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SENATE

COMMUNITY AFFAIRS REFERENCES COMMITTEE

Reference: Poverty and financial hardship

MONDAY, 30 JUNE 2003

BALLARAT

BY AUTHORITY OF THE SENATE

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SENATE
COMMUNITY AFFAIRS REFERENCES COMMITTEE

Monday, 30 June 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

Senator Greig for matters relating to the family and community services portfolio

Senator Allison for matters relating to the health and ageing portfolio

Senators in attendance: Senators Hutchins and Moore

Terms of reference for the inquiry:

To inquire into and report on:

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

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Subcommittee met at 9.10 a.m.

CHAIR—I declare open this public hearing and welcome everybody who is present today. The Senate Community Affairs References Committee is continuing its inquiry into poverty and financial hardship. The committee is pleased to be visiting Ballarat and other regional centres around Australia, as it will provide a valuable opportunity to hear the views of local organisations and individuals about the impact of poverty and financial hardship in local regions. The committee is particularly interested in hearing about the different issues and difficulties that regional areas face in comparison with the metropolitan capital cities.

The format for this hearing will be fairly informal, as we are here to listen to your views. Today's program includes representatives of a number of community groups. However, the committee will endeavour to provide as much opportunity as possible for other groups and members of the public to speak with the committee. We are meeting here today as a subcommittee. A number of our other colleagues are involved in other vital committee work and are unable to attend.

[9.11 a.m.]

ELKINGTON, Major Rhonda, Manager, Macarthur Street Centre, The Salvation Army, Western Victoria Division

JENKINS, Major Brad, Divisional Social Program Secretary, The Salvation Army, Western Victoria Division

JENKINS, Major Heather, Manager, Family Support Service, Ballarat, The Salvation Army, Western Victoria Division

CHAIR—I invite the Salvation Army representatives to talk to us on the issues that they have put before us in their presentation.

Major B. Jenkins—Firstly, thank you for being willing to listen to us. I am the divisional social program secretary in western Victoria, which covers Geelong through to Portland and Ballarat through to Kaniva, south of the Western Highway. Heather is the manager of Ballarat family support services and Rhonda is the manager of the Macarthur Street women's refuge centre here in Ballarat.

We would like to acknowledge that the Salvation Army has submitted a response to the inquiry through our territorial headquarters, from our experience with working at the coalface of poverty Australia wide. But we are here this morning to focus on regional issues, which you have indicated you are looking for and for which we find there is a pressing need.

There are five issues that we would like to speak to this morning. We believe that, if these needs could be addressed, the burden of poverty for the people in need who we meet would cease. They are: affordable housing, unemployment, Centrelink issues, medical and utilities costs, and mental health.

Major Elkington—The first issue that we want to look at is affordable housing. This really falls under the category of homelessness. We experience the fact that, without exception, people who are homeless live in poverty and it is extremely difficult for them to break that cycle of poverty and homelessness.

The availability of affordable rental properties in Ballarat is insufficient to meet demand. Affordable private rental is very scarce. The Office of Housing stock is inadequate to meet the needs of people requiring housing, and therefore their waiting lists are extremely long. The problem of homelessness is significant in this city, and it is a problem that is increasing. A particular concern is the youth housing problem, which is exacerbated by the concerning increasing numbers of teenage mothers. In attempting to address the problems of homelessness, the community is faced with another problem in that we do not have a sufficient stock of emergency accommodation either.

I want to give a scenario. We would experience situations such as a woman and two children leaving the family house due to family violence and it being unsafe for her and her children to

return. This woman and her children would be placed in our emergency accommodation and the woman would be assigned a case manager from our centre who would work with her to assist her to find suitable alternative accommodation. Unfortunately, this is a difficult task, as there is a waiting list for the Office of Housing and sometimes they can wait for six months or more to be placed in suitable housing. Additionally, there are always long waiting lists for transitional housing.

These facts result in the woman and her children staying in emergency accommodation for up to three months, which is well beyond the SAAP designated support period of six weeks. Our accommodation is designed for emergencies; therefore it is really unsuitable and inappropriate for the length of time that many women are required to stay. Consequently the family is placed under additional stress and pressure. When the family finally gains adequate housing they experience extreme financial difficulty in terms of covering the costs of establishing themselves in the new home. There are high costs associated with bonds in private rental or rent in advance, furnishing and household effects, utilities et cetera.

Another issue of concern in this region relates to those exiting the prison system. Acquiring adequate and suitable housing poses a very real problem for those who are planning to leave prison. In most cases, prisoners have very few, if any, financial resources and they therefore find it quite difficult to establish themselves in the community again. It is difficult for them to make a new start and they are potentially put in a position where they will reoffend to survive. It therefore makes it tough for them to break the cycle of crime.

Prisoners who are incarcerated and have the opportunity to be released on parole face the complication that their parole is often dependent on them having accommodation in place before they are released. That is problematic because it is almost impossible to secure accommodation while they are incarcerated, and they cannot book crisis or emergency accommodation in advance. These housing issues are linked to the lack of financial resources for these people.

Major B. Jenkins—I heard on the radio the other day that Ballarat has earned the name ‘the industrial disputes centre of Victoria’. Had you heard that? The recent McCains and Bendix issues have brought that to light and they highlight the issue of unemployment in our region. The Salvation Army’s territorial response to this inquiry certainly addresses in some depth issues relating to unemployment. But we would like to say that unemployment continues to stare regional Victoria in the face. It is increasingly difficult to find employment, with recent industrial action only increasing the fear of the prospect of unemployment. I am sure that that is not lost at the negotiation tables. In fact, only last night I heard rumours—if we are allowed to admit rumours—of companies stockpiling because they were preparing for this action for quite a while; that worries me.

In Ballarat, we also receive people relocating for cheaper housing and for commuting to work. When these people lose their jobs additional pressure is placed on the region, even though they may not be counted in the same way in the statistics. I would like to give a particular example of a typical family comprising a husband aged 46, a wife aged 43, two daughters aged 14 and 12 and a son aged 10. The husband and wife bought a house in a country area when the husband was commuting to work in Melbourne every day. They had been paying the home off for a couple of years when the husband lost his job and was unable to obtain work. The house payments became a financial burden and they eventually sold the house for below the asking

price. Consequently the house payments continued after the sale of the house. The household had to relocate to a populated area and they had the extra burden of clearing the shortfall for the house and that put pressure on their income. That is a fairly typical scenario. These clients were supported on numerous occasions with utilities and food costs until they could manage on their own again.

Major H. Jenkins—Through its family support services in Ballarat the Salvation Army steps into the gap daily when the intended safety net of our social security system breaks down. Gaps occur through breaching, waiting periods, delays in payments, overpayments, administrative errors and misinformation. Penalties drive the poor deeper into hardship and poverty. The administrative maze of debt collection in Horsham, records in Melbourne and call centres which are goodness knows where places at a disadvantage the already disadvantaged recipients in Ballarat and other rural areas. It is my belief and experience that Centrelink largely fails to understand and respond to the complexity of the needs and situations that people in poverty present with.

I would like to give you an example of that, and it is a case of hardship through drought. It is a family—a husband, wife and two children. The husband's mother owns the farm and the husband had been working on the farm since he was five, when his father died. The livestock and machinery now have to be sold to meet the overdraft. The family had never asked for welfare assistance before. The wife came to our centre extremely distressed. The family needed to go on unemployment benefits. A waiting period exists before the benefits come through. What were they to do? The Salvation Army stepped into the gap with some support until regular income could be established.

One of the gaps that we see often is in reference to family breakdowns, and I give you a scenario of that. A man separating from his partner has visitation rights to his children. The mother of the children needs to go interstate because of family concerns. The children are dropped off to their father without notice. The mother will be gone for two weeks. The father's income becomes inadequate to care for the children during that period. No financial support is given by the mother to him to assist. The father then has to come to the Salvation Army for food and clothing for his children. That is another gap into which we step.

There is a large issue in regard to residency and visitation benefits for families when a breakdown occurs. The visiting parent gets a proportionate benefit according to the frequency and length of visits awarded to him or her. If the visiting parent does not have the children over the periods awarded them, they still receive the benefit via Centrelink payments but the residency parent has to cover the additional costs. Likewise, when maintenance is not paid the residency parent falls deeper into debt awaiting payment of the same. There are some arrangements that can be put into place where a parent gets a maintenance-adjusted payment. If maintenance is not paid they can access the full payment, but when maintenance is paid there becomes an overpayment scenario and there has to be a repayment. The Centrelink legislation says that if an overpayment occurs the recipient has to repay, but if an underpayment is made there is no liability on their part to make up the gap.

Often when a family breakdown occurs in a rural setting—I am speaking about Ballarat—one parent moves to a neighbouring town because, although Ballarat is a large city, everybody knows everybody. The non-residency parent, however, does not have access to extra finance to assist

with transport costs. One scenario is a mother leaving one town to come to Ballarat and the father staying in Maryborough. The father's contact with his children is diminished because he cannot afford to come and see his children. Our complex system of benefits and payments, with its vast array of jargonistic forms and reporting mechanisms, serves to confuse rather than to clarify, to demean rather than to dignify, and to drive further into poverty and disempowerment rather than to empower those for whom it was created.

Major B. Jenkins—The Ballarat *Courier* recently reported that Ballarat was short 15 GPs and that the bulk-billing situation was very dire, with the nation's biggest drop in bulk-billing. According to the March 2003 quarterly figures, its level now is only 43.8 per cent compared with the nation's average of 68.5 per cent. Clients have to pay up-front fees when visiting the doctor. Their tight budgets obviously do not allow for extra costs. This results in their health deteriorating through not visiting the doctor or, otherwise, people presenting to Outpatients at the Ballarat Base Hospital rather than going to their GP. Specialists are choosing not to continue because of escalating costs of insurance, and rural Victoria is particularly vulnerable because of this. For those who just exceed the threshold for the health care card costs are becoming prohibitive, and the costs of medicines not on the NHS—simple things like cough syrup—are becoming prohibitive.

