participation of any OECD country. So it has all the moves towards more service employment—all of the targets that are typically said to be to blame—yet it has largely had full employment. It has quite low youth unemployment and it has a youth job guarantee, so anyone under 20 is in either formal education, a trade and indentured type skill development training course, or a government job—bottom line. So it has been tried and the evidence from Norway is that it is an incredibly successful way of engaging the youth, for example.

Senator MOORE—In your paper, you talk about future research and the next steps you have to take to get something off the ground, and focusing on the Hunter region as a pilot area, because it will only be theory until someone sees it working. That is always going to be the problem. What do you need to have Hunter activate the project?

Prof. Mitchell—We need the federal employment minister to persuade the Treasurer to set up a program with approximately \$120 million. Given that now, as of Tuesday, the Newcastle City Council has agreed to participate, the unions want to participate, the Chamber of Commerce wants to participate, I can see that if the federal government allocated \$120 million and set up some sort of administrative structure—that is beyond our expertise—then it is a possibility.

Senator MOORE—Do you need state and local government financial support as well?

Prof. Mitchell—You need local government administrative support—

Senator MOORE—Focusing on the local government—

Prof. Mitchell—Effectively, the local governments are the communities and they are the ones that are in touch with the community, local chambers of businesses, local unions et cetera, and you need them to be the employer, effectively—

Senator MOORE—Sure.

Prof. Mitchell— and you need the federal government to be the banker.

Ms Cowling—That \$120 million would mean that in the Hunter region economy you could eliminate youth and long-term unemployment. One of the figures that always floors me about our local labour market is that, for the long-term unemployed group—that is, those who have been out of work for 12 months or more—their average duration of unemployment in the Hunter region is 245 weeks; close to five years. That would be a \$120 million net injection for this region. Why is the private sector in Newcastle quite keen on this idea? It is because it has spin-offs in terms of extra private sector jobs, with families who are now surviving on Newstart allowances having minimum wage incomes. Thus there would be increased demand in the economy. What has been modelled in the proposal are all those multipliers and positive flow-on effects.

Prof. Mitchell—The other point that needs to be said is that it also provides dynamic efficiencies for the private sector that are currently not available to them in the form of ultimately reducing their hiring costs because, with this pool of workers, if the private sector wants to grow it has a much more skilled—and I use ‘skilled’ in a very broad sense—work force than they have trying to recruit out of the group of very long-term unemployed. The research shows that people who are used to getting up in the morning, going to work, preparing themselves for work, being in the work tempo, are much easier to make transitions with other employers than workers who are long-term unemployed who get what economists call ‘state dependence’—they start to get other characteristics that make them hard to employ. To us, this is a win-win situation; it is limited only by the imagination.

CHAIR—Professor Mitchell and Ms Cowling, thank you very much for coming along today. We really have enjoyed your presentation. Thank you.

Proceedings suspended from 11.15 a.m. to 11.26 a.m.

RAMZAN, Ms Asha, Regional development Officer, Hunter Council of Social Services

WOODS, Miss Julia Clare, Committee Member, Hunter Council of Social Services

MOLE, Mr Howard, Manager, Newcastle Community Services Centre, Salvation Army

SHEVELS, Mr Cec, Chief Executive Officer, Samaritans Foundation

CHAIR—Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be heard in public, but evidence may also be taken in camera if such evidence is considered by you to be of a confidential nature. There are a number of groups represented here today from whom the committee has received submissions. To assist the committee in proceeding as efficiently as possible, I propose to ask each group to make a short opening presentation, and this can be followed by a general discussion on the major issues expressed in your submissions, including questions from the committee. The Hunter Council of Social Services can begin, followed by the other groups. Please emphasise issues of importance from your perspective.

Ms Ramzan—I am the Regional Development Officer with the Hunter Council of Social Services, which is the regional peak body for the NGL community welfare and health sector. We cover Upper Hunter, Lower Hunter, Newcastle, Lake Macquarie and Port Stevens, and we made a submission to the inquiry in written form. What might be important to do today would be talk about some of the lived experiences of poverty which our membership work with in the outlying areas of the region. The first thing I wanted to do was to present a couple of case scenarios, and Julia also has a couple of case scenarios, and then we are happy to answer questions.

This is a case scenario from a credit line counselling service in West Lake Macquarie, and I will present it as it is written. This is case No. 1 as provided by Steve Edmund, who is the credit line counsellor at West Lake Macquarie. He says:

This is a family in which the clients are aged in their mid-40s. Husband is on a carers pension and the wife is on a disability pension and confined to a wheelchair. The wife contacted me as they were finding it difficult to service a credit card debt and a finance company residual debt following the repossession of her car several years earlier, with both debts in the wife's name only. Whilst completing a money plan to help determine my clients' financial position, I was informed that a representative of Fox Symes & Associates Pty Ltd had visited them a few weeks earlier and had recommended that the husband enter into a Part IX debt agreement—

CHAIR—What was the name of that company?

Ms Ramzan—It was Fox Symes & Associates Pty Ltd. The statement continues:

whereby he would make a part-payment to his creditor. This agreement was to pay \$5,170 over a 94-week period at \$55 per week, with \$3,870 being paid on a pro rata basis to creditors after Fox Symes had collected their \$1,300 administration fee. My clients' total Centrelink income was \$770 per fortnight, with basic cost of living expenses, without any allocation of loan repayments, \$745 per fortnight, leaving a surplus of \$25 per fortnight. Fox Symes had the debt agreement accepted through the Western Australian branch of the Insolvency & Trustee Services of Australia (ITSA).

Steve wrote to ITSA in Western Australia and had the debt agreement terminated and both clients cleared all their debts through bankruptcy. His concern there was the level of interest that was being charged on that debt, as well as the administration fee, which was \$1,300 on a \$3,870 loan.

His next case also clarifies the constraints that people have who are on benefits when they require items such as buying whitegoods and the bare necessities of living in regional and rural urban Australia. On case No. 2, Steve Edmund says:

Client is a sole parent, mid-40s, with one teenage child living at home and doing her HSC. Client receives Newstart Allowance because no longer entitled to Sole Parent Pension, but suffers from chronic back pain and is currently being assessed for a Disability Pension. Other income is Youth Allowance and maintenance. Client was already finding it difficult servicing her financial commitments—that is, four creditors, with debts totalling \$3,800. When she contacted Bar Surf Pty Ltd, trading as City Finance Loans and Cash Solutions Lake Macquarie, they had apparently conducted a credit assessment and approved a \$1,650 loan—that is, \$849 to cover existing loan, \$350 loan establishment fee and providing the client with \$451, all at 43 per cent interest per annum.

The loan repayments were \$58.53 per week over 32 weeks. Just to ensure that the client honours the contract, City Finance takes a bill of sale over almost all the client's worldly possessions—that is, washing machine, lounge, corner units, video player, dining table and chairs, gas heater, microwave, all kitchen appliances, all bedroom furniture, chest of drawers, mattresses and bases, stereo, clothes dryer, coffee table, television, fridge, wardrobes and computer. A money plan—

which is what financial counsellors draw up to see how the client can afford to live and meet their debts—

showed a combined income of \$951 per fortnight, with basic cost of living expenses, without any allocation for loan repayments, of \$868 per fortnight, leaving \$83 per fortnight surplus. Fortunately, City Finance did not register their bill of sale within the required 30 days from execution, and therefore they were prevented from entering the client's property or taking her goods without her consent. They may still take the client to the Consumer Trader and Tenancy Tribunal, however, legal advice suggests that the contract would be reopened and, at worst, the client may only have to repay the principal amount without any interest or fees.

A solicitor from Wesley Legal Service will provide representation on a pro bono basis in need. However, to date, City Finance has not chosen to test its security in a court of law. The client was subjected to ongoing telephone calls over late payments and constantly reminded of the bill of sale over her possessions, which would constitute harassment under section 60 of the Trade Practices Act and section 55 of the Fair Trading Act. This client has filed for bankruptcy.

In conclusion, our financial counsellors hear a lot from credit providers about their valued customers. Clearly, they need to define the word 'valued'. These are just some examples of the dire straits in which people are living in different parts of the Hunter.

Senator KNOWLES—How did that person incur the debt and what was the rate of interest?

Ms Ramzan—The rate of interest was 43 per cent. They incurred debt by wanting to buy items to replace little items that had a life expectancy that had expired—things like fridges and other things that they needed to buy; probably a computer. Usually personal loans to buy items to make life easier for –

Senator KNOWLES—What was the original purchase?

Ms Ramzan—The initial one for the first one was \$3,870 and, for the other one, it was \$1,650.

Senator KNOWLES—Thank you.

Ms Ramzan—Did you want me to read something from Cessnock as well from one of our members before I answer any questions?

CHAIR—We have a number of people behind you, Ms Ramzan. Ms Woods, I understand you have got some cases as well.

Ms Ramzan—Yes.

CHAIR—They can be supplied to us in the written form that you have got and we will read them.

Senator KNOWLES—Of if you want to paraphrase them.

CHAIR—Yes, rather than read them out.

Ms Ramzan—This is just in point form. This is from a community worker working in the Cessnock area, which has twice the state unemployment rate. The worker provides some information regarding poverty, and says:

The current established emergency relief system is basically institutionalised begging and in no way contributes towards fixing the long-term issues facing people who live in poverty. What emergency relief does is take begging off the street and puts it behind closed doors. The current emergency relief allows for seven visits per year and presumes that all is okay or some significant change is established between visits. This is, however, not a criticism of the emergency relief operators but rather the way in which it is funded and structured.

Cessnock has no public transport and the cost of transport is very expensive. In some areas a bus service is provided by a school bus only. Meeting mutual obligation requirements for people who are unemployed and living in isolated areas is therefore very difficult, and access to services is a real issue.

Access to private rental in the Cessnock area is very difficult due to the increasing cost of the rental market, and options such as hotels are becoming more difficult to access due to growing tourism. Housing prices also have grown, making owning a home more difficult for low income earners.

Unemployment, as I said, is double the state average, and this has been the case for the past two decades.

The social impact of unemployment and poverty also contributes to growing issues such as crime, family violence and drug and alcohol abuse.

That was from Cessnock.

CHAIR—Thank you. Ms Woods.

Ms Woods—I spoke to, in particular, a lot of youth services and welfare relief services in getting our case studies. One of the ones that really hit home was a family of seven: mum, dad and five children. Mum had severe epilepsy and was on a disability benefit, and dad is her official carer and therefore on a carer's benefit. The children ranged in age from eight years to six months, and they were living in a small rural community in the Hunter in Department of Housing accommodation.