I have another example: a mother of 24 years—son 12, daughter eight, son three. The son was faced with tests and assessment in Melbourne. The specialists' prognosis: an operation—the son has bone disease. There were expenses for accommodation in Melbourne, for travelling from country to city, and for special shoes that needed to be made, which caused extra pressure on her budget. Rent and utilities were put on hold, resulting in bills needing to be paid urgently. Mother and family then had to come to the Salvation Army for assistance with food and utilities. That is an ongoing experience.

We were promised that privatisation for our utilities would bring cuts to their expense; however, we find that the costs are in fact rising. These costs are compounded by the costs of the other basic essentials of life—accommodation and food. Many are taking up the system of regular payments to the utility company to help even out the seasonal increases. In fact we recommend this, but I do not need to tell you that Ballarat has its own weather peculiarities, which necessitate high utilities costs. This means that the regular commitments leave very little for the regular costs.

Major H. Jenkins—Through the Family Support Service in Ballarat we see many clients who, through mental illness, find themselves homeless. They have difficulty in securing accommodation and keeping it. Because of the mental illness, often managing money is difficult and so they find that they are unable to keep their accommodation. We also see many clients with mental illness who are breached by Centrelink—another issue—because the forms are just too difficult and they have to be put in on regular occasions. Often, with a mental illness, clients cannot remember to put their forms in or cannot remember when they are supposed to put them in. There is a lack of supervised care for our mental health clients in Ballarat. We find, through our emergency relief, that a number of ageing parents who come to see us are looking after their adult children with mental health issues, and the strain for them financially and emotionally is extraordinary.

Major B. Jenkins—Of course, what we speak of is only representative, and in a sense touches only the tip of the iceberg, but we hope that we may have helped you understand something of the regional needs this morning. We invite you to ask us any questions that you have.

CHAIR—Thank you very much. Major Elkington, when you talked about affordable housing you said there was scarce stock around here. Do you know what the level is?

Major Elkington—Unfortunately, I do not. I just know that there are never sufficient offers of housing stock to meet the needs of those who require public housing, and affordable private rental is very scarce. For professional people it is not an issue, but it certainly is for those at the lower end of the socioeconomic scale.

CHAIR—Public housing has no doubt been reduced in the last few years, with the Commonwealth-State Housing Agreement cutting back money there.

Major Elkington—I could not tell you. I do not know.

CHAIR—Is there a big public housing stock around here?

Major Elkington—There are pockets. At Wendouree West there is quite a large area of public housing.

Major B. Jenkins—And at Delacombe.

Major Elkington—Yes, and there is a bit in Sebastopol too. There is a lot of public housing, but what we have is insufficient.

CHAIR—We have heard evidence that, particularly with the rental assistance, when people who are in rented accommodation get an increase from the Commonwealth, their fees go up in their houses—say, in caravan parks and places like that. Do you have evidence of people living in caravan parks permanently in this region?

Major B. Jenkins—We know that there are people that do.

Major Elkington—There are, but most people on a lower income do not. Because Ballarat is quite a touristy area, caravan accommodation is not affordable. In fact it costs more to live in a caravan park than in public housing. Ballan is about 30 minutes away from here, down towards Melbourne. People who are living in caravans tend to go down there. There is a park down there which is a little bit more affordable and it is out of the tourist area.

Major B. Jenkins—We have a caravan.

Major Elkington—We have two emergency caravans at Eureka.

Senator MOORE—I have got some questions about Centrelink. I notice that that was one of the issues you put down and, Major Heather Jenkins, you mentioned them at length. We have met with Centrelink people through the process of this inquiry, and they have talked about their

community involvement and how they engage with the community to best produce the services that you know are required. What involvement have they had with you? You have obviously got issues, so how do you actually work through those with the organisation?

Major H. Jenkins—On a local level here in Ballarat there is a joint welfare committee which involves the four major welfare service providers of Ballarat. It includes a social worker from the local Centrelink branch. Our agency deals directly with the social worker from Centrelink. This gives us the best inroads, because they are trained to deal with some of the issues of our clients. An issue for our clients is that when they are on their own and dealing with somebody at a front desk, somebody at a call centre or somebody they have made an appointment with they only get so far. But if they can manage to get in to a social worker we find that they get better attention. But there were here, I think, four social workers and that was reduced to two-point-something-or-other social workers for the Ballarat and larger region. So it is fairly difficult for a client to get through to a social worker; the welfare agencies can manage it better. Some of the issues have to do with legislation, so there is not a lot of bend in what a social worker can do anyway.

Senator MOORE—It is the eligibility and the penalties that are built into the legislation.

Major H. Jenkins—Absolutely. The penalties just put people further and further down into the poverty cycle, rather than recognising why the breach has occurred. Sometimes the breach is a very simple thing—sometimes a form has not gone in; little things like that. But the penalties are fairly severe. Particularly once you have done one breach and a second breach, you are quite penalised.

Senator MOORE—The department acknowledged that there were issues after receiving a lot of feedback from people across the community, and they have now looked at having more flexible arrangements with the breaching process. They are very proud of their personal advisers and assistants structure that has come in. Have you had any involvement in working with those people?

Major B. Jenkins—The personal support program.

Major H. Jenkins—Yes. We have a personal support program that is part of our agency in Ballarat at the welfare centre.

Senator MOORE—One of the things we talked about was getting people from your organisation and other organisations sitting down with the people who have been selected for those jobs and working with them—

Major H. Jenkins—Yes.

Senator MOORE—building up that awareness that you referred to in your statement about the lack of understanding of the complexities of people being in poverty. Have you had a chance to do that?

Major H. Jenkins—The personal support program sits under the umbrella of the agency that I am the manager of. The clients that are referred via Centrelink to our personal support program

worker are the extreme. I think that they get really good support through the program. I think that is a very useful program to link them in to various positive outcomes—social outcomes, employment outcomes and so on. I think that they are the extreme. I think it is the middle group that probably miss out in a sense, those who are trying to struggle through the maze and have not hit the bottom rung where Centrelink then refer them to the personal support program—the single mums with their kids who are trying to manage on a benefit and cope with a maze of stuff. I think the personal support program is very good in dealing with the complexities of maybe the very extreme cases.

Senator MOORE—Getting them before they reach that level.

Major H. Jenkins—Yes, I think so.

Major B. Jenkins—Chatting with the personal support worker, I have been really encouraged by what is available to her for working with people. That is a really positive move. Part of the issue, as Heather was saying, is about the extremities. A lot of the cases that she works with are, in a sense, very limited in what they are able to achieve. I wonder whether that could go to the next level where you could see more results because of what you can offer. You might see some greater success because the actual concept is a really good concept—but it is probably pretty expensive.

Senator MOORE—How many there are and how much funding goes into it is another issue.

Major B. Jenkins—That is right. We have been allocated one, and she has been allocated 33 positions.

Major H. Jenkins—I am not sure how many other personal support program workers there are in Ballarat. I do not think there are many.

Major Elkington—I think there are two or three.

Senator MOORE—There would be a model—there is always a model—but I do not know what it is.

Major H. Jenkins—With a caseload of thirty or so, it is not a lot of people.

Senator MOORE—And your understanding is that they are people who have got right to the bottom?

Major H. Jenkins—They are. One of the outcomes is employment. For most of our clients who go through the program, that is not going to be an outcome they will achieve. They are working more on social outcomes.

Major B. Jenkins—An outcome is to attend an interview, to actually come along. Often that is the crucial outcome that they can work towards, but it is not guaranteed.

CHAIR—In your experience, are the clients you are helping now different to the people you were helping five years ago? You have mentioned farmers. Is there a difference? Are people who are at work asking for help? Is that something you have noticed?

Major H. Jenkins—Most of our clients would be on benefits and would be unemployed. There are a certain percentage—and it would be a small percentage—of people who are working who are coming to see us for supplementing. The issue is that people are very easily tipped into crisis because if they are working they are on a low income and do not get a health care card and that kind of thing. They are just over the threshold and they manage, but if a crisis occurs or if something happens—the washing machine or the car breaks down—they are very easily tipped into crisis because they have nothing to fall back on. That would be the kind of client that we would see who is in employment. Something happens out of the ordinary and they have no capacity to deal with it.

CHAIR—Did that happen before?

Major H. Jenkins—I have not been in the emergency relief area for a long period of time. Rhonda, perhaps you have been there a bit longer. Do you think that may have been the case?

Major Elkington—It probably has but, if I can just speculate a bit, those who are employed often would not seek financial assistance because they are not in that mode of survival; they are accustomed to supporting themselves. So what we see is not really representative.

Major B. Jenkins—We have already seen Bendix employees.

Major H. Jenkins—This last week we have seen Bendix employees who come in in absolute fear and trepidation because they have never had to do it before.

Major Elkington—There were some John Valves employees last year.

Major H. Jenkins—Yes, there were, when John Valves went through it. As a welfare organisation, one of the concerns for us is that there are some finance companies that operate here who market very well to people.

CHAIR—I was about to ask you about credit because we had evidence, at the last hearing we had, from the Consumers Federation of Australia about ‘credit surfing’. Have you heard of that term?

Major Elkington—I have.

CHAIR—I do not think it is something either Senator Moore or I had heard of before. Would you like to tell us how this is impacting here?