They had difficulties in accessing medical services for the mother and had issues with neighbours, including violence, after giving evidence for the police in a criminal matter that had happened in that town. They wanted to relocate to Newcastle due to these issues and the medical concerns that the mother was facing. The Department of Housing felt that they had perfectly reasonable accommodation and therefore they had to be placed on a waiting list of approximately five years before they could be transferred. Due to their poverty and reliance on the Department of Housing, they were expected to put up with the conditions in which they were currently living. Those conditions included the children witnessing their dog being killed in front of them.

The family then decided to relocate themselves. This meant that all of their benefits for that fortnight was spent to purchase a tent and pay site fees for a family of seven to live on for the next fortnight. At this time the children had missed four weeks of school. Their mother wanted them to go to school but could not afford uniforms and did not want her kids to be picked on when they went. They were also being pursued by the Department of Housing for arrears since vacating the property in the rural area. They had no communication—no mobile phones, no telephones—which meant that if mum was to have a seizure while in the park, they could not contact an ambulance, they would have to go to the nearest phone box, which was four blocks away. The mother's condition was very risky and on the way to being hospitalised again, and she was at that point where she was considering giving up her five children to the Department of Community Services to raise. While this situation was eventually sorted by advocacy from welfare services and they were located into a new Department of Housing property in Newcastle, this is a situation a family in poverty can face at any time.

The next one was a family of three—mum, dad and seven-year-old son—of Aboriginal background. The father was incarcerated due to continual DUIs and the mother was unable to continue rent payments of approximately \$180 per week for a small two-bedroom house while on single parent benefit. The landlord evicted the mother and son and she was forced to live with extended family. This was three-bedroom Department of Housing accommodation and this meant that the accommodation now housed at least 10 members of an extended family.

The son then had to transfer schools. The son found this a very difficult adjustment and started to display behaviour issues only at school, mainly relating to dad's incarceration, the eviction process and subsequent overcrowded accommodation. He has been expelled from his primary school and mum is unable to access medical or psychological support for her son as many providers are private and costly. Mum has literacy issues and, as a child, grew up in poverty.

At the age of eight, the son is now in a unit based at a high school. He has prospects of beating poverty as he has quite high sporting ability in rugby league and was picked for a representative

team, but is unable to pursue this due to the cost of being in a representative side: approximately \$170 for uniforms, \$130 for registrations, and any cost of travel and accommodation when they go to away games. There is no chance his family can afford to give him this when often they struggle to provide transport, and often he has no shoes or socks and oversized hand-me-down clothes to grow into. Finances are stretched for bills and food and the family has relocated a number of times, but always to overcrowded accommodation with extended family and friends. They are on the waiting list, but they have got another four years.

Another one was a very recent case of a single mum in her late 30s to early 40s. She had six children, ranging from 23 to 14; four still reside with mum. Mum receives no benefit from the father; he disappeared. Mum recently had a pap smear which returned a CIN3/cancer, which is one step off full-blown cervical cancer. Her doctor emphasised that she needed to commence treatment within the next three days to stand a medical chance. The doctor referred her to a specialist with up-front fees of approximately \$112 per initial consultation. She is unable to pay these costs whilst still supporting her family. She tried to access public health, but was told that the waiting time would be a minimum of six weeks, if not longer.

For this women to receive a lifesaving procedure, she required someone to advocate for her need to access it. All because of her poverty, she could not access medical services that could have left her children without her support and further into poverty. It will still be a battle with costs incurred, such as prescriptions and ongoing treatment, and she is currently unable to register her car. With the winter onset occurring, her illness may lead to other complicating conditions such as flu infections, et cetera.

The last point that was raised, particularly by services that worked with young people, is that the youth Newstart Allowance and even those who get their independent rate, the living away from home rate, or the homeless rate, as people like to know it, accommodation is the same cost regardless of the income you get from Centrelink. For a young person who is homeless, to access accommodation is near impossible—a one-bedroom flat is around \$110 to \$150. An adult has got a higher chance of getting it purely because the income they receive from Newstart is a higher amount purely based on age. Community housing groups charge a market bond to access social housing.

CHAIR—Thanks very much, Ms Woods. Mr Shevels.

Mr Shevels—As I mentioned in the submission, the Samaritans is the Anglican agency covering the Hunter, Central Coast and Manning regions of New South Wales. We are a broad ranging agency covering many aspects of welfare, but when we think of poverty, we tend to think of those people who turn up at our welfare centres with no money to pay for a roof over their head or for food for their children. We see about a thousand people and families every month, and we have to divide between them what little money we have. The average is about \$30 a family.

Sometimes the assistance ranges from a few tins of food, but how we do that is still important. I often say how you give someone a loaf of bread can have a significant impact on how they feel about themselves and the community they live in. Some people come with enormous financial problems, such as a sudden death in the family having landed them with a \$3,000 or \$4,000

funeral bill, and that is a major challenge for us. People lose their jobs, with significant credit card difficulties and loans which they cannot pay off.

The main people we see are single people, people who live alone, of a working age, jobless families and lone parent families—not that they started that way but they have become separated because of issues such as domestic violence, addiction and gambling. Many of those sorts of problems, I would suggest, have been triggered by long-term unemployment. Just about every one we see is unemployed and they have got no savings to fall back on.

One of the big worries we have in this region is that when the economy does improve and unemployment levels fall, the numbers coming to those centres does not fall at all, which indicates to us that when new jobs are occurring in the Hunter region, they are going to families where someone already has a job. A lot of the old manufacturing jobs are disappearing and we have got an oversupply of low-skilled workers. Factory work is still available; it tends to be, these days, more in food processing work. There are some large employers in the region, but the competition to get jobs in those factories is quite intense. It is a very thorough screening process, and if you have a less than perfect work record, you will probably be screened out. You go through a fairly stringent medical. You have got to have a sound back, good grip and all that sort of stuff, and no major injuries. Older people tell me they have had very little success in getting jobs in large factories. I think one of the problems we have in this region, and probably in every other region, is that most large employers these days are terrified about workers compensation costs and they screen out people that they think would be a risk for them in that area.

In this region there are a lot of older people out of work. They are not able to work voluntarily. Some of them have got a payout but some of them are living off their savings until they are old enough to qualify for the age pension. A lot of unemployed people are on the disability pension. They would come off if there were jobs available, but there are not any jobs available, so we wonder what welfare reform will bring for these people.

We believe in 1996 the federal government made a mistake when it introduced the Job Network in that it did not just replace the CES, it scrapped some of the labour market programs which were starting to have an impact. I mean subsidies to private employers and full-time jobs for people who had been out of work for a long time. The Labor government at that time had done extensive research into employment and had come up with the Working Nation, which guaranteed every long-term unemployed person six months paid work.

Our experience in that was it was very effective, and the reason was that employers will not look at you if you have been out of work for a couple of years, but, after six months of paid work, not only was the unemployed person feeling much better about themselves, they were able to produce a reference saying, 'I can do this job and here is a reference to prove it.' So we were disappointed to see it dropped, and we were disappointed to see the Labor Party also drop it from their policy platform. It is very hard to explain, but, if you are long-term unemployed, that is the best way to get employed—to be given the chance to do a job and demonstrate that you can do it.

There is a small program called Work for the Dole, which is very popular, and we do it and are getting some successes, but it is not as good as the full-time paid work on a minimum wage, and we would like to see that come back. We are supporters of the employer of last resort that Bill

Mitchell was talking about earlier. We are already paying people unemployment benefits; why don't we pay them a bit extra on a minimum wage rather than paying people to do nothing, because doing nothing over a long-term period of time is very damaging.

We do not see many working Australians in poverty. I realise that people on a single basic wage working really earns no more than someone on benefit. But I think that people cope better with themselves and their lives when they are working, and that is why we think work is the best form of welfare. People should always be better off working than being on benefits, and we believe the taxation system should be adapted to ensure that happens. People on one solitary basic wage are struggling, nevertheless; they are less likely to go to doctors these days because of the bulk-billing changes or go to dentists.

For families with younger children under the age of five, child care is a real problem. To get child care in Newcastle, even with government subsidy, it is going to cost you \$100 a week. If you are earning \$300 a week, you cannot afford to \$100 of that in child care, so low income families are tending to use informal child care. We hear of children being in the care of seven or eight different carers every week, maybe every day sometimes, so that is very unsatisfactory child care for low income families, and that is where poverty starts for those children. As part of the gateway into employment in this region, casual work and part-time work is often the way to go. That is very family unfriendly. It is very hard to organise your child care when you do not know where the next job is coming from or what the time will be.

With regard to child poverty, we were very concerned that one in six children are growing up in jobless families, and the evidence is showing that they are more likely to leave school early, become parents early, and go back on social security. That is another reason why we think full employment is such a key policy issue. But we also recognise in this region that we have got to do more to help children get through education. In the economy that we are in, the new jobs tend to go to people who do not leave school early, and we will need to do more to ensure that happens.

At every level of education there is more we could be doing. If you go back to the under five years, when kindergartens were first established they were set up to help kids from disadvantaged families catch up so that, when they started school at five, they were at the same level as everywhere else. Now you tend to find, in this state anyway, that children from the most disadvantaged families do not get any child care or child development activities and are starting school at five already behind.

We are forming more partnerships with education. Samaritans, for example, is running group activities for primary school kids who are having problems at school because of bullying, an inability to make friends and low self-esteem. We coach those children on how to deal better with situations in the classroom and the playground; that is the first step in keeping kids at school longer. We are now moving into a school situation in Cessnock where we are helping kids make that transition between primary school and high school; again, coaching them in how to deal with problems at school which inevitably will occur, and nurturing them through that transition from primary school to high school. We have got a youth worker based in a high school that is constantly looking out for potentially early school leavers—again, encouraging them to stay on, because if you leave school early you have very few opportunities of getting a job. That is having some good results.

The most disadvantaged young people we see are homeless young people. We have refugees in Wyong, Taree and Cessnock. In Newcastle, we have a case management approach where at present we are supporting about 50 young people who are homeless. They tend to be young people aged 15 to 19 who have lost touch with their families. Forty per cent were struggling with addiction, 20 per of them have addiction and mental illness, which is a very difficult group to go to, and have no school attachment, no involvement in TAFE and they are not working, so it is a very tough job.

Often young people, when they become homeless, do not live on the street, they just move in with a friend or another family, occasionally in a refuge, and on and on it goes. That is when Samaritans' youth workers intervene. We have six flats; we put some of them there. We support some of them in Department of Housing and in private renting when we can find it. It is very important work that we hang on to these very disadvantaged young people, try to instil some hope for the future, be there when they have got a problem and keep them out of difficulty. It is easy when you have that sort of lifestyle to drift into activity which brings you in trouble with the law: shoplifting, drugs, nonpayment of fines.

We are determined to ensure that the young people we support keep out of the prison system. We know that prisons are popular; they are growing so rapidly, it is hard to keep up with it. But youth workers are a much more cost-effective way of supporting young people than prisons. It costs \$60,000 a year to keep a person in prison, so if you put those 50 young people in prison, it would cost \$3 million a year rather than the \$200,000 that we spend, and we think it is very cost-effective. We do work with people coming out of prison too, but that is another story.

On regional issues, we think housing is becoming an increasing problem in this region. It is becoming more expensive and it is easier for real estate agents to discriminate against certain groups they do not like, such as lone parents with lots of kids, young people and people of certain ethnic groups. There is something called a Ticker List. I do not know what it means, but it is a national database where you have to sign on to rent a property and, if you do something wrong, your name will stay there forever. One of the local real estate agents told me it was a godsend because now they can get rid of all those troublesome renting people. I could understand his position. Our problem is: where are these people going to live if they are permanently excluded from private rental? So we do need more community housing for groups such as us so that we can give people a roof over their head.

The other big issue in our region is poor public transport. In Wyong, for example, it is a major issue. If you ever want to get work in Sydney, there is no way you can catch the train because there is no public transport to get you there. In the Hunter Valley, it is amazing how many people do not have a driving licence. If you do not have a driver's licence, you cannot get to work. It is even difficult to get to a Job Network interview sometimes. If you do not get there, you will get fined.

In community services generally, we are very supportive of HCOSS, the Hunter Council of Social Services. We believe that local agencies should work together, support each other. We should all try to be good at what we do. It is good that we support large national agencies as well, but it is good to have local agencies involved in welfare. One of the good things they do is they spend all their money here. We are in favour of governments subcontracting out work to the not-for-profit sector, and that, in a way, helps the local economy.

If you take Samaritans—which is a reasonably sized agency with a turnover of \$20 million a year—we provide not just jobs in welfare but jobs for people in accounts, HR and marketing, whereas if the government does that, those sorts of jobs these days have been transferred back to Sydney, so it is taking some of those other skilled jobs out of the region to Sydney. So local agencies running local services help to create work. We have a policy in our agency to buy local wherever we can, even though it is a bit more expensive, because we think that if we buy local we are supporting local business, and if we support local business they will provide work for people and we will have fewer people coming to our emergency relief centres. Thank you.

CHAIR—Thank you, Mr Shevels. Mr Mole.

Mr Mole—I represent the Salvation Army and, in particular, the emergency relief section in Newcastle. Possibly a lot of what I am saying is summarising a little of what has been said before. Poverty, just to clarify it, is having insufficient to purchase or acquire one's daily basic living needs. We need also to clarify it in the sense that we often see poverty on TV in relation to other countries—in the bowl of rice and that sort of thing—and we need to focus on the fact that poverty here in Australia is vastly different to that sort of poverty but it is poverty nonetheless. People who get caught in the poverty trap find that it is almost inescapable because of the way that society is. Perhaps it is the laws of the land which can help to trap them there. It could also be the fact that, unless they get a massive increase in their personal income, a small increase simply removes part of their government benefit and they are no better off and perhaps even lose some of the benefits of being on a benefit.

Poverty should not be viewed simply as dollars or lack of dollars. What is often seen as the result of poverty can also be the cause of poverty, and so it becomes a vicious cycle. The question is: where does it start and where is the escape route? Poverty needs to be seen in the following ways: insufficient and often inadequate diet; inadequate accommodation, as has been referred to already. In accommodation, we often see people who are banned from all sorts of private rental and for one reason or another can no longer get public rental going to caravan parks, and that is getting tougher and tougher, but the cost of the rental is as much as renting a house in any case.

One recent incident that I dealt with was a lady who was helped jointly by Department of Housing and DOCS. They put her into accommodation which was costing \$500-and-something a week. They paid it for the first couple of weeks. After that, they put her onto a system where the Department of Housing pays for three days. So it was \$285 for three days, which they paid, then she paid \$285 for three days, and so it kept going in that sequence. You can imagine on a \$600 or \$700 income, which was her benefit and Family Allowance Benefit—her husband was not yet a recipient, having just returned from New Zealand—and out of that approximately \$350 a week, \$285 going on accommodation every three days. It seems absurd to put a family in that situation anyway.

Moving on, the other areas that we need to look at are recurring illness and inadequate health and dental care, including varying degrees of mental health, as Cec mentioned earlier. I cite there a situation where a lady has to pay out \$300 every six weeks to refill an abdominal pump to pump drugs into her spine, plus paying a couple of hundred dollars a week rent and not being able to work consistently. It is an impossible situation. We then talk about a family who has a 13-year-old suicidal daughter and the mother who wants to do everything possible to make this

daughter happy and normalise her life and have the things that other kids have, but of course the expense of trying to do that and keep her child out of hospital and keep her alive is ridiculous.

Transport is another issue, as was mentioned. I know one particular fellow who was travelling backwards and forwards to Sydney for eye treatment because of diabetes. This gentleman was considered to be legally blind in some aspects and yet was still driving, and his wife would give directions as she sat beside him, because of the transport problem. With her being overweight and having a heart condition, she could not walk, so they kept moving in that area.

I move on to poverty. Personal family stress, constantly juggling finances or being in debt, no spare money to cover unexpected expenses, like the broken-down fridge or hot water service, even birthdays and celebrations, never being able to make lifestyle choices like going to the movies or going out for dinner. Because of those sorts of things people never develop a real sense of hope, and I guess the majority of the people that we see in our centre are on benefits, we do not see a big percentage of what we might call the working poor. As Cec said, all those people seem to develop the ability to cope better because of work and the therapy of work.

We do see a lot of people who have lost any hope that they have had and have lost motivation and incentive to perhaps change their lifestyle, and they begin to accept that that is the way it is, that is the way it is going to be and it will never be any different. Unfortunately, they can then be very difficult to work with, to motivate and get them into perhaps therapy and programs and things which may benefit them.

Isolation is another factor where kids begin to miss out on school excursions or the extra materials they need. They do not have holidays and are housebound. They lack leisure activities; they even lack sport, and we have heard incidents of that mentioned already. As that develops or expands, they then lack that social interaction because they cannot afford to go out. One chap I interviewed fairly recently, I asked him what were some of the outcomes of his low income, because he had gone from a working career on to workers compensation minimal payments. One of the things that he said was you feel like a beggar, you feel ashamed. No longer can he buy his family birthday gifts or Christmas presents and so he draws back from them, as well as perhaps his other associates and friends. If they want to do things, go places, go out, he cannot afford to do that, so he draws back and he becomes housebound and then develops psychological problems, and so on it goes. There is the social pressure of simply missing out on the normal things that people in our society do, and this again is where I will emphasise the fact that poverty is relative to the society in which we live.

Having to go into voluntary bankruptcy to clear existing debts, and Asha mentioned that earlier in a case study. Going into bankruptcy for \$1,500 is ludicrous. Simply because they cannot afford to pay \$20 a fortnight, they go bankrupt.

Not being able to afford adequate education, or an education that capitalises on the potential of the student, is an issue that is rife with the talk that is going on at the moment about the universities and the fees and things there. The evidence of that is the program that the Smith Family has, Learning for Life, in which they pour millions of dollars into scholarships for families that cannot keep their kids in school in an adequate fashion; as was mentioned before, even simply in uniform.

Not having sufficient funds to make normal choices within our society: choices about education, health, sport, recreation, entertainment, holidays, family visits or affordable accommodation. Poverty, whether caused by lack of dollars or lack of self-esteem, of confidence or of health, results in the same impact on the individual and then the impact on society and our community. It isolates people, it isolates families, it limits their ability to help others, it limits their ability to receive help because they think they are even beyond that. It has that psychological effect on the person. Poverty means there is limited social direction and so limited community.

With the level of unemployment, the number of people being underemployed, income support payments serve only to maintain, generally speaking, a level of poverty, not to protect people from poverty or help them escape poverty; it maintains them in that situation. I do not believe throwing more money into income support would eradicate poverty either. We need to look at other issues, such as the health and education systems and affordable housing. To throw more money into a support system would only force up the minimum wage and so create another cyclic problem, and so we have got to find some other means of doing that.

It is a vicious circle and, as a society, we must provide opportunities for people to escape it and the stranglehold that it has. The stranglehold is such that it sucks out people's hope, their self-esteem and their self-worth, and they just simply become existing. Inequities in health and education put people who are already disadvantaged at further disadvantage, as health and education are paramount to a person's wellbeing and their sense of personal value and worth, and without these they will never overcome the effects of poverty in any case.

CHAIR—Thank you, Mr Mole. I wonder if any of my colleagues have any questions.

Senator KNOWLES—I think we might hear the next group.

CHAIR—Thank you very much.

[12.09 p.m.]

FRENCH, Mrs Pamela Elizabeth, Secretary and Case Worker, East Maitland Region, St Vincent de Paul Society

FRIZE, Mrs Maureen Susanne, Conference President, St Johns Conference, St Vincent de Paul Society

HAKES, Mr John Lawrence, President, Lower Hunter Region, St Vincent de Paul Society

McGOLDRICK, Mr Neil, President, Newcastle North Region, St Vincent de Paul Society

OSBORNE, Mr John Henry, Conference President, Raymond Terrace, St Vincent de Paul Society

RAMZAN, Ms Asha, Regional Development Officer, Hunter Council of Social Services

CHAIR—Welcome. I think you all heard my earlier statement. Would you like to make an opening statement?

Mr Hakes—I have brought three people along today who would like to recite to you some of the circumstances of people we visit for the committee's consideration. I have got some figures. I have heard other speakers talk about unemployment and that sort of thing. I have brought our most recent figures for the Lower Hunter and, of the people and families that we visited, there were only four families that we helped with wages that were actually employed. There were 223 sole-parent families, 271 unemployed and 90 on other government pensions. Of all those, only four were employed who came to us looking for assistance in the Lower Hunter. I thought that those figures might help with what you are considering.

CHAIR—Would you mind providing that document to the secretary so we can have a copy of it?

Mr Hakes—Yes.