Major H. Jenkins—One of the things I am aware of—and I was only just made aware of this last week—is that the credit companies have access to people who are just going onto benefits. I am not sure how they find that out or how they access that information, but people who lose their jobs or whatever are suddenly getting in the mail a wonderful opportunity to access finance. We have people coming to us who have the finance company on their doorstep and wanting to

take away their household goods, because that is what they put up for the loan. They are not allowed to take the beds but they do things like take the bedhead. They do not take small household items, but whose definition of small is used? We find that people coming to us have got involved with the finance companies, have the finance companies on their doorstep and are coming to us and saying, 'Help.' We are trying to do the advocacy thing for them or just pick up the pieces after they have had their furnishings taken.

CHAIR—That would be governed by Victorian legislation on credit, would it not?

Major H. Jenkins—Yes. I do not know whether it is Victorian or it is federal—

Senator MOORE—State.

Major H. Jenkins—State, is it? The legislation states things like you cannot take beds and things, but the companies push it to the letter of the law, so they take the bedhead but not the bed. One of the things that my workers are saying is that the level of debt that people are coming to us and presenting with initially is a lot deeper than it has been in the past. They might have come and said: 'Look, I have a \$200 debt. Can you help me out?' Now they are saying they have a \$2,000 debt and they do not know where to go or what to do, because it is hanging over their head and they do not have the capacity to repay it.

CHAIR—When you say advocacy, do you personally do it or are you switched in to the Consumers Association or another organisation that would do this for them?

Major H. Jenkins—We do some. With the utility companies and so on, my workers will do it, unless they feel that they need to go to the Ombudsman. They will listen to whatever the client's situation is and decide where they need to go with that.

Major B. Jenkins—We have got a legally skilled person who volunteers his services.

Major H. Jenkins—That is right, at our relief centre.

Major B. Jenkins—That is really great.

CHAIR—What level of cooperation do you get from these finance or credit companies? Do you get any?

Major H. Jenkins—We do not get any. We have a financial counsellor in town who I think is employed by CAFS. We are referring all finance company issues through him and he is putting together some sort of documentation. The joint welfare committee of Ballarat is saying, 'We have to let people know what they are letting themselves in for,' so we are doing that through a particular financial counsellor.

CHAIR—Do these credit companies have shopfronts? Are they in the main drag here?

Major H. Jenkins—I am not aware of that; I do not know. They advertise on Win TV fairly vigorously.

CHAIR—I will come back to my original question to you. Is there something you have noticed in the people coming to you that is different from what it was five, seven or 10 years ago? You have mentioned rural families, ageing parents, young mothers. Is there something that strikes you as different? In Sydney, St Vincent de Paul, who run the Matthew Talbot Hostel, gave evidence and they said that in 1998 they helped out 23,000 homeless men and that in 2002 they helped out 43,000 homeless men. Is there something that you can tell us that is different, that is starting to maybe change your mind about what is happening for people in poverty or financial hardship, or is it no different from five or 10 years ago?

Major H. Jenkins—I can say that the number of clients that we are seeing has risen, but our capacity to meet the rising numbers has not risen. So the telling figure for my centre is the number of clients we actually turn away rather than the number of clients we see. This year we are turning away 100 clients on average a month. Those are clients we cannot see. We do not have the capacity of workers, the funding for workers and the funding for emergency relief to be able to deal with that number of clients.

CHAIR—When you turn someone away—which must be terrible, I imagine—

Major H. Jenkins—Yes.

CHAIR—why would you, for example, pick me and not Claire? I suppose there is an obvious reason!

Major H. Jenkins—She is a woman!

CHAIR—She does not look like she needs help.

Major H. Jenkins—We work on an interview system, so the first person in for an interview is the person who gets the attention. If people come to our centre and say, ‘I need an interview,’ and we have not got a spot for them, we help them over the counter—that is, with a loaf of bread, a litre of milk and something to put on their bread to tide them over for the night. We do not turn anybody away with nothing.

Major Elkington—A lot who do not get assistance would have phoned for an appointment and been told that there were no appointments available, whereas those who present—

Major H. Jenkins—Will get something over the counter.

CHAIR—Why do you think the number of clients has risen? What is happening?

Major H. Jenkins—In Ballarat, unemployment is the biggie. I think gambling has contributed to household incomes being very tight.

Senator MOORE—Senator Knowles, who is on this committee, has a particular issue about gambling. You have mentioned it and, to fulfil her role, I will ask: when you say ‘gambling’, is there anything you want to share with us about what kind of gambling, whether things have changed, and what the impact is on families? It is obviously an issue. How does it manifest itself?

Major Elkington—The clientele that we deal with are often quite bored and have a lack of funds to start with, so they think, ‘We’ll get a few extra dollars if we entertain ourselves.’ There is much more access now to gambling venues. A lot of the venues around here have poker machines et cetera. They get hooked into that and then, of course, that affects the family budget because often, on pay day, that is where they will go. Then the rent and other necessary expenses are not paid and, of course, they present to your centre, Heather. I do not know how much of this you do now, but in past years we have helped people to get exclusions from gambling venues.

Major H. Jenkins—However, self-exclusion is a very difficult situation. People could have self-excluded from one venue but not from another, or a venue could have 50 clients who have self-excluded, and it might have 30 employees. It is just not always the best scenario for the client, because they can still have access to a gambling venue, even if they have self-excluded from some places. They can always go to the next town.

Senator MOORE—So the poker machines are the issue more than the traditional forms of gambling?

Major Elkington—Yes, definitely. It is just so accessible.

Major H. Jenkins—Absolutely. And, with the Reditellers and those kinds of things in the hotel or next to the gambling venue, money is very easy to blow. We have clients who, like Rhonda said, will get their benefit, blow it all in one hit and then come to us. Mostly, though, people do not tell you they have a gambling problem. We will hear ‘We’ve lost our purse’ half a dozen times in a week or ‘Somebody’s stolen my wallet.’ Those are the kinds of stories that we hear. Very rarely will somebody say, ‘I’ve got a gambling problem.’ Some of our longer-term clients will, after a period of working with a worker, disclose that they have an issue.

CHAIR—You have mentioned unemployment and gambling. Are there any other reasons for the increase in the number of clients? You said the number had risen. Are there more people from the land coming to see you? Earlier, you mentioned particular farmers having to go on unemployment benefits.

Major B. Jenkins—Farmers are a bit of a tricky issue, especially with the drought. We have actually had workers going out to the farmers. We have needed to do that. I know that in Bendigo they had a system of dobbing your mate in. They provided some help and they said, ‘If you know anybody else that is in dire need will you let us know, so we can go and see them?’ But that is typical of the rural setting. The farmers are pretty proud.

Major H. Jenkins—They do not normally ask for help.

Major B. Jenkins—There are rural people coming in, but it is unusual. We have workers working out in the areas too.

CHAIR—But when you start selling the tractor and the truck—

Major H. Jenkins—And the stock.

CHAIR—you are starting to get into real trouble then, aren’t you?

Major B. Jenkins—We were appointed in Kaniva 10 years ago. In Kaniva, they had started the process where the bigger companies were buying out the smaller farms. That was becoming more and more of an issue. The fear in the communities was really intense there. I know that started a long time ago. The bigger companies pick up the smaller properties when they are in trouble. The people lose their livelihood and then have to come into the city.

CHAIR—You said that you commute to work; where do you commute to?

Major B. Jenkins—Melbourne.

CHAIR—You work in Melbourne?

Major B. Jenkins—There are quite a lot of people who go to Melbourne on the train every day.

Major Elkington—Another issue of concern is youth unemployment. The retention rates of youth in school are dropping. The youth have limited opportunities to gain employment here in Ballarat. As I said before, there is an increasing number of teenage mums, which is a particular issue for Ballarat. I see it from the perspective of housing. I would imagine that they would be coming into the centre because they are—

Senator MOORE—You mentioned earlier that there is an increase in the number of teenage mums in your region.

Major Elkington—Yes, definitely.

Senator MOORE—The national trend is down.

Major Elkington—And the national trend for the unemployment rate is down, I think, but in Ballarat it is not.

Senator MOORE—What makes you different?

Major B. Jenkins—The prospects are pretty poor. There are not a lot of options.

Senator MOORE—Do young people who are born and bred here stay in Ballarat? Is it a place where they want to stay or is there that drift away as happens elsewhere?

Major Elkington—I think those who come from families who can support them through uni or encourage them to gain employment do. Some tend to go away for a year or two and then come back. Ballarat seems to be a place where we attract people from Melbourne, from Footscray—the suburbs on that side.

Major H. Jenkins—The western suburbs.

Major Elkington—Yes. Although we do not have enough affordable housing—

Senator MOORE—It is better than Melbourne.

Major Elkington—it is cheaper than Melbourne. We are up the line a little bit.

Senator MOORE—We heard similar stories in Newcastle, of people from Sydney hitting crisis point and then moving. Newcastle was the first port of call. Are you in a similar situation west of Melbourne?

Major Elkington—Yes, we are.

Senator MOORE—You would see people in crisis?

Major B. Jenkins—For some reason too—I do not know why—the Office of Housing, with the housing that they have, have a lot of people coming here who do not want to be in Ballarat, so they do not stay either. There is a fair turnover of clients.

Senator MOORE—It is about getting the mix right.

Major H. Jenkins—Some people urgently need housing and so they are assigned somewhere in Ballarat. But they do not really want to be here, uprooted from all the networks that they have had and placed in a city where they do not have a network.

Major Elkington—We do attract some people from South Australia who want to get away from South Australia for whatever reason, whether it be they have been involved in some criminal activity or a relationship breakdown or whatever. We are the first major city on the highway. We are almost at Melbourne, but we are the first major city.

Senator MOORE—If you are going to stop, you stop here?

Major Elkington—Yes.