Mr Osborne—I have just generalised our position here geographically and we will try to take it from there. The Raymond Terrace Conference of the St Vincent de Paul Society provides assistance for a very large geographical area of New South Wales. This area commences at the Hexham Bridge over the Hunter River, which is only a few kilometres beyond the northern conclusion of the Newcastle-Sydney Freeway, and includes Tomago, Williamstown, Raymond Terrace, Medowie, Karuah, Bulahdelah, Gloucester, Stroud, Wards River, Dungog, Clarence Town and Vacy, so we cover a very large area. Other conferences are located at Gloucester and Dungog, however many people from these areas travel to our centre at Raymond Terrace for assistance, which includes food, clothing, electricity and phone vouchers and payment of pharmacy prescriptions. Because of their financial situations, often petrol must be supplied to enable these people to return to their homes.

Prior to the completion of the Sydney-Newcastle Freeway, traffic travelling the Pacific Highway passed through several locations—Gosford, Wyong, the Lake Macquarie suburbs of Swansea, Belmont and Charlestown, and Newcastle suburbs—before reaching Raymond Terrace. Following completion of the freeway, Raymond Terrace is now the first locality reached after leaving Sydney's northern beaches. Prior to completion of the freeway, emergency accommodation was available at Matthew Talbot at Wickham, Salvation Army hostels and other hostels around Newcastle. As the first locality reached, we are now requested to provide accommodation for a variety of often desperate people. Previously, the demand was from single men of all ages passing through or simply moving on seeking work. Now we have women doing the same and also women with children seeking safe and secure accommodation to escape difficult marital relationships.

Assistance is also sought by single males and females, some very young, running away or escaping dangerous home situations. These people are often locals or from other areas, many having travelled long distances. Also there are fathers with children, mothers with children and people recently released from corrective institutions. Many mothers with children are desperate, having simply thrown a few belongings into a car and fled. Many of them are from Sydney escaping a brutal father or partner. They drive away without a destination in mind and arrive at Raymond Terrace seeking emergency accommodation. Many such cases are remembered; however, one mother with three children, who could not be placed in accommodation, was still sleeping in the car weeks later.

These people often present themselves at Centrelink where they are provided with a written request to approach St Vincent de Paul for assistance—mainly for food, clothing, blankets and accommodation—as they are referred to the Department of Housing, which is mostly unable to assist or, at best, provides a few days in a tourist park or motel, often at Wallsend or Freemans Waterhole, which are quite some considerable distance from Raymond Terrace, and this creates transport problems. On many occasions the Department of Housing simply turns people away as they are unable to provide any emergency accommodation at all.

The St Vincent de Paul Society of late has found it almost impossible to find accommodation for these people as Raymond Terrace is still a very popular overnight tourist stop. Most motels and hotels are unable to provide accommodation at short notice. Construction of the Karuah Bypass has also added to the problem of accommodation as many of those who are employed on this project have taken residence in hotels and motels for the duration of the construction process. Cabins, caravans and tourist parks are continuously full, and this removes another possible short-term solution to our problem. Another trend noticeable of late is that of tourist parks and hotels requesting people to leave with the approach of Christmas, Easter, school holidays and long weekends to enable the proprietors to take advantage of higher rates during these times of increased demand.

A solution to this problem is the purchase of houses or units—two or three together—for crisis accommodation for women and children where they could be secure in that partners and/or husbands would find it difficult to locate them. Also necessary is purpose-built accommodation for single people in a building similar to the Matthew Talbot Hostel in Sydney.

Our conference of the St Vincent de Paul Society is one of the busiest in the Newcastle and Hunter Valley, conducting an average of 83 interviews per week. People interviewed are often

families, sole parents with children, and singles. Many have addictive problems. Those with addiction problems—many of whom are on methadone and cannot obtain treatment in Raymond Terrace—must travel daily to Newcastle. This creates further difficulties as the bus fare is \$5.50 each way plus there is the cost of the methadone. We are being increasingly requested to provide bus fares and food for these people.

Further difficulties arise regarding medical services as most doctors' books are closed in our area and they do not bulk-bill, causing people to travel to other areas for medical services. This creates further travelling expenses as the nearest public hospitals are at Maitland and Newcastle, and no public transport is available from Raymond Terrace, only private transport. Few of the many people interviewed are employed; most are on welfare support or pensions. Many are breached by Centrelink and have no income at all, and others are unable to obtain any welfare assistance. Many return regularly for assistance to enable them to purchase food, as their debts of overdue rent, phone and electricity have depleted their assistance payments. We are providing \$7,000 worth of Bi-Lo food vouchers per month. Their debt situation often will be impossible to remove in the foreseeable future. We find in an increasing number of cases we are simply helping them to avoid starvation.

The continual increase in the number of people is of great concern as financially this imposes a very serious demand on our limited resources. Our volunteers are finding there is insufficient time to properly assist people with material assistance, many of whom relish the opportunity to have a one-on-one discussion with a willing listener. We of the St Vincent de Paul Society would greatly appreciate more government financial assistance and government support in providing the types of emergency accommodation previously mentioned and placed under the society's control and management so as to provide accommodation for emergency situations as the demand arises. We would also request the Department of Housing have available more emergency accommodation where genuine requests for people in crisis situations could be immediately accommodated.

As the price of housing in Newcastle and suburbs continues to increase and rents rise, we anticipate more low-income earners, people on welfare and pensions, will be forced out of their rental homes. Our burden will dramatically increase as the current situation indicates more and more people will be moving to locations such as Raymond Terrace where housing and rentals are slightly less than in Newcastle and certainly less than on the Central Coast and in Sydney.

CHAIR—Mr Osborne, could we have a copy of that document. I can see that you have all got written statements there. It might be easier for all of us if you could just lodge them with the secretariat and, in your own words, say to us what you want to say without having to read them out. Are you comfortable with doing that?

Mrs Frize—I am a little bit nervous.

CHAIR—Okay.

Mrs Frize—My talk mainly focuses on low costs and reasonable accommodation in Maitland, which is extremely scarce, and some of what is available is, in my view, almost uninhabitable. Most of the clients we see do not have the funds or the past history— as we mentioned before, the ticker list—to deal with real estate agents. When they apply to Department of Housing for

emergency accommodation, they are required to seek out reasonable low-cost housing and return to Housing with the details in order to get assistance. Except in the cases of single males, who could obtain a room in a hotel, inevitably that accommodation would be at the larger of our two only local caravan parks. The rents here range from \$125 a week to \$145-plus for those vans that do have showers and toilet facilities. Most of these vans have no annexe and, where they do, in some cases it is a dirt floor. A number of the vans have blue tarps over the roofs, the cheap Clints variety. Vans number to 75—there is one amenities block.

The general condition of many of the vans, as you can imagine from what I have already described, is quite below standard. Windows do not close and, in some instances, doors are unable to be secured. Single mothers with little ones are extremely vulnerable in this situation. I have visited a van in wet weather where the weight of the water on the annexe caused it to split and, inside the van, one of the many leaks was coming through a light fitting. This particular van housed two adults and three children under 10. It took a fortnight and a follow-up complaint by me before the family was moved to another van whilst repairs were made.

Residents are not eager to complain as, in the past, this has resulted in people being told to move on. I know this to be so in the case of two single males who complained about a smelly drain close to their van. When nothing was done they complained to the council. The following week some excuse was made and they were told they no longer had accommodation. The park itself is very unkempt and depressing. Accommodation and surroundings of this nature would only further undermine the self-esteem of these people forced to exist in these circumstances.

What I have noticed over the past three years, in my voluntary capacity, is the ever-increasing number of young people that we are seeing—15 to 18 years—who are living out of home, and the number of people in a disturbed state of mind and the difficulty we have in obtaining assistance for them. While government assistance agencies, Housing and Centrelink, are stressing improvement in facilities we seem to be seeing the opposite. A mother whose status was changing because her children were no longer supported, had to supply a birth certificate before her payments could be changed to Newstart. She had been registered on the system for years.

Recently, two single women, a mother and her daughter, approximately 60 and 40 years of age, applied to the Department of Housing for emergency accommodation. They said they were fleeing a domestic violence situation. Mother was a diabetic on a walking frame. When they did not return to our centre to collect a bag that they had left, I rang the Department of Housing and was told that they had been unsuccessful in their application and when they had fulfilled the required criteria they could reapply. That criteria was to provide: a printout from Centrelink showing details of the benefits they were receiving; an original birth certificate or, in lieu, a printout from Centrelink stating that they were an Australian citizen; a bank statement or a printout from their bank showing at least four weeks transactions on their account; and to show evidence that they had endeavoured to seek low-cost reasonable accommodation. It was 3 p.m. in the afternoon. They did not return to our centre to collect their bag—it is still there—and we have not seen them since. I will not comment as to whether they were or were not genuine, but, from their conversation, this was not an isolated incident. They spoke of many nights spent in bus depots or railway stations and commented at how difficult it was becoming as facilities were being better patrolled these days.

Whilst Newcastle has several men's hostels, there seems very little available in the way of single women's accommodation. In Maitland, I know we have a crisis centre, Carrie's Place, but they only accommodate about eight mothers, I think.

Whilst we will not tolerate abusing the system, what is the alternative? I had cause to access the out-of-hours emergency accommodation line, the 1800 152 152, one evening. This was for a man who was at the Catholic presbytery in Maitland. After the phone interview, he was told that accommodation was available if he could access it within the hour. It was approximately 6.30 p.m. Saturday evening. The accommodation nominated was the Formula One Motel at the beginning of the expressway at Wallsend, not located near a train or bus stations and a 30-minute drive from Maitland. I drove him there, but I hardly felt that this was a satisfactory solution to the problem. It certainly deterred me from accessing the 1800 number again in a hurry. Thank you for your time.

CHAIR—Thank you, Mrs Frize. Mr McGoldrick.

Mr McGoldrick—My report on poverty comes from the region which I try very hard with a wonderful board of people to help people in poverty. To give you an idea, talking generally, once a month we meet, which is Newcastle North, which represents nine parishes, but it represents probably about 23 suburbs. The report I have here would be very generally what happens over the eight other regions, from what I have heard today in the very good presentations from all charities here today.

Our aim is to give people their own dignity and to get control of their own lives. We have set up in our society budget counselling to look at people's needs, so they can have some idea of a plan of how to control their income each fortnight, and, by meeting once a month with the presidents of these parishes, we hear the reports of poverty. When you hear this month after month, you get a fairly good idea of the general run of what is happening in the suburbs. I have brought statistics today of the last nine months of the expenditure we have had in our region. It goes well over \$100,000 just in food alone. Through the government assistance, through the EAPA vouchers and Telstra, and shortly we will be able to help people with water rates, and we carry all this type of work into the home. We are the only charity that goes into homes, so we see the poverty first-hand. I am not just talking from statistics; I am talking as a volunteer worker myself. Even last night I was out with another member of the society from four o'clock to seven o'clock assisting families. This is going on every day through our diocese, and with all charities, and it is a serious problem we have.