CHAIR—Yes, as Senator Moore said, we had evidence in Newcastle that, because of the expressway now going north, the first big town you will hit is, I think, Raymond Terrace. That is where the services of St Vincent de Paul have been stretched, because that is where the cars stop. Where previously it has probably been just a little rural backwater, now it is a major point of combat. We also heard from South Australia, where they are losing young people. As you might know, South Australia is going to lose a federal seat in parliament at the next election because of its loss of population. You are not losing young people to Melbourne?

Senator MOORE—Or Queensland?

Major H. Jenkins—I am not a native Ballarat person, but it seems to me—note that this is just anecdotal rather than factual—that people tend to hang around here. The young people tend to stay in Ballarat.

Major Elkington—Yes. Some of them go to Melbourne for a few years.

Major H. Jenkins—Yes, for studies and so on. It seems to have a bit of a draw.

Major Elkington—Because we are so close to Melbourne and there is a bit to offer here—but they can also get to Melbourne if they want to for their social life or whatever it might be—they do tend to stay. And sport is quite good here for young people, but then that is a certain sector of the community, of course.

Major H. Jenkins—Absolutely.

CHAIR—And the job prospects here?

Senator MOORE—Pretty bad.

CHAIR—Are they?

Major H. Jenkins—Awful.

Major Elkington—For unskilled workers, yes.

Major H. Jenkins—And with some of the closures—like John Valves and now who knows what will happen with Bendix and so on—

Major B. Jenkins—And Telstra have just left.

Major H. Jenkins—the prospects are diminishing, because no large industries have moved in in their place, have they?

Major Elkington—No.

CHAIR—You said earlier, about bulk-billing, that it is the lowest in the country here. I think you also mentioned the strain on the public hospital system, in the casualty wards.

Major Elkington—Yes, there was a report in the *Courier* newspaper just last week about that. Some people are not accessing medical help when they need it, because they do not have the money to pay that gap that they need to pay up-front.

Major B. Jenkins—The few doctors that are left that are bulk-billing are changing too, because the queues are so enormous they just cannot manage it. So they are having to put in some sort of initial charge to stop that.

Senator MOORE—One of the things we have talked about across this inquiry is the perception from organisations like yours that you are picking up the work that the government used to do.

Major B. Jenkins—We have always been in that business, though, really, haven't we!

Senator MOORE—People that used to have a role, or a payment, or a security through various forms of government, not just the federal government, have dropped out of the system for whatever reason, but there is this social safety net that organisations like yours and other

church groups and the Smith Family provide. Is that something that you have noticed? You have already said you have more clients now, but do you perceive, as an organisation, that you are picking up people that perhaps could have had—

Major B. Jenkins—Where else do they go?

Major Elkington—Exactly.

Major H. Jenkins—Exactly.

Major B. Jenkins—There really are not any options.

Major H. Jenkins—I have a staff who have been in welfare for a very long time, some of them. They say we are picking up those who fall out of the system, or those for whom the system has failed, and they see that our funding has not increased but we are doing the work that maybe ought to be funded or done by government at some level.

Senator MOORE—The other issue that we have talked about is: where do we go from here? The inquiry is getting evidence. Whether there will be an agreement on the definition—which I have deliberately not asked you about—

Major B. Jenkins—Thank you.

Senator MOORE—because it could take 15 years of academic discussion—the one thing that we have found is that people agree it is there. How you define it is different, but the suggestion that has been put forward by a number of the key agencies is having some form of poverty summit. That would include government—all levels of government—and non-government looking at a program of how we work together to focus on this issue. That has been put forward by ACOSS and the Smith Family, and the department has been supportive. I would like some comments from you about how you would see that and how you would stop it becoming just a talkfest. We have had a number of summits in the past. From your point of view, would there be value in that kind of program, and how do you actually make it an active response, rather than an academic exercise?

Major B. Jenkins—In our team we have got a couple of very good emergency relief workers who are close to retirement; they have been in the business for a long time. I think they would be excellent for that type of thing, because they have been on the coalface, they have got wisdom in years and they could bring some wealth of knowledge to that sort of thing. I think you have got to get the people from the coalface to communicate with that group of people. Otherwise, you just talk around it.

Major Elkington—I am not sure how it becomes more than just an academic exercise. That is the really difficult step, isn't it?

Senator MOORE—The ACT government gave evidence in Canberra, and they have had a stepped process there. About three years ago the ACT government—and it is interesting, because the ACT is not much bigger than Ballarat—had a summit, and now they have a planned process in place where, over a period of time, people have got goals and involvement. It is a model that

attracts me. The ACT is not much bigger than Canberra city, but at least it is working together on a project. You might be interested in having a look at how that is working with your people in the ACT, and if you have any further comments that you would like to feed to the committee, please let us know. This is one part of it, but I am not sure when we are pulling this together. If you have other evidence you would like to submit, just put it through to us.

Major B. Jenkins—That is one question I have. We know that you are going to try to pull this together. This must be nearing the end.

CHAIR—We are due to report in September, but that depends on a number of factors. I do not see us reporting by September but maybe October. The secretariat has a Medicare inquiry, and Mr Humphrey will in Ballarat again in three weeks; he is looking forward to it. We have a number of inquiries, so it is more than likely that it will be October. If there is something that you feel you have not emphasised enough here or that you might want to bring to our attention, just let us know.

Major B. Jenkins—I was just thinking. You asked how it is different. I know that the mental health people are coming now when they never used to. That is one difference that comes to mind.

CHAIR—Is that because of the deinstitutionalisation?

Major H. Jenkins—Yes. We had a large facility here in Ballarat. The other thing in relation to that is that the patients of that institution were released into the community but they were not all drawn from Ballarat. It was a regional psychiatric hospital, but they have all basically been released into the Ballarat community. I do not know the statistics on this, but we have a large number of people in our community with mental health issues, and the networks just are not there.

Senator MOORE—Do you still have a mental health facility at the hospital?

Major H. Jenkins—There is one ward.

Major Elkington—Psych services—

Major H. Jenkins—Grampians Psychiatric Services, yes.

Major Elkington—It is a good service, but I do not think it is adequate to meet the needs of the numbers that we have. We have had difficulty linking people into psych services. There are some who just slip through.

Major B. Jenkins—We had one case recently where a person was put into the facility for the elderly because there was no other place for them. This was a 50-year-old woman and that was really not the place for her to go, but it was the only option.

Senator MOORE—There was nowhere else to go.

Major B. Jenkins—Her elderly mother, who had just turned 90, had to have a break—

Major H. Jenkins—Some respite.

Major B. Jenkins—and that was the only place where they could put her. There are those sorts of pressures.

Major Elkington—It is all well and good that they have got caseworkers, but some of them need more than a caseworker with whom they meet once a week, or however often. They need more support than that.

Major B. Jenkins—Also, they jump caseworkers. The caseworker might say, ‘I can’t work with you anymore’, so they go to another one and then another one, and often the reasons are not clear. Some of the underlying issues do not seem to be addressed.

CHAIR—Thank you very much.

[10.06 a.m.]

SEWELL, Ms Jennifer Irene, Chief Executive Officer, PINARC Support Services Inc.

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

Ms Sewell—Thank you for this opportunity. I did not actually put my hand up, because we are not exactly a welfare organisation. But, on reflection, we see a lot of people in financial hardship because of the situation they are in. We are a disability support organisation, and we look after families caring for a son or daughter with a disability and we also have adult clients who live independently.

It is quite extraordinary but only this morning I got a phone call from a parent who is writing to politicians about her financial hardship. The synchronicity was just incredible. I went through these issues with her, and she was going to fax me that letter but her technology was not working. They are a two-job family and their son has just turned 18. He has left the school system and is on a pension. He is in an ATSS, an Adult Training Support Service. Their family income is going backwards to the tune of about \$100 a week, just keeping up with the normal day-to-day care. She is talking about selling the house and renting in order to keep the other two children in the school that they have chosen to send them to. That is an upper middle-class two-job family.

I will run through some of the extra expenses. In caring for a child with a disability there are extra costs involved with, for example, travel, medical expenses, surgery, hospitalisation, specialised equipment, therapy, pharmaceuticals, carers and continence aids. Families always want to do the best for their son or daughter, and one parent often—usually the mother—becomes a full-time carer, which denies that family the right to two incomes, which Australians tend to take as a given these days. The child's care needs become more as the child grows older—which is inverse to a normal family situation. Support services exist and there are carer payments and support agencies, but they really only provide a bandaid. We also find that many families do not survive the pressure and grief of caring for a child with a disability and end up as sole-parent families. Then we have one parent who is also the primary carer, which is a very distressing and difficult situation for families.

There is also the question of accommodation for people with disabilities. If you are lucky enough to get into a government placement, it is funded at around \$100,000 per year. If you are in a non-government organisation placement, it is funded at around \$57,000 per year. Our organisation has a family support program which is designed to help families keep their child at home. We can offer families around \$2,800 a year. It is a very good program but it is just a bandaid. If we expect families to continue to provide that level of care, we should be providing a realistic resource for that to happen.

There are also costs involved with things like children remaining incontinent past the normal age. Supermarket nappies do not fit after the child is about six years old, and they have to wear

what we call ‘shields’, which cost \$1.20 each. So to keep a child or adult clean and comfortable costs around \$2,000 a year. We have support schemes, and they cover \$450 a year. Also, if you are looking after an adult who needs shields changed you really should have a hoist and hydraulic change table and a room big enough to use them in.

We have a scheme called SNSS—Special Needs Subsidy Scheme—which has been fantastic. That is some Commonwealth money to support a one-on-one carer in child care or a vacation program. That cuts out when the child turns 12. In a lot of our families, a 12-year-old child needs the same level of support as a three-year-old child in those sorts of programs. There are two problems—(1) they cannot go and (2) they cannot get a carer. So those families who have a 12-year-old that would go to after school care now have to juggle all those sorts of things.