Looking briefly at my paper here, even wage earners are having trouble now registering their cars just to have that extra thousand dollars in the bank, let alone the unemployed who are trying to keep a car on the road with insurances and repayments of different things throughout the homes like phones and their high rents. This is definitely the biggest trouble I feel—the high rents are hurting people so much. Landlords have full control here and we have rarely seen so many people coming into our centres each day asking for help so the members of our society can go out and assist them at night.

We also see, with the decline of medical bulk-billing, older people in particular put off visits to the doctor or buying medicine, and their problems become very serious until medical treatment is necessary. Families who earn over \$30,000 per year are charged more for medical

care than those who earn less, so in a large family only the very sick members can be attended by a doctor. In my report here, there would be 16 families we know of just in our region who are battling on that wage of \$30,000.

Then when we get down to the people who are on Centrelink help, just like me, and on disability support, we find another big problem is in dental care. It is causing a great burden on many families; it is just out of reach for families to have this help available. We have assisted families recently, just two children, up to the amount of \$2,000 to help them to have their dental care. I was talking to a man this morning who is in the police force—he is employed—and he told me one of his boys has a front tooth problem, which he lost, and he has to find \$2,500 for this problem. He has five children, and he said that for dental care in particular it is a very awkward position of trying to choose which child should have assistance because of the financial needs.

CHAIR—You said you were helping people who are earning over \$30,000 a year. Is that what you said?

Mr McGoldrick—No, that was just an average of the 16. We have had wage earners about that area, yes. That report needs looking at. Regarding our public school system, we are finding that in our region we are paying the Red Cross to feed children who come to school hungry and, in the last nine months, we have paid them \$1,243 to assist children in a breakfast club. This is quite an ongoing thing in different schools.

CHAIR—How long have you been doing that?

Mr McGoldrick—Since I have been in we have been doing it and I think it was going on for about three years before that.

Senator MOORE—Is that a school based program?

Mr McGoldrick—Yes, through Red Cross. In conclusion, it is the opinion of the council I am with that the gap between the rich and the poor is becoming wider. The average working family must work more hours just to achieve a basic living standard. The unemployed, single parents, the aged and the sick cannot survive without help and the charities themselves are critically undermined and overworked because of this situation, and many people have burn-outs. They are all volunteers and we find it very difficult to handle a lot of this, and our own age and everything like that. It is a serious problem we face of trying to help everybody. We take a lot of criticism from people we just cannot get to. They do not understand our volunteer situation—and it is a volunteer situation. So we are doing our best in that sense but the poverty gap is a problem we face.

To finish, I have one paper here. In Australia, out of 39 per cent of Australians 16 years old, 5.8 million people earn under \$300 per week; of 28 per cent of Australian householders, over 4.6 million people earn under \$500 per week; and 21,000 of Australian householders, over 3.4 million, earn under \$400 a week. The simple bottom line is: could you live on that? Our society, through our national council, is presenting a paper to the Senate—

CHAIR—We have all read it.

Mr McGoldrick—and you have all read that. As I say, our regions are battling with this problem. We love helping our neighbour, don't get me wrong, but we see the problem here as getting bigger and bigger. We hope that this inquiry will look into this serious matter so our country can become a more equal society, in which people can have a good life—they can have a holiday once in a while, enjoy life instead of going down to the local pawnshop and hocking things. In the suburb where I live four pawnshops have opened because of the situation of people living in poverty and selling things to survive, be it through an addiction or whatever, and it is a sad thing to see. Only 10 years ago, there was only one shop in that town and now there are four. It is a fairly hard and difficult society we live in and we need to share our resources the best way we can. Thank you very much.

CHAIR—Thank you, Mr McGoldrick. Have you some comments, Mrs French?

Mrs French—I will be reasonably brief. We serve an area which takes in not only East Maitland itself but the suburbs of Tenambit, Metford and also Ashtonfield, but we do not get very much work there as that is a very new suburb. Tenambit and Metford have a great percentage of housing commission homes, sometimes whole streets—that is in itself probably a mistake because these people do not have anybody else to copy; they are all in the same boat and they find that that is probably a disadvantage in some ways.

In general, we find a lot of problems with their electricity because they run up rather large bills, mainly I think because they cannot afford to buy the more efficient type of appliance. Many of the cheaper appliances are the least energy efficient, so their accounts become rather large, and that is often a problem. The houses are often also very cold houses too; they are not terribly well built.

What I thought perhaps would be the best idea would be just to give a couple of instances of what has happened when I have been going around with another worker. One day we visited a lady who had phoned for assistance and we found her in a very distraught state of mind. A few days previously she had been attacked and stabbed by her male partner, who had subsequently been arrested but he was the person who generally supplied the money. She had been hospitalised for a few days after the stabbing and, on arriving home, she found that her fridge had broken down and everything inside it was spoilt. She had no money to replace the food and certainly not enough money to get the fridge repaired, so we had to come to see what we could do about that.

We have one client who has suffered brain damage, which seems to have occurred during a surgical procedure, but as far as I know he does not seem to have had any compensation for that. He has also very bad arthritis in his hands. He lives alone. He is not an old man, probably middle aged you would call him. He can walk a few steps but relies mostly for his transport on a motorised chair which he drives around quite well, but the batteries for this are very expensive. When they run down and he has bought his batteries, he has to come to us because he cannot get food and so forth, so we have to help him with that. Then we have one lady who has two children who suffer from a very rare skin type allergy disease, which I think is going to prove fatal in the finish. She has to buy special foods for these children because they are allergic to so many things. She may be able to use the foods that we supply, but the children mostly cannot eat them, so she has to have special help with vouchers and so on.

Another one has three children and one of them requires medication which is not on pharmaceutical benefits and costs about \$40 every time she has to buy it, so quite often that is all she asks for. She does her very best to try to keep the children clothed and fed, but when it comes to these extra expenses, this medication that is not on pharmaceutical benefits, she has to come to us.

I went to a family where the man has three children, one of them autistic. His wife has a very bad mental problem of some kind; she had been away and was just about to come home. He had to give up his job because she was not in any fit state to look after the children and he had to do it all. He is able to use computers well so he was going to try to get some work from home, but in the meantime there did not seem to be any kind of safety net for him to use.

We also find that not all of the problems are caused by lack of money. We find that mental health things quite often are not adequate for the people. We have one client who seldom needs anything—he just wants to talk. He finds that there are always people in his house. Whenever he goes out, he thinks there has been somebody in his house and he tries to tell you what has been done to the house, and there is nothing really, it is perfectly all right. But he really needs some kind of help; he needs someone to make sure he takes his medication because he lives on his own.

On the whole, people do need financial betterment but we also need to advise them much more clearly of what their entitlements are. Some of them do not know, and there seems to be a difficulty in them finding out. We can tell them if they come to us because often we have got lists of resources, but they often do not know. Mr McGoldrick mentioned budget counselling; we do have a budget counsellor in the area but many of them do not know that. There should be more publicity and more advice to them about where they can go because, quite often, some budget counselling would help them out. That is probably all I need to say there.

CHAIR—Thank you very much, Mrs French, and we would like to have all those statements. Mrs Frize, you made a point about caravan parks—and it has been made earlier elsewhere, but it may be a problem here. Are you finding a situation where caravan parks are being closed down and redeveloped? Is there a reduction of caravan parks in this region because of redevelopment?

Mrs Frize—Since I moved to Maitland there are only two and they are the only two that I know of. The one I spoke of is quite a big park, it is on the highway, but it is behind a lot of very high trees, and people would not know it was there, apart from the sign. I think the last time I saw the card it comes with about a four-star rating. I do not know who does the ratings, but it is certainly not four star. The other park is a small park with only 12 to 14 vans or thereabouts, but we do not have much difficulty there. The park is smaller, the surroundings are much more pleasant. We have had a few visits there. The last month alone, we visited 23 single males at the large park that I mentioned, 11 supporting parents with a total of 15 children between them. The state of the vans is such that people should not be asked to live in them and they certainly should not be asked to pay to live in them. I do not know quite what can be done. I have written to the council. I received a very nice reply, but it was suggested that if complaints were made about too many of the vans, then they would have to be shut down and alternative accommodation would have to be found for these people whilst this was going on. I took that as a subtle threat. This is the Maitland Council.

CHAIR—They said that if they acted they may have to close. That was the implication, was it?

Mrs Frize—Firstly, they said they were not responsible for the vans, that they were only responsible for the amenities, but they also suggested that if complaints were made about a number of vans—I read it as meaning charities would then have to move in and find alternative accommodation for these people. I found that a little confusing as well, because I thought that once you had signed a contract, once you had paid a bond, then the accommodation should be adequate for what you had paid.

CHAIR—We were in south-western Sydney yesterday and a caravan park, Landsvale, was being closed down and 290-odd people were being moved because they were going to redevelop the site. I just wondered if you had any knowledge of anything occurring here.

Mr Osborne—I know three very large caravan parks—or tourist parks as they are calling them now, because that gives them the opportunity to empty them out—at which rents range for those caravans and cabins from \$125 to \$250 a week, and you start on \$250 a week for six weeks.

Ms Ramzan—I know that there are caravan parks in Lake Macquarie and Cessnock, as well as a couple of other areas, including Upper Hunter, that refuse to take long-term visitors, so they are actually closed to people who would be our constituents. That is one way of ensuring that they do not have undesirables in the caravan parks.

CHAIR—Mr Hakes, did you want to say anything more?

Mr Hakes—When we were preparing to make a request to come before the committee, there were a couple at Rutherford that indicated that they would like to come down and tell you their story. They are people that we help and they have come along here this morning, hoping that you might be able to hear their problems and how poverty is affecting them.

CHAIR—If they have got enough guts to come this far, we have got the time to listen to them.

[12.45 p.m.]

COX, Mr Christopher Patrick, Recipient, St Vincent de Paul

COX, Mrs Tracey, Recipient, St Vincent de Paul

CHAIR—Are you happy to speak in public?

Mrs Cox—Yes.

Mr Cox—But nervous. I am married, I have three kids. I hurt myself at work two years ago. I have a spinal injury which is going to result eventually in the loss of my left arm. I currently receive around \$280 a week; out of that I pay tax. I went from a \$45,000 a year job down to \$16,000 a year because the state government is using a wrong award rate. I worked in a rice mill. They class me as a checkout chick because I worked with grocery items, so now it has gone down to \$16,000, that is on the statutory rate. I get no concessions, I get no health care cards. My workers compensation is not indexed to the CPI; over the last two years the basic wage has gone up \$35; I have seen no increase at all. John Howard says he is going to give me \$4 tax back. I have not seen that \$4.