Adults who live in accommodation are always broke. They have to pay their pension for their living costs. Even in a funded position, they have to accept co-tenants and living conditions that they do not really like to achieve an economy of scale. Even when they have a home placement, they cannot afford the extravagant extra of a taxi to go out at night once a week, and maybe they need carers too. So they have to rely on the goodwill of lots of people to have any sort of life outside of day program and accommodation. That is just the tip of the iceberg, of course.

CHAIR—We have had a number of bodies appear before us involved with disabilities. This is the first regional centre that we have been to. A number of difficulties were highlighted in the metropolitan areas about the breadth of what a disability is—from dementia to birth defects, for instance. How would you say it is different in a regional area from a metropolitan area?

Ms Sewell—I just heard the end of the Salvation Army people talking about mental health issues. Across the whole of the Grampians regions we have three major institutions, and Pleasant Creek in Stawell and Aradale in Ararat are institutions for the intellectually disabled as well as for mental health. So we have a higher proportion of ageing people with intellectual disabilities in our region—when I say ageing, they are getting up around the age of 60 to 65 now—and that is quite a burden. We are also subject to the state government’s equity formulas. Proportionally, we should only have this many people with disabilities in our region, but we have actually got more.

Senator MOORE—So you do not fit the formula?

Ms Sewell—No. But over 15 years it is meant to even out. One of the other issues that is really significant is transport. That was one of the main pressures on this mum this morning. Her child was picked up by bus and taken to school, and now he is no longer at school. She is spending her respite money to get him to his day centre. That is our problem, because we have got buses and we pick up people but, once you move outside of the business area, it is costing us a fortune and it is not funded. As we take new clients on to day centre, we say that we cannot provide transport. But most of our clients have a wheelchair and have no speech. It is really difficult for them. They cannot get in by themselves. They cannot drive themselves in. We use a lot of taxis, but it is very challenging. It probably takes that mother three hours a day to get her boy in and out of the centre, because she chooses to live slightly out of town.

CHAIR—Is there an adequate amount of taxis fitted out for people with disabilities?

Ms Sewell—They would probably say there are because they are not flat out on the weekends, but they are definitely flat out during the week. The taxis are great in Ballarat; it is not like Melbourne, where you can dial up and order a taxi and it never turns up. The taxi drivers work and live in the community, so we know most of them. The service is quite structured—it is difficult to get a taxi ad hoc; you have to book 20 minutes ahead—but they are pretty good.

CHAIR—What are the employment opportunities like around here for people with disabilities? Are there any?

Ms Sewell—Not very good. We have two open employment agencies. I do not know what degree of success they have. I think there is a lot of work ready programs so young people with lower support needs than our clients can undertake group programs around literacy et cetera, but I do not think it very often leads to genuine employment. You will have McCallum Disability Services in here soon, which runs an employment service for people with disabilities, as does another organisation in Ballarat. But our clients with higher needs do not get work there.

CHAIR—Can you sum up what you see as the difference between what is available in metropolitan centres and in regional centres?

Ms Sewell—There is a major lack of choice. PINARC is a major provider of services across the region but does not really get anything.

CHAIR—What does PINARC stand for?

Ms Sewell—It was formed from four organisations that came together several years ago: Playhouse Early Childhood Intervention Program, Interchange Central Highlands, Noah's Ark, and Recreation Connection. We took it as a word that has no meaning but could come to have its own meaning. That is all history now: we are quite well known as PINARC.

CHAIR—So you would say a lack of choice would be the big issue?

Ms Sewell—The lack of choice is a huge issue.

CHAIR—That includes transport and employment.

Ms Sewell—Diversity is the buzz word. If you walk around Melbourne, you see diversity; if you walk around Ballarat, you see a monoculture. People who are different really do stand out here; there is still that stigma. I do not know if there is any more funding in Melbourne, but we just do not have enough money to do what needs to be done.

Senator MOORE—How many clients do you look after?

Ms Sewell—We have 750 all up, but that is across a variety of programs. We have 55 adults with severe disabilities in our day program. We have 260 families on that family support program—that means they have a son or daughter aged between six and 65. Most of them are aged between six and 30.

Senator MOORE—Do they get respite and day care?

Ms Sewell—All sorts of things: sometimes the most important need for a family is a new washing machine. They get a case manager, which is fantastic. They work with that case manager to choose their supports. It is a fantastic program; there is just not enough of it when you consider that 25 years ago families had the choice of keeping their child at home or basically handing them over to the state. There is no choice now, so this is the support that helps to keep your child at home. Families want to do that, but they want to do it to a higher quality.

Senator MOORE—How many case managers do you have?

Ms Sewell—There are seven—it is a big program!

Senator MOORE—Do you cover the whole Grampians area?

Ms Sewell—That one covers the whole Grampians region, from Bacchus Marsh to the border. We have a full-time staff member in Stawell doing that program as well.

Senator MOORE—It is a huge responsibility.

Ms Sewell—Yes.

Senator MOORE—And your funding is state and federal?

Ms Sewell—Yes. The Commonwealth-State Disability Agreement funds that program. It came out of the carers initiative and is an excellent program. I recommend it highly, if anyone is looking for a model. It is just that sometimes it feels token. We have one family who have two children with a disability. They live in the country. The local school cannot meet their children's needs. They have 11 of our packages just to get through, so they have 11 times the \$2,800. We have to negotiate strongly with our local DHS to allow that to happen. They have to count them as 11, instead of one, so we can meet our targets and our budget. If they did not have that support, the mum would no longer be able to look after those two children. They are the youngest of nine children. She is too old and it is too much work.

Senator MOORE—What would happen to them without your organisation?

Ms Sewell—It would cost \$200,000 to keep them in institutional care, except there is no place for them. We have a huge waiting list. There is something like 700 people in the state urgently waiting for accommodation. In the Grampians, on our books, we have about 10 people desperate, and they just have to wait.

Senator MOORE—How many facilities are there now for accommodation?

Ms Sewell—The McCallum people will give you all the figures on this.

Senator MOORE—Okay, I will hold my thunder.

Ms Sewell—But there are quite a few houses in Ballarat—some are McCallum and some are DHS, and the E.W. Tipping Foundation is in Ballarat now.

Senator MOORE—I do not know that one. Is that a Victorian one?

Ms Sewell—Yes, it is a state one.

Senator MOORE—One of the issues that we are finding all the way through this inquiry is that housing is an absolute threshold issue for everybody and, in particular, for people who have other forms of disadvantage and various forms of disability, particularly multiple ones, which just add to the needs they have. That has been acknowledged in this area.

Ms Sewell—We have educated families to accept services, to look for respite and to plan for the future.

Senator MOORE—So that is part of the whole life planning?

Ms Sewell—Yes. Part of working with a family from when the child is around six is to talk to them about what is going to happen when the child is 18, what is going to happen when the child is 30 and what is going to happen when the parents are old, and it is about making plans. Families are planning, but the department is not helping; it is not planning as well. We are always getting our accommodation placements as a crisis, instead of as a planned approach. I have a little group of families working with me at the moment who have sons or daughters between 20 and 30 years old. They are still living at home, and they are reasonably high functioning. They want to have a really constructive, helpful transition that supports the young person and supports them, but they cannot get a place. Unless they go into crisis they will not get a place, unless they pay for it themselves. That is what we are working on at the moment—looking for some way to get a house.

Senator MOORE—And then making all the necessary adaptations.

Ms Sewell—Yes. Once we get a house, we have to get ongoing hours of caring.

Senator MOORE—So that is one more project.

Ms Sewell—It is always ongoing.

Senator MOORE—It is really planning for the future. Is the involvement your organisation has with Centrelink a positive one?

Ms Sewell—Yes, it is very positive.

Senator MOORE—You get financial support and the understanding is there, so you do not have any trouble in getting help?

Ms Sewell—No. The local Centrelink staff in the carer area are really good. They come to forums when we ask them, and we have their direct line instead of having to go through the switch.

Senator MOORE—Fabulous.

Ms Sewell—Yes, they have been really helpful. From my experience, case managers have a lot of interface with them and that works really well.

CHAIR—Thank you very much.

Proceedings suspended from 10.24 a.m. to 10.36 a.m.

FIDLER, Mrs Erma Carmel, Member, Board of Governors, McCallum Disability Services

RUSSELL, Mr Geoffrey Philip, Manager, Accommodation Services, and Deputy Chief Executive Officer, McCallum Disability Services

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

Mr Russell—Perhaps I should preface our remarks by saying that while the inquiry is into poverty and financial hardship we are really here this morning to talk about unmet needs in accommodation for persons with a disability—more specifically, persons with an intellectual disability rather than those with a physical disability.

CHAIR—That is fine.

Mr Russell—Erma is going to make a presentation in relation to her experience as a parent of a person with an intellectual disability—her son—and also her findings in speaking with other parents who have children with disabilities. I will hand over to Erma.

Mrs Fidler—I did not expect to be sitting here. I came along with a few thoughts, thinking there would be a public forum and if anything relevant came up I was going to say it. I am a parent who has a son placed in accommodation. I am 68 years old and three years ago, through McCallum Disability Services—and also, I say, by a miracle—John was placed in permanent accommodation. The reason I am still holding the banner is that I cannot describe my relief that my son's future is set in place and I am very passionate to speak for other parents that I know. There are many out there who are really worried about the future of their children because of their age—it is not so much the age of the child; it is the age of the parents that is the worry.

Crisis accommodation is not just about the government providing a bed and a home for the client when his or her parents die—there always seems to be a bed, but this is about something far more complex and traumatic. Most parents are willing to care for their son or daughter, young or adult, at home but they need arrangements for the future to be in place. This issue is about elderly parents worrying for years about what will happen to their child and about where the child will be when they, the parents, die.

It is about the child often being placed far away from their home town or in elderly nursing care because it is the only available accommodation. For instance, from Ballarat, John could have gone to Warrnambool-Colac. The clients' usual day activities are completely changed if they are sent to another place. Their parents have died; they are probably aged about 40 or 50; they are in a settled day to day routine. Suddenly, they are sent to a home in Warrnambool-Colac if they cannot get into one in Ballarat, and the trauma they face is that their whole activities have changed—their schooling and their day-care activities. It is unbelievably traumatic for them. On top of their parents dying, they end up in unfamiliar places with unfamiliar people.

The other issue is that parents these days do not rely on siblings to look after their handicapped child. In my case, my children are very happy that he has been placed in accommodation; that has taken the pressure off them. But if the child is moved from their home town, usually—not always—they are moved away from the siblings who will also support that child. That is about all I can think of.

Senator MOORE—How old is your son?

Mrs Fidler—He is 35 and he has settled beautifully into the accommodation. The lovely part is that he comes home every second weekend.

Senator MOORE—Is it shared accommodation?

Mrs Fidler—Yes. Geoff from McCallum arranged it. They had a custom-built home for six boys. The lovely part is that we are still seeing the lot and he is settling into it. We are relaxed about it. It is just wonderful.

Senator MOORE—It has taken the pressure off you.

Mrs Fidler—Yes, absolutely.

Mr Russell—The additional point that I want to make is that, in my position at McCallum, I sit on a regional board which determines the eligibility for people to go into accommodation—that is, whether they have a high need, an urgent need or a highly urgent need. Having sat on that committee for a number of years, I am finding that increasingly the numbers are going up. I appreciate that in any environment, from the home budget to the government budget, there is never enough, and there never will be enough. But I want to reiterate that there is a huge need out there for people requiring accommodation. I am finding now that parents are older and older. They are doing what they call seemingly the right thing—keeping their son or daughter at home for as long as they can. There are just no places available.

Probably the second and more concerning issue is that there are a number of younger people now with far more complex needs—far more complex levels of disability that involve behaviour that is very, very challenging. It is worse than causing distress to parents; it causes family breakdown. So we are then into another nexus where we are moving from looking not only at disability but at having to provide resources for keeping families together. In many ways, if the accommodation could be found in more abundant form, I think we would see fewer problems happening in other areas of family breakdown. That is not because they want it to happen; it is because that is just the way it is. It is very stressful. A number of those for whom we provide care have those issues happening in their lives. We can cater for that because we have numbers of staff, and those staff are revolving around. So you get a rest, if you like. Parents do not get a rest.

I would be supporting Erma, as a professional in the area—a manager of an organisation that provides care. Erma has a role not only as a board member but also, more particularly, as a parent. I wanted to put the two perspectives to you. Some years ago, the previous government talked about the issue of unmet needs and I know the question remains as to whether it is a Commonwealth or a state problem—

Senator MOORE—It is everybody's problem.

Mr Russell—but, as you would be aware, Commonwealth money comes through to the state. The term 'unmet needs' came up and not much happened from that. I think that was probably largely the fault of the field. We did not pounce on it enough and say, 'These are the unmet needs that are out there.' I am still not sure that we have done a good enough job in that. I am disappointed that I did not have enough time to provide some more factual data for this morning.

CHAIR—You can supply it to us later.

Mr Russell—I would be more than happy to forward it on to you. I think that probably covers most of what we wanted to say. We would just be going over old ground if we kept going.

CHAIR—Could you tell us about McCallum Disability Services—how it was formed, what its objectives are and how it is funded?

Mr Russell—This year is our 50th year of operation. It started with a group of well-meaning men in a service club. They were addressed by a prominent psychiatrist in those days, Dr Cunningham Dax, who said there was a need for schooling opportunities for children who are mentally retarded. That was the terminology used in those days. These fellows took up that cudgel and built a school. From that adult services began, later there were accommodation services and now we also provide services for people who have physical and sensory disabilities such as cerebral palsy, spina bifida, multiple sclerosis and Parkinson's. Our service offers a broad range of services to a number of people with disabilities in those fields. In addition, we operate a supported employment program where we do process packaging—repetitive work such as putting books into plastic sleeves. This is activities based and gives the clients a small amount of income in addition to their pension.

Senator MOORE—Is this Ballarat based?

Mr Russell—It is a Ballarat based organisation that is governed by a board of governors. Of its total budget, some 90 per cent of its income comes from state government sources and 10 per cent is from other sources—fees and fundraising. Our budget is of the order of \$5 million annually. We employ 170 people, most of those are part time, and we cater for, in broad terms, 220 clients across our range of programs. We are the largest disability service provider in the Grampians region. We are proud of the way we operate—but we know we do not have everything exactly right.

Mrs Fidler—John's scenario is one scenario. I remember Geoff telling me about another scenario. It is all very well having lists of names and figures but there are also the stories that I have heard. Geoff told me about an 80-year-old woman who has cancer and has a 60-year-old handicapped son still at home. It shows the need for planned accommodation, because I do not know what will happen to him when she goes. This sounds emotional but John's universe is in Ballarat—everything is here and he is happy and relaxed. If he had to go into crisis accommodation, that could change. That is what I wanted to say.

CHAIR—Mr Russell, I want to ask you a question in relation to the employment program. We had evidence in South Australia that there was pressure on standards because of competition.

They call some of these other operations in the metropolitan areas business services. Would you like to comment on that at all?

Mr Russell—There are two problems. One is the issue that you raised, but probably the more concerning one for us is the issue of competency based wages. At the present time our service is in large part activities based. We are not too worried about outputs; it is more to do with people being happy, having an environment in which they feel socially accepted and which is fun. For that, they receive \$6 per day. There is now a push for competency based wages. That will mean that we will no longer be able to have a fun environment, if you like, or an activities based environment. It will be a case of, ‘We require you to produce 100 of those a day.’ Two things will come out of that. Firstly, it will mean that they will get paid more, which will affect their pension, and, secondly, it will mean that those people who do not have the ability to produce at least about 30 per cent of normal output will not be able to have a place in those supported employment programs. We do not see that as a progressive move.

The government feeling seems to be that those supported employment programs need to be seen as a business and run accordingly; we say that they are still a service and still an activities based service. The next issue is quality standards. We are not so worried about that. We believe that, whilst the Department of Family and Community Services are imposing a requirement to produce to a certain level of quality, that is not as great a concern as the competency based wages issue.

CHAIR—You used the term ‘mental disabilities’. Does that include psychiatric disabilities as well?

Mr Russell—No, some of our clients have what is called dual disability. Their initial disability is intellectual and they may have a secondary psychiatric disability. Our service does not provide services to people with psychiatric disabilities per se; those are provided through Grampians Psychiatric Services, adjunct to the Ballarat Base Hospital.

CHAIR—I think you heard the evidence from Ms Jenni Sewell from PINARC Support Services Inc.

Mr Russell—Yes.

CHAIR—She spoke about a lady from an upper middle-income family who was looking at selling her home to cater for her child with a disability. How regularly do you hear stories of people in financial hardship doing that to look after a son or daughter?

Mr Russell—Yes, there are certainly cases I have seen where, let us say, the husband’s income is coming in from quite a good job. He passes away, his wife is left with a widow’s pension because there is not enough money for her to be a self-funded retiree, and there are still large medical costs for their child. I have seen cases where people have downgraded their accommodation so that they have a corpus of money to be able to continue through. I cannot say that it happens every day or every week, but certainly there have been cases where that has happened.

Mrs Fidler—This week I talked to a mother whom I met in the last few months. Her name is Jenny and she lives in Maryborough. I am talking second-hand because I have only heard this story from her. She could be here; I am not sure. She comes across from Maryborough all through the week to live with her handicapped daughter and support her here because the daughter has activities here that suit her. So the mother has to leave her home in Maryborough during the week and live here because the daughter cannot get accommodation with care. She has accommodation but her mother has to support her during the week.

Senator MOORE—In terms of the support currently provided by the federal government, the disability support pension is provided to individual people. That would be right, wouldn't it?

Mr Russell—Yes.

Senator MOORE—In terms of the costing for accommodation, let us say for John, Mrs Fidler, how is that paid for?

Mrs Fidler—By his pension.

Senator MOORE—Is that enough? Will it cover his accommodation?

Mr Russell—Eighty per cent of his pension goes to board and lodging. That leaves him 20 per cent. We find that, if the person does not have a high level of medication—they might have one or two prescriptions—generally speaking we can put together enough money for them to have a small holiday at the end of the year.

Mrs Fidler—It is quite a battle, though.

Mr Russell—It is a battle. There is no trip to Rio.

Mrs Fidler—It is a budget battle unless they have parents who have money to help them do that. In John's case, he is relying on his pension because we cannot help him that much. Six months ago I subsidised his chemist bill with \$50 because he was battling to pay it. Little things like that come up where, if I can afford to help, I do. He did save for a holiday to Brisbane to see his sister, but it was a real budget thing like any pensioner would have to go through. The people at the house have done wonders, actually, but it is still a battle.

Senator MOORE—So pharmaceutical costs continue to be a real problem?

Mrs Fidler—His were because he has had a lot of skin problems. So there is quite a big chemist bill. It seems to be good at the moment but he has had problems. I am not sure if his particular skin condition is usual for Down syndrome—he has Down syndrome—but they do have skin problems and that has been quite costly.

Mr Russell—I hope he does not have arthritis. I was listening to ABC radio this morning and medication costs for arthritis are horrendous.