The insurance company that looks after me—I don't know if I can say their name but I will, NRMA—are always late with my payments. They do it through the postal system. Sometimes it can be anything up to four weeks or five weeks late. They blame it on the post. I do not know if it is the post; I would not say it was, not four weeks late.

I asked them for stuff to get me through, like a mattress. I sleep on the floor at the moment. I have a bad neck, a spinal condition; I have to have a good mattress. The only thing we could get was a single mattress so I do not sleep with my wife any more. She sleeps in a separate room and I have to sleep on the floor on this mattress. I asked them for a mattress: they say no. It is hard.

Mrs Cox—What it comes down to is that we have to follow the rules. We have followed the rules since Chris first got hurt. Every step of the way we follow the rules and yet the insurance company and WorkCover seem to be able to bend the rules to whatever they want them to be. We are not allowed to give in medical certificates late and yet they are allowed to pay him late and get away with it all the time.

I work, I do have a job, but I earn the minimum wage. I earn \$25,000 a year. Tax comes out of that. I am putting my three kids through school. Rent is \$160 a week. At the end of last year I was forced to go into debt for a car. We could not afford to fix the one we had. Before Chris was injured he used to do all of that for us. I had to get a loan for a \$13,000 car, which we knew we really could not afford but, in order to get him around in his condition, we need a decent car. It has got good seats and stuff like that, specifically for his condition.

We get no help. I have got no health care for my children. I dread every sniffle and cough because I cannot afford to go to the doctor and, if I do go to the doctor, I cannot afford to pay for the prescriptions that they are going to need when I am finished. We may be at the top end of the

poverty scale but we are on a downward slide and, if something is not fixed, then that is where we will end up.

Mr Cox—I have no way possible that I can see of returning to the work force, so my wife has taken over that role. It is pretty disheartening; I see psychiatrists and things like that for depression—and I have to pay for that. It is an ongoing cycle. The way that WorkCover, the state and federal governments set this up is that they consider that the injury that I sustained, although I will never work again, is only worth \$26,000 and that is it.

Mrs Cox—For the rest of his life.

Mr Cox—That is what I receive from the government. That would be lucky to pay my debts. I have got a car and I had a personal loan and a credit card. I was working fine. I have now got all these people ringing me up. I have trouble with the electricity company. I was a bit late with the payment at the start of May and the electricity bloke came around and said: ‘Look, you have got to pay the electricity within seven days or we are going to have to cut it off.’ Not only did he say just that \$100, but he wanted April’s bill that he tacked onto the end, even though we had not received the bill through the post yet. He wanted the whole lot, otherwise the electricity was going to be cut off. The bill ended up being for \$400, which is something I cannot come up with every week. We also have the ongoing costs of schooling. How do I tell my little kids that they cannot have a birthday party? How do I tell them I cannot even afford a birthday cake?

Mrs Cox—Or that the tooth fairy only comes on payday.

Senator KNOWLES—How many children do you have?

Mr Cox—Three.

Senator KNOWLES—How old are they?

Mrs Cox—Four and seven.

Mr Cox—The twins are seven years old and we have a four-year-old—all girls. To sum up, I think it has to be reviewed. There are a lot of people like me on workers comp who will probably never ever get a job again. I know the new system says that we have to grasp people like me and put them back into the workplace and nurture them and get them back to work, but if you really look at it, who in their right mind is going to hire me with a spinal injury? What boss in their right mind is going to hire me and accept me back into the work force knowing that I am going to have one arm and I am going to have a bung back? Nobody in their right mind would do that. Plus the insurance costs are just spiralling up and they avoid you like the plague. So I have to send my wife out to work. She is unskilled, and she gets a very basic wage, and that is what we live on. The banks are relentless; they will not cut out the interest. I have tried to negotiate with them to cut the interest out. I said, ‘Just cut the interest out and I will pay you bit by bit and I will get it out of the way.’ They say, ‘No way, we want it all now.’

CHAIR—What interest is this, Mr Cox?

Mr Cox—On credit cards. They are just relentless and it borders on harassment. I am scared to answer the phone.

Mrs Cox—We do not answer the phone on the weekend at home because we know that it is going to be debt collectors looking for their money.

CHAIR—From the credit cards?

Mrs Cox—From the credit cards and stuff like that.

Mr Cox—And personal loans. We find it a hard struggle. We have got registration coming up for our car tomorrow and I am scratching my head. I do not know how to pay it.

Senator KNOWLES—What are your debts up to now on your credit cards?

Mrs Cox—Our total debt is probably about \$19,000, which is not a lot, but when you are struggling on a basic income, it is very hard. We try not to call on the services of St Vincent de Paul very often but occasionally we have to.

Senator KNOWLES—Is the \$19,000 made up of just credit cards?

Mrs Cox—That would be the total of our debt.

Mr Cox—It is made up of the credit card and a personal loan from a few years ago when I was working, and the car as well that I have to have because I cannot use public transport. I went on a train from here to Albury and had a bad accident because I tripped over in the aisle. I cannot use public transport; it is just chaotic for me. I have to use my own car to get around.

Senator MOORE—What is the answer? You have been struggling along and balancing on a week-by-week basis. What do you think should be done? What kind of help do you need?

Mrs Cox—The only reason that we are managing is because I am working and I am being paid every week. Even though it is a small amount, I am getting paid and we can kind of manage to get through. Chris gets paid workers compensation. He gets a cheque once a month. Nobody can budget over a whole month and survive until he gets paid. Not only that, but it is about a third of what he used to earn, and I do not think that that is very fair seeing that it was not his fault that he got hurt in the first place. To pay him as a checkout girl rather than as a batcher, which is what he was doing, is ridiculous.

Mr Cox—They have to readjust the wages and the way they set them up. Tracey works as a cable repairer in the mine cables. It is a man's job and it is a pretty dirty job—I would not do it. Because they have got a rubber sleeve on the outside, they can get away with saying that she can get paid as a tyre fitter. You know the little bloke down there who changes your tyres—that is what they base her wage on.

Mrs Cox—That is the award they pay me under.

Mr Cox—Even though hers is more skilled work. Because I work with a grocery item, which is rice, they base mine on that work of a check-out chick, a grocery person, so I am on the grocery award rate. It is wrong when you drop me down from \$45,000 a year to \$20,000 basic rate—which is what they get paid—and then put me on a statutory rate, and now I am down to \$16,000. We are supposed to be paid \$26,000 for my injury. It is just ridiculous for me to just give it all to the banks and the other people and be left with nothing and still be in the same predicament for the rest of my life.

Mrs Cox—Chris is the No. 1 case for the new system for a seriously injured person and there are going to be a lot more.

Mr Cox—I hurt myself just as the law came in.

Mrs Cox—We would like to see some sorts of changes made to the way that they pay people on workers compensation. I know this was done to stop false claims, but for seriously injured people it is just a headache.

Mr Cox—What could go a long way is that WorkCover or the government could come forward and make sure that insurance companies like NRMA, if they are going to pay out on a monthly basis, pay by direct debit. Everybody else uses direct debit systems—I have to pay my bills by direct debit. It is a lot quicker and you know that the money is there. They cannot say it got lost in the post and give you another cheque a month later. I then have to survive for two months, and \$280 a week does not go far. I have had notices for eviction for not paying rent. I cannot count how many times I have had to go down there and sweet talk them.

Mrs Cox—Yes, we are very lucky that the real estate people are understanding of our situation and will give us a bit of time. They send us the eviction notice but they have never actually kicked us out. We always get them their money in time. We always get everybody their money in time but it is a struggle and it is a big strain on the family every week to go through this, to sit down and go, ‘We can pay this and nobody can have any here.’

Mr Cox—I talked to my psychiatrist and there are a lot of people out there like me but they are too scared to come forward. They are on workers comp, they do not want to come forward, they do not want to be seen because insurance companies have got a big hold over you. Failure to comply is one of the main reasons—and it is a big category—and failure to comply means that you get nothing. I cannot go to the social security office and say, ‘Hey, look, they just cut me off.’ That would be it—I would be worse than poverty stricken; I would be out on the street with nothing.

Mrs Cox—We have to follow the rules and they do not, and that is the bit that bites the most.

Senator MOORE—So the only things that have been good or have been secure have been your rent and your landlord and the fact that you were able to find work.

Mrs Cox—Yes.

Mr Cox—That was the biggest thing. I am a skilled worker. I worked mainly in the heavy labour sector of the steel industry and stuff like that. I have taken time out and I had a lot of tools

and a lot of things like that that I pushed towards my wife and said, ‘Look, you are going to have to do it now, love. Go, because I can’t.’

Mrs Cox—If I had not secured that employment, we would definitely be living in a caravan park by now. It is as simple as that.

Senator MOORE—If you could find one.

Mrs Cox—If we could find one.

Mr Cox—That is about all I have got to say.

CHAIR—Thank you very much.

[12.59 p.m.]

McENEARNEY, Mrs Helen Joy, Budget Counsellor, St Vincent de Paul

McEneaney—I have given you a small sheet; I am not going to reiterate what is on that, but I beg you to read it. If I were able to talk to and advocate for people in that sort of plight, I think something could be done about their situation. But I need to explain to you that not every area of the St Vincent de Paul has a qualified budget counsellor, although we do try to make ourselves available to travel, but then some people do not want our assistance; they want to be independent, they want to handle it themselves.

My main thing is that a lack of understanding, knowledge and skills to cope with everyday living is a big cause of poverty in our society. Work definitely will help because it improves self-esteem and people get into the work ethic and that is great, but when they find themselves in the poverty sector they need encouragement. They need to be assisted by government in the use of credit. Perhaps it should be made law that credit providers cannot let people run up thousands and thousands of dollars of bills. I have suggested that \$500 or \$1,000 on a credit card—which you might think is a bit mean—is an affordable amount, so that, if they got into that much debt, we could help them repay it. If they get a lot bigger than that, the credit card provider is also guilty of issuing them with extra credit, which means a bigger and bigger debt all the time. I will leave you to read that because I realise it is lunchtime.

CHAIR—We have got a few more people to hear yet.