Senator MOORE—They are monumentally expensive.

Mrs Fidler—His doctor and hospital bills have been okay. It is the prescriptions that are hard to meet.

Senator MOORE—The pension is the core payment but there is nothing much on top of it—and that is when you have had the relief of the secure accommodation. So when you have the insecurity on top of that, it is very difficult.

Mrs Fidler—He does get the mobility allowance on top of his pension, but he needs that—doesn't he, Geoff—for taxis and so on.

Mr Russell—Yes, just to be mobile.

Senator MOORE—Thank you.

CHAIR—Thank you very much for your contributions.

Mr Russell—I hope they will be of use to you. I have your address, so I will send some more information through.

Senator MOORE—That would be good.

CHAIR—Is that a Rotary badge you have?

Mr Russell—It is.

Senator MOORE—Is that the group that started McCallum?

Mr Russell—No. It was actually the Ballarat Wiseman's Club.

Senator MOORE—I have heard of them, yes.

Mr Russell—The YMCA continues on.

Senator MOORE—There is no such thing as a 'wise man' anymore!

CHAIR—I think that might be a sexist comment!

Senator MOORE—The other thing is that, with organisations like yours, there is still a reliance on the fundraising process—fundraising events, people who are prepared to donate and stuff like that. Is the fundraising process getting any more difficult?

Mr Russell—I am finding that trusts will still listen to submissions that have innovation.

Senator MOORE—Gaming funds and those sorts of things?

Mr Russell—Yes. Some of the philanthropic trusts still like to fund activities that are innovative and that have learning possibilities for people who have used those services. I

regularly apply for those. Sometimes we succeed, and sometimes we do not. That income can help us to do some of the activities that we were talking about before, such as a holiday. A few in John's house go to the snow every year, and they fund that themselves. I have applied for some additional funding from the trust so that others can do things that they would not normally be able to do. Philanthropy is never easy but, if your cause has justification, reason and innovation, we do not find it impossible to get money from those sources. However, you have to be a bit inventive and creative. You need to get your mind working and not just say, 'We'd like some money because it is a good idea.' If you do that, there will not be any.

Senator MOORE—In Queensland, we have just found that the Endeavour Foundation, which is a very similar organisation, has had monumental financial problems. One of the things they identified was the greater difficulty in raising funds. They still have the same government process, but the augmentation through various things is becoming very hard.

Mr Russell—I will not take up your time too much but, having been in this field for a fair while and having seen things as they happen, I want to add something. The Endeavour Foundation, as you will be aware, is probably one of the biggest in the nation. It has probably the largest amount of private funding—self-funding—and the least amount of government funding throughout Australia. Organisations like ours look at Endeavour with great envy because it can do a whole lot of innovative programs and is not accountable to government, although it is still accountable to its constituency—stakeholders, families and so forth. The downside of that is that, when those funds dry up and you knock on the door of government and say, 'For a fair while, we have been able to do it ourselves but now we need you,' the government say: 'We hear what you are saying but, we're sorry, all of our funds are committed. You will have to join the queue.' You think you are going along really well, and it is great—

Senator MOORE—It is seething underneath.

Mr Russell—It can come back to bite you on the behind, and I think that is what has happened with the Endeavour Foundation.

Mrs Fidler—Geoff, you could mention in your report, although it is a minor thing, that the new companion card scheme that is coming in—I think it is through the Department of Human Services; you would probably know more about it than I do—is rather a good idea. A lot of handicapped children or adults cannot go to the pictures on their own and, even if the parent does not want to go, they have to and they have to pay for a ticket, for example for musicals and things like that. I know it sounds a small thing.

Senator MOORE—It mounts up.

Mrs Fidler—It would be good if the government subsidised it. Do they?

Mr Russell—I think Human Services are appealing to the likes of the Melbourne Zoo, the arts centre, Melbourne Aquarium, Sovereign Hill and other places like that and saying, 'If we produce this companion card, which the client has, and the client produces the card, will you let their carer in for free?' The state government Department of Human Services are really championing this cause. I think it will get up and, as Erma said, it will provide another

opportunity for people to be able to experience cultural activities that they might not be able to go to otherwise.

CHAIR—Thank you very much, Mr Russell and Mrs Fidler, for coming in here today.

Mrs Fidler—Thank you.

Mr Russell—I hope we have been of value to you.

CHAIR—You have been, thank you.

[11.06 a.m.]

BROHIER, Mr Peter Neville (Private capacity)

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

Mr Brohier—I am former Chairman of the Bass Strait Transport Equality Committee and the National Sea Highway Committee. These committees were the lobbyists for the Bass Strait Passenger Vehicle Equalisation Scheme and the concept of introducing a sea highway access for people in vehicles between Victoria in Tasmania.

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

Mr Brohier—Thank you. I will refer first of all to the Bass Strait Passenger Vehicle Equalisation Scheme. The scheme was introduced in September 1996, after the federal election of that year. The National Sea Highway Committee was also behind the Keating proposal for a fast ferry across Bass Strait with dramatically lower passenger and vehicle fares. The committee represented commercial interests in Victoria and Tasmania. If it were not for the committee's campaigning for sea transport equality there probably would have been no Commonwealth funding offered in 1996 and an increase in that funding by the coalition at the last federal election would have been unlikely.

I want to address the background of this because it directly relates to the poverty and financial hardship faced by people in Tasmania and those issues are a serious area of national problems. Before 1996, TT Line, the Tasmanian shipping line and operator of the ferries, was making slight profits and slight losses—or somewhere thereabouts. The Commonwealth funding for Bass Strait at that stage was about \$2.6 million a year. If that level of funding had continued, it is likely that the twin ferries now operating across Bass Strait would not be there. I understand the Tasmanian government may be contemplating an additional ferry from Sydney to Tasmania shortly, and it is likely that that ferry service may not have been introduced and Tasmania would probably not be enjoying the limited economic boom currently occurring if that level of funding had continued.

It has recently been reported that there has been what could be regarded as a massive increase in passengers and cars carried across Bass Strait and it is said to be unexpected by some down there. To my committees that was part of the norm; we expected that. But the increase in travel to Tasmania is largely because of the Commonwealth subsidy—the Bass Strait equalisation subsidy—and an increase in capacity fostered by the Deputy Premier of Tasmania. Both the Commonwealth and the Deputy Premier ought to be congratulated in what they have done there.

But I want to get to a primary view of what we regard as access. It was the view of my committees that Tasmania needed to be connected by equal links for both people and freight. Tasmania could then stand as an equal state in our federation. The committees did not believe

that Canberra had an open-ended responsibility to Tasmania because of separation by water. Equality, in our view, should not comprise every type of funding provided by Canberra to Tasmania as compensation for that separation. We do not believe that is on.

As with other parts of the national highway, surface access between states is a clear federal responsibility. However, we say that there is now sufficient federal funding available and, as the Tasmanian government ultimately controls Bass Strait ferries, the Tasmanian government itself should now practically shoulder the Commonwealth's responsibility. With the recently introduced ferry capacity, which is large, the Tasmanian government has now every opportunity to deliver the option of comprehensive passenger and vehicle equalisation to all wishing to cross by sea between Victoria and Tasmania.

Two issues relating to Bass Strait directly relate to poverty, the cost of groceries and building materials, cost of labour, levels of wages, level of employment and equality of access for Tasmanians and their businesses. Tasmania, consistent with every other state, needs the equivalent of a land based highway. It needs the business certainty of equalised access all year, non-seasonal. Regretfully, after in excess of \$30 million a year of uncapped, demand driven federal funding, Tasmania still has that substantial inequality with the mainland.

There has been a view prevailing for a number of years, particularly in the Commonwealth and mainly in the Commonwealth Public Service, that access to Tasmania is another problem in common with access to isolated regions in Australia—that they all suffer the same problem. Tasmania is isolated by being divided from Australia's largest population corridor by water, not distance. These other remote areas are separated by distance. We have covered routes over mountains, deserts and rivers with national highway, offering equal travel costs per kilometre between states, except for Tasmania. Natural barriers have been removed for other interstate routes. They should also remove the natural barrier of water in Bass Strait by ensuring that the ferry service operates in a manner similar to a highway. The transference of people is far cheaper by water than by road.

The first primary issue is the Tasmanian Freight Equalisation Scheme. TFES federal funding is in the range of \$80 million a year, uncapped and demand driven. The scheme—rightly and properly, in my view—in decades past was aimed to benefit Tasmanian industry. But now I believe it needs to be reviewed by the Commonwealth. The circumstances have changed. Competition policy has come into this nation in a big way, and I think that scheme needs to be looked at in that context.

The scheme equalises the cost of transporting most goods by sea across Bass Strait to the level of the cost of highway equivalence. This applies to most goods, other than—wait for it—consumables travelling southbound. This leads to an unfair situation where consumables from Tasmania to the mainland are equalised but similar consumables going south to Tasmania are not. This does not deliver fair competition between mainland producers and Tasmanian ones within the Tasmanian economy. This potentially impacts on the cost of Tasmanian consumables within Tasmania. This is a matter that is, regrettably, outside the scope of the ACCC and the Competition Council and that would rest clearly with the Commonwealth, subject to one qualification, which I will come to later.

The scheme allows Tasmanian producers to set their prices to compete with prices of mainland goods which include the full freight cost of getting their goods to market in Tasmania. This has the capacity to maintain higher prices within Tasmania than if equalisation applied also to consumables carried south by sea. I am not aware of any study that has measured the cost to Tasmanian consumers of this one-way equalisation. The additional cost of transporting consumables sourced from the mainland must also flow on to the cost of services as business inputs from interstate are likely to be more expensive unless absorbed by the manufacturer. Business inputs coming into the production process in Tasmania for service industries—Tasmania is largely a service industry based economy—are also not equalised. Therefore, they are likely to be more expensive and again the costs flow-on would occur to the Tasmanian consumer of services.

One-way equalisation may also affect the cost of events that Tasmanians go to and it will affect the movement of household furniture southbound, which is not covered. Equalisation for freight needs to be applied both ways. In any event, the Commonwealth should ensure that the cost of moving freight is the same over Bass Strait as on the national highway. This is the principle behind the existing Tasmanian Freight Equalisation Scheme. The full use of the Tasmanian government's new twin ferries, currently used a little above 50 per cent of their sailing capacity, may in part be used to achieve equalisation for many southbound consumables. That area needs to be explored.

The effect of the lack of equalisation on mainland producers needs to be measured. The arbitrary distinction between some goods and not others should be removed. Also, the intended 'corridor of national significance' under the federal government's AusLink plan for national transport does not include as a national corridor of significance the corridor between Melbourne and Hobart. The Commonwealth proposal does not go that far. All other interstate corridors between other capital cities are included. If they are willing to include road and rail between every mainland capital city on the coast and between Adelaide and Darwin, it is about time the corridor from Melbourne to Hobart was included in AusLink.

Ferry transport across Bass Strait should now fall under national guidelines applying full equalisation as would occur on any other part of the corridor. This would allow access between Victoria and Tasmania to be managed in a fair manner that treats all producers and consumers equally. Complaints in Tasmania regarding the high cost of groceries may be eliminated under a truly national transport system, otherwise how can AusLink become a national plan if it does not include the states of this nation?

This is not a case for removing TFES—the Tasmanian Freight Equalisation Scheme needs to be comprehensive—unless, for some reason, full equalisation north and south can be delivered without it. That is an issue for the federal government to address with Tasmania and Victoria. It is the outcome of 'highway equivalence' that is necessary. It is not necessarily measured in the amount of Commonwealth dollars you throw at an issue, it is outcomes. The existing TFES can initially fall under AusLink processes with little difficulty. The Commonwealth ought to explore that possibility. Under AusLink both Tasmania and Victoria should not sign an agreement with the Commonwealth unless equitable access across Bass Strait for all non-bulk goods can be assured. Unless that is assured I would urge that there cannot be a national plan.

There is an act called the Australian Land Transport Development Act. It is a current act but it may be abolished or amended under AusLink. That act allows the Commonwealth to declare Bass Strait ferries part of the statutory toll-free national highway. Vehicular ferries which form part of a road between capital cities can be declared part of the national highway. The Commonwealth argues that the ferries must be within a state and the provision applies to small ferries crossing bays and rivers.

There are contrary legal views. Victoria and Tasmania, to date, have not challenged the Commonwealth's interpretation of that act. I do not see that they need to if the Commonwealth has funded Bass Strait sufficiently, but it is an avenue that one might have expected that they might have explored. They may have done that, and I may not know about it. Victoria has complained of a lack of sufficient federal road funding but in this case, I would submit, it needs to actively seek Bass Strait funding, as that can have the same effect as road funding by building the south-east region of this country and treating Victorian manufacturers exporting to Tasmania fairly. Many Victorian companies have a base in Tasmania. As a result of equalisation in both directions, some Tasmanian producers of consumables directed at the Tasmanian market will need to face greater competition against equalised freight from goods coming from the mainland.

But overall, the outcome may be beneficial to Tasmania as a whole. The large service industries within Tasmania will probably obtain reduced costs on many business inputs. Large manufacturers in Tasmania will not be affected, as equalisation will continue to apply to production inputs moving south by sea and finished goods moving north from those manufacturers in Tasmania. So under the existing scheme they are immune from any problems of this equalisation scheme. It is the consumer in Tasmania that is affected by this.

I now turn to the Bass Strait Passenger Vehicle Equalisation Scheme. This scheme affects the movement of people, so it is vital under the human right of freedom of movement. It has a big impact on families and employment. Bass Strait Passenger Vehicle Equalisation is a scheme costing the federal government about \$30 million a year, and it is rising. It offers—as with the Tasmanian Freight Equalisation Scheme—uncapped, demand driven federal funding. It is like a blank cheque.

The aim of this scheme was to equalise the cost of access over Bass Strait by the Commonwealth funding of a driver and car. It did offer—this has been changed since the last federal election—to the driver amounts of between \$100 and \$150 each way, set at a cost per kilometre of travelling on a land based highway. The amount increased in the peak season to compensate travellers for the higher cost of the driver fare over that season. The aim of the scheme was also to reduce passenger costs by increased competition over Bass Strait. It was recognised by the Commonwealth that this scheme would also help tourism, but I would point out that this is an equalisation scheme and it should help tourism through equalisation, not in lieu of it.

It was recognised by the coalition to be the national highway extension to Tasmania. Highway equivalence would be expected to drive all Tasmanian industries. Probably contrary to public perception, about 80 per cent of gross Tasmanian state product comes from the service industries, including about 10 per cent from core tourism. Limited conditions are imposed by Canberra under the Bass Strait scheme, allowing operators the flexibility to set vehicle and passenger fares, once a driver with a car intends to cross. Once a driver and car are carried, the

Tasmanian government itself has ultimate effective control of how the scheme practically operates and effective control over access prices. Therefore, it controls in effect the ultimate amount of Commonwealth expenditure under the Bass Strait scheme.

The operator, which is wholly owned by the Tasmanian government—seemingly consistent with suggestions by the Tasmanian tourist sector—allowed the car to go free for about 45 weeks of the year and imposed seasonal driver fares. Fares approximating the cost of highway equivalence, based on 44c a kilometre or better, are offered in 126 limited seats on each vessel and on limited day sailings in the shoulder and peak seasons. This applies effectively to one and two passengers with a car only, or without a car. Despite the campaign for national highway equivalence, no comprehensive equality has resulted.

Highway equality was costed by officers of the Victorian, Tasmanian and Commonwealth governments at about \$28 million a year for two ferries, one offering something like 300 trips and another offering 400-and-something trips—the amount of trips that would be necessary to deliver fully equalised fares to the expected level of demand. This would include also a 10 per cent return to the operator. This did not include revenue from extra foot passengers, who would pay perhaps something like \$47.50 for a one-way trip. I say this in the context that the estimate was something like \$28 million. The current Commonwealth expenditure under this scheme is, I think, slightly in excess of \$30 million—or is going to be, under this budget—with the ‘car going free’ concept attracting maximum Commonwealth expenditure. That ‘car going free’ concept, in my view, reduces the passenger vehicle and passenger equalisation payment ratio. Since September 2003 each car and driver attracts a \$150 Commonwealth payment, regardless of season.

To maximise revenue by the carriage of cars, the Bass Strait equalisation scheme encourages any operator—so we should not be too unkind to operators—to offer the option of cars going free. If I were the operator, I would be doing that, because I would be maximising the revenue under the existing scheme. I do not know what the operator is doing, but I would do that. The scheme contains no conditions requiring the operator to offer any other highway equivalent options.

I believe there is the need to make a distinction between foot passenger fares and the fares charged with a car, because cars are free. That will encourage some who might want to cross Bass Strait and do not need to use a car to keep their cars at home, saving the Commonwealth something like \$300 a return trip. Nor does the scheme require the introduction of an inclusive fare, incorporating a car and up to four passengers, as we have on a road. This is the principle of road travel. These conditions would result in the cost efficiencies of highway equivalent travel, increasing the passenger vehicle and equalisation payment ratio. It seems a most sensible way of operating Bass Strait, in my view, to deliver highway equivalence.

It seems simple for the Tasmanian government to offer full equality without such Commonwealth intervention, by using unused top decks on each vessel and by introducing all-year day sailings which offer one-way non-seasonal inclusive car and passenger fares and sit-up fares that would result in, on the basis of equalisation, a fare for up to four passengers of \$190, and a foot passenger fare of \$47. These are one-way fares. These fares would offer comprehensive highway equivalence of 44c a kilometre and have been already costed by three

governments in a joint working report. This costing applied the same formula as used under the previous ministerial directions relating to the scheme.

I believe the cost of accommodation, as on any national highway, ought to be optional. It is critical that that be so. It will allow Tasmanians to take full advantage of the findings of a recent partly Commonwealth funded access study which concluded that it was the cost of travel, and capacity, that were the main drivers of demand for sea travel—not seagoing experiences or any other focus that others might have in relation to why we have a ferry service. Both these critical factors—low price and capacity—are, over most of the year, still restricted by the existing service.

A request has been made of the Tasmanian government to deliver equality consistent with an election promise to negotiate equality using ferries that have to date cost the Tasmanian government about \$290 million. Officers in Tasmania, Victoria and the Commonwealth recently recommended that the Bass Strait scheme could be adjusted to \$150 each way per car all year—principally to fill ferries, I think. This recommendation has now seemed to sacrifice equalised access principles for filling ferries. The coalition seem to have followed this suggestion at the last federal election, but may not have realised that this would destroy the strict equalisation that they seem to have suggested in 1996, and unfortunately it has led to all ministerial directions regarding equalisation that were in place since 1996 being removed from ministerial directions.

A preferable alternative would have been to suggest that the Tasmanian government equalise the driver component of the fare, using the revenue gained from the carriage of additional vehicles because of the Bass Strait equalisation scheme. The scheme is now ‘equalisation’ in name only and will be available if there is a potential Tasmania-Sydney link at \$150 a car and driver. The Bass Strait scheme is currently doing exceptionally well for core tourism, with a flow-on effect to the rest of the Tasmanian economy, but core tourism contributes about 10 per cent of the Tasmanian gross state product. While there is now significant tourism