Senator KNOWLES—Could I just ask you one question: when someone is spending a fortune on smoking, how do you ever alleviate that problem? If someone is smoking a packet a day at \$10 a day—

McEneaney—We are encouraged, as budget counsellors, not to be judgmental. When we are in training we have a budget sheet which we go through with them and list all their expenses—it has food, rent and all the utilities on it—and we get down to the last thing, which is alcohol, gambling and cigarettes. I say to my clients, ‘Do you smoke?’ and they say, ‘Yes.’ I say, ‘How much a week?’ They might say, ‘A packet a day, so seven packets a week.’ I ask, ‘How much do they cost—\$8, \$10 a packet?’ They say, ‘About \$8—and eight times seven is 56,’ so we write it down on the piece of paper. We do it fortnightly because their benefit comes in fortnightly. So the cigarettes cost over \$112. They look at that and see that they are spending more on cigarettes than they are on food. We say, ‘You are feeding yourself and your wife and a couple of kids on that.’ Seeing it written on paper brings it to mind. We say, ‘You need money to pay credit cards, debts, phone bills or whatever: where do you think you could save?’ The most obvious answer is, ‘We could cut down on our cigarettes.’ Then we encourage them and say, ‘That is a very good idea. If you cut down by \$8 a week, that is \$16 we will come up with to help pay off the debts.’ So we just keep working in that type of system to try to alleviate the problem.

Senator KNOWLES—Addiction is not an easy one just to say, ‘Well, there you are, there is your money.’

McEnearney—No.

Senator KNOWLES—It is not simple just to say, ‘Well, sorry, your addiction is going to cease as of now.’

McEnearney—Yes, we cannot say that and we do not say that.

Senator KNOWLES—No.

McEnearney—The other thing is that we will offer Nicorette patches. We will offer to pay for them if they are willing to go the hard yards, and we give that type of assistance.

Senator MOORE—When someone is in another part of the St Vincent de Paul network but they do not have an allocated counsellor, can you then provide services outside your own area?

McEnearney—Yes, we do.

Senator MOORE—It is workload based, I am sure.

McEnearney—I am still a volunteer, and I have got my own life too, but the other difficulty is in getting people to recognise the value of our work. In the areas I have worked in they see the value of it and they keep using me. Other people that only use it now and then—

Senator MOORE—Does Centrelink refer people to you?

McEnearney—Yes, occasionally.

CHAIR—Thank you, Mrs McEnearney.

[13.05 p.m.]

CANT, Ms Sandra Jean, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union

COOK, Ms Carmel Anne, Regional Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union

LARSEN, Ms Diane, Delegate, Australian Liquor, Hospitality and Miscellaneous Workers Union

CHAIR—Welcome. Would you like to make a statement?

Ms Cook—I represent low-paid workers in the Hunter and western New South Wales. Every day I see low-wage workers in the contract cleaning, contract security, hospitality and service sector industries struggle to make ends meet. Cleaners and security guards are constantly subjected to productivity cuts because the principal contractor—in other words, the client—accepts tenders from companies at the lowest cost margin, often undermining minimum rates of payment to workers and seeking the same amount of work in fewer hours, resulting in workers taking a cut in wages and in injuries in the workplace, which leaves workers out of pocket and with no or little job prospects in the future.

This is competition policy gone mad, with big business making a profit on the backs of low-wage earners. Child-care workers are subject to the whims of government, with the community sector left underfunded, whilst the private sector floats child-care centres on the Stock Exchange without liveable remuneration for the workers who are dedicated to the nation's most valuable assets: our children under the age of five years. Hospitality workers are subjected to the casualisation of the work force, living year-to-year without basic conditions that workers in the past have taken for granted—that is, a holiday with their families provided by the payment of annual leave, an annual leave loading and the ability to take paid leave when they or a family member are sick.

I see casual workers struggling to work whilst they are ill and, if the illness is serious, they have to resort to a welfare benefit that often results in the repossession of their motor vehicle, the termination of their mortgage or the worker having to go cap in hand to a charity to help pay the rent. Our members do not want to be a burden to society; they want real jobs with real wages and they expect politicians that they elect to provide them with opportunities for employment, protection of their conditions and support for a liveable wage. When policies such as competition policy impinge on their rights as workers they expect government to intervene and overturn bad policy or at least provide penalties that have a real effect on principal employers to deter practices that leave workers worse off monetarily and health wise.

Members have also raised with me the spiralling cost of rental properties and the lack of suitable public housing, the cost of educating their children, and the availability of jobs for them and their children. They feel they are in an inevitable circle of rising costs, lack of employment or underemployment and, because of their lack of personal esteem over all of the above, they

feel powerless to provide their families with the enthusiasm to try to avoid future pitfalls into poverty and a demoralising welfare system—a system which is paid for by the taxes of the very workers who are made dependent on it to uplift their meagre weekly earnings.

Ms Larsen—I am a security officer—I am sorry, I am a bit nervous. Previous to this I was a house attendant for six years. I worked in the hospitality hotel industry for six years and was injured at work. I was not able to resume work at the hotel because of my injury. I was paid \$12.45 an hour and worked 24 hours per week—that was all that was available at the time of my injury. I was permanent part-time and received sick leave and annual leave.

I am now working again in the security industry. To obtain this job I had to do training and be licensed. The licence and training cost me \$650 and the licence is renewable at \$110 per year. I am still a casual, get no sick or annual leave and have to work weekends and nights. My hours vary between 12 and 24 hours a week, with no prior notice of fluctuation. I am finding it hard to live, working these hours. My pay rate is \$12.96 per hour.

I am a single parent with two children. My son has a disability: he is a schizophrenic. My daughter is 18, unemployed and receives Austudy, which is \$195 per fortnight. She helps at home by paying \$50 a week. I rent a unit at \$185 a week. I have a car and the payments are \$130 a week. So I have to earn at least \$315 for the week before we can eat or pay utilities. Due to the fluctuation in my hours, some weeks I earn enough to pay my way; other weeks we go without.

As a result of the fluctuations, I have to inform Centrelink fortnightly of changes as I am in receipt of rent assistance; however, to my surprise I now find myself with another debt with Centrelink dating back to my 1998-99 taxation return. I was informed of this debt this year and, as a result of this debt, life has become more difficult to juggle debts and incomes just to survive. I depend on the living wage increase to meet price hikes and usually the prices go way beyond the amount handed down from the decision. The \$17 per week will hardly get me by each week, so I do not see it as a great thing for me personally.

I just want to ask you, as committee members: what can you do to increase availability of jobs? Can you do something about the casualisation of the work force?

CHAIR—We would have different views on that.

Ms Larsen—As a committee, would you support me in larger increases in the living wage?

Senator MOORE—I will take those on notice.

Ms Larsen—Thank you very much.

Ms Cant—I entered the early childhood profession in 1990. I knew the pay was going to be less than I was earning pulling beers in a pub, but I believed in the importance of quality child-care and in role-modelling for my two girls. I wanted an emotionally rewarding career and, as child-care qualifications were being constantly upgraded, I had the mistaken belief that the financial rewards would also go up. I have worked at the Eastlakes long day care centre for 13 years and I have studied the Associate Diploma of Social Sciences and the Diploma in Children's Services.

Over the last 13 years I have built an impressive resume of short courses and conferences, covering subjects from child protection and OH&S to caring for and guiding children with additional needs, disabilities and health problems of various types. I regularly liaise with other agencies and professionals in speech therapy, occupational therapy, special needs and early intervention. I firmly believe that the care and guidance children receive in the first five years of their life profoundly affects their long-term development of a lot of additional needs children.

I have been a sole parent for 10 years. I bought a house from the property settlement from my ex for \$65,000. My girls were then eight and 10. I continued working, studying and providing a consistent environment for them. As they entered high school, I battled to pay for uniforms, fees, music and dance lessons. The extracurricular activities and sport had to go to pay for books and ever-increasing shopping bills, quarterly bills, rates and GST.

My youngest daughter was diagnosed with diabetes four years ago and my grocery bill rose substantially. I started having to pay for ophthalmic and cardiology specialist visits, specialist appointments, podiatry and things not covered by her low-income health care card or Medicare. I had to juggle credit cards which kept us in comparative poverty and my debts kept increasing. There were no holidays or anything special and the girls worked or taught music after school to pay for excursions and clothes. My house is old and run down and, just when I thought I could pay the electricity bill, the roof would leak, the plumbing would explode or the fridge would break. Thanks to the property boom, I have been able to consult and refinance twice in the last 10 years just to keep basic maintenance on the house. It shows a lot of signs of water damage inside which devalues it considerably. Bank fees and interest rates are eating into my pay. My 10-year-old car is needing costly repairs—I have just had to borrow \$1,000 to get it through registration.

I take home \$458.60 a week which should be enough to live on, but it is not. My eldest daughter has dropped out of university. She was accepted in Sydney last year but could not keep up with the accommodation and living expenses, and I could not help her. My youngest daughter has just pulled out of year 12 to get extra hours in a pharmacy where she works after school because she is sick of me being broke. She helps out a lot with the shopping. Her medication costs \$50 a week. A lot of people work hard and by the age of 50 are looking for some financial independence in the future. I have worked very hard in a stressful but intrinsically rewarding career to achieve a debt of \$120,000, which is twice what I had 10 years ago and I have got even less to show for it. It is not through mismanagement, it is just to keep a roof over our heads and care for my children, and I believe they should eat properly.

Because of the low pay, I work in a female-dominated profession; not many men stay long. We care about the families and budget to keep our fees right down. How can we be proactive about wage rises and pay equity without disadvantaging the families and the children that we care for? Minimum wages and child-care wage rises have not been sufficient to keep up with inflation. For all my qualifications and experience, I earn less than a labourer, never mind a tradesperson. I am 50, I am burnt out, and I am broke.

Five years ago the government took away operational subsidies but the news media were always reporting on child-care fee increases. I work for a not-for-profit centre and we lost \$47,000 a year in operational subsidy, but we keep fees as low as possible. Child-care workers are undervalued and underpaid. The government needs to address this by providing recurrent

funding for centres, allowing qualified early childhood educators and carers to lobby for the pay increases that we deserve.

At present, annual losses of staff from the child-care field are 33 to 40 per cent. The New South Wales pay equity inquiry, in Sydney in 2000, found that there has been undervaluation of qualified child-care workers over time. In comparison to primary school responsibilities, staff and children's services face greater emotional demands, pressure from parents, onerous tasks, longer hours, changing shifts and less peer support. This has been stated by new graduates as reasons for preferring to work outside the child-care profession. The increase in the administrative requirements and documentation further adds to the stress of our employment. The low salary levels are sending child-care workers out of the industry and there is now a shortage of trained staff. Stress and burnout occur because of the lack of social support and the status of the profession. The government must address the shortage of qualified child-care workers, pay equity and the professional support and status of our profession.

CHAIR—Thank you very much, Ms Cant.

[1.18 p.m.]

HENNELLY, Mr Richard Paul, Welfare/Research Officer, The Fishing Party

CHAIR—Welcome. Would you like to make a statement?

Mr Hennelly—The statement I am about to make is in complete contrast to everything else you have heard this morning. I represent regional Australia. The particular concern that we have at the moment is the ongoing blue-green algal blooms that are occurring up and down the New South Wales coast. Many of the varieties of toxic blue-green algae are just that. One has a neurotoxin which is similar to nerve gas. People die from paralytic shellfish poisoning if they eat enough shellfish that have eaten enough algae. That caused an outbreak in Lakes Entrance.

We have also have another nasty one called *Mexicana minutiae* which caused an algal bloom in Wonboyn Lake, killed about half the oysters and did about \$200,000 worth of damage. I got roped into this some years ago in helping out the Myall Waterways Blue-Green Algae Action Committee. I put in a submission to the Healthy Rivers Commission. I will read what I wrote about the socioeconomic impact of the blue-green algae bloom on the Myall Lakes area: the twin towns of Hawks Nest and Tea Gardens, the rural centre of Bulahdelah—which is on your radar because it has 25 per cent unemployment and is a regional poverty node—and the little township of Bungwahl. I wrote:

The impact of the algal bloom on recreational services of the Tea Gardens, Hawks Nest, Bulahdelah and surrounding areas was substantial. Most businesses that relied directly on the campers in the Myall Lakes National Park found that the Christmas holiday sales were down by 50 per cent. Other small businesses found their takings were down 20 per cent from the previous holidays. The service station at Bulahdelah that sells pre-mixed two-stroke petrol for outboard engines found its holiday sales were down by \$10,000 on the previous year. For the Christmas holidays of 2000-01, it is estimated that \$750,000 was lost as a direct cost.

Given a small-town multiplier of three, this equates to a regional loss of \$2¼ million for a population of 5,000. The hardest hit was tourism at Bulahdelah, as Bulahdelah was totally dependent on the lakes for tourism. Hawks Nest and Tea Gardens have got oceans and beaches in Port Stevens and the Myall River. The 2000-01 tourist numbers were near normal for the beachside economy but there was a reduced number of campers at Mungo Brush, White Tree Bay and The Broadwater because of the high algal alert warning signs that were posted around the lake.

An algal bloom had occurred just before the 1999 Easter holidays. We put signs up around the lake: 'Do not touch the water' 'Do not breath the air' et cetera. We then had another algal bloom in December 1999, with a similar set of circumstances. Signs were put up around the lake and the river. National Parks personnel actively hunted several thousand campers out of the National Park and they have not returned. In December 2000 the algal bloom returned, and again the whole region was declared a toxic disaster area and people did not use the lakes for recreation. I continue:

For 2000 the camping based sections of the economy were depressed. Of particular note, the blue-green algae panic of 23/12/00—

that is, just before Christmas—

after five months of not testing, the Myall River and the lakes were suddenly closed to all forms of recreational and professional fishing after a high blue-green algal count. This followed a previous fishing closure in March and July 2000 and the closure from December to March covered the February darks, and the prawns from the 100 kilometre-square lakes moved down the Myall Estuary to the sea. This is the busiest and most profitable time of the year for professional fishermen. The prawns are worth between \$15 and \$20 per kilo and several thousand kilograms of prawns are caught during the darks by about 50 professional fishermen.

The Tea Gardens Fishermen's Cooperative estimated that \$400,000 was lost due to the lake and river closures. Given this figure was spread out over 20 local professional fishermen whose sole source of income was fishing from the lakes, it was a complete economic disaster. Averaged out over 50 fishermen, this is \$8,000 per head, but the bulk of the losses were borne locally and, given the small-town multiplier, this came out at about \$1.2 million. Many local businesses and professional fishermen have had their net incomes destroyed and their credit ratings downgraded. It has equated to a multimillion dollar loss to the economy for two years running.

Hardest hit were the houseboat hire operators of Bulahdelah who had their goodwill and customer loyalty destroyed by two successive blue-green algal blooms coinciding with the peak season. The two houseboat hire businesses employ nine full-time staff and 14 contract cleaners. The contract cleaners often work 12 hours a day over the Christmas-New Year period and make about \$120. Their relocation to another region would have a devastating effect on the already depressed Bulahdelah regional economy. Bulahdelah's economy is reeling from the restructuring of the timber industry and the loss of forestry jobs. It is also looking at dairy and boiler industry restructuring. The loss of jobs will have serious repercussions for this small rural economy.

The situation has gone on from that. One tour boat operator has gone under; the other is struggling. There are very few casual jobs and only one or two permanent employees. The issue with blue-green algae is that it does not just stop there. The number of tourists appearing in the Hawks Nest-Tea Garden regions over the last two years has been declining and we have lost several thousand hardcore campers from the Myall Lakes—they go elsewhere. This is not a one-off problem. We have had a similar set of circumstances occur in Lake Cathie where there has been a massive fish kill due to poor water quality. Our research shows that this was due to an acid sulfate soil run-off which deoxygenated the lake and killed thousands of fish. Other environmental agencies will disagree. After this massive fish kill, there was a substantial cancellation of holiday accommodation and the little fishing hut at Lake Cathie has just about gone bankrupt. The bloke would be selling two or three packets of prawns a day instead of several hundred dollars worth of fishing tackle and bait. Interestingly, a similar set of circumstances has now occurred down at Lake Wannanburla: there has been a massive fish kill and tourists have left the place in droves.

Although this is probably a bit unusual and quite different from what you are used to hearing, our thesis is that a healthy environment often equates to a healthy economy. We have a situation where water quality on the east coast of New South Wales is imploding due to either a build-up of nutrients, which is causing nutrification of our waterways giving rise to an algal bloom, or substantial acid sulfate soil run-off which is deoxygenating the water and leading to massive fish kills.

These are the smaller regional economies. I would not want to say that these economies are struggling, but they have never been affluent and their concept of poverty is relative. Housing, some foodstuffs and services are a lot cheaper, and people survive quite well on what I would describe as a relatively medium level of income. However, due to the fact that much of the local tourist services industry is now underutilised, there is significant overcapacity and many of the small businesses, especially those in Hawks Nest, are struggling and several have closed down.

The issue for poverty in Australia is this: the small regional centres that had survived quite well from their local resource endowments in terms of good water quality are now struggling because they are losing tourist loyalty. People react emotionally and sensitively to things like toxic blue-green algae and massive fish kills caused by acid sulfate soil run-off. The nicest part of the story is this: the coast and clean seas people gave the Myall Lake Special Project Committee a grant of about \$250,000 to do extended scientific research on the Myall Lake system; I was part of the committee. With that \$250,000 we managed to do some groundbreaking scientific research on how these lakes work and how they need to be defended. Are there any questions?

CHAIR—We are pretty right, Mr Hennelly. You can lodge any documents that you would like us to have a look at.

Mr Hennelly—Thanks for the—

Senator MOORE—Is it getting better?

Mr Hennelly—No, it will continue to get worse unless there is a pretty substantive organisational change and substantial resources devoted to water quality.

CHAIR—Thank you, Mr Hennelly.

[1.30 p.m.]

BOOKER, Ms Heather Maud (Private capacity)

CHAIR—Are you representing an organisation, Ms Booker?

Ms Booker—I am a private citizen. I am not representing anyone. I did not know until this morning that I would have a chance to say something, so I have nothing prepared—just a few scribbled notes.

CHAIR—That is all right.

Ms Booker—I am here mainly because I feel as though I am representing, by people whom I know, a group of people who are single pensioners and the way in which they have been affected by the GST. The GST is a great concern to us. It has affected us very much because it has cut out the small change that we used to rely on—sorry, I am a bit nervous—the \$5 here and there for a cinema ticket. This does not happen anymore because every week, every day, whatever we buy, we pay GST, and that is the small change that we used to collect. That has cut out our cultural pursuits. We consider that we are culturally poor and it has affected our way of life considerably.

The other thing is that, until this morning, I considered myself quite able to be employed. I am tertiary educated, I have degrees and I have always worked as a professional. But I spoke to Professor Mitchell and asked him whether I would be eligible for a job in his research department, having worked in university research before. He said, ‘Maybe if you had been 35 years younger.’ That is the problem we are facing. I do not consider that I am too old to work but other people say that I am, that I am on the scrap heap. This is rather amusing to me because the government downsized us all and now it says, ‘You have to employ older people. These older people must stay in work.’ How? That is the question I ask.

Senator MOORE—If you had given up your job—

Ms Booker—I was teaching and the older teachers were more or less pushed out. After that I managed to get a job as a research assistant at Monash University. I have worked all my life. By comparison with some other people, I am comfortably off: I own my house and I have transport—and that is about it. Having been a single parent and having put two children through university, there are no savings. I just have the house. I get \$10,000 a year on the pension; my super went into the house, so I do not get any of that; and \$2,000 a year goes on bills, which come in every three months. So I am left on the pension, and it leaves me with \$50 a week for food alone. The rest is put aside—accrued—to pay bills with. As I say, the GST has also affected that.

I have a suggestion that I have been putting forward for ages but no-one wants to listen to it; they say it is rather stupid. There was a lady in here—I am glad she has gone—who worked for St Vincent de Paul as a voluntary worker. It is okay to be a voluntary worker if you are obviously quite well off, and most of them are—especially ladies of her age. I have always thought: why do they have to have voluntary workers? I know they work for charities, but there are so many

voluntary workers, and they are the backbone of the country. If some of them were replaced by younger people who are out on the dole or whatever and were given a small salary—even if it is augmented by the government—a lot of the unemployment would not exist. But you do find that these people who do work voluntarily are quite well off and, therefore, I think they are taking the places of a lot of jobs that could be expended.

Another gentleman spoke about unexpected bills like dental work. I recently had to have dental work done, which meant that I had to get an overdraft. I am now living on my overdraft. That virtually scrubbed out any small accrual I may have had. This is going on and on; it is just a rolling stone. I am not the only who is in this position. I am saying that, since the GST, single pensioners—as pensioners we should be excluded from the GST—are now taxpaying pensioners. Some of them have never paid tax in their life—they have never worked—but they are now paying tax as pensioners and it is the most awful thing that has ever happened to us. That is about all I have to say.

CHAIR—Thank you very much, Ms Booker, for being so patient.

Ms Booker—Thank you.

Committee adjourned at 1.36 p.m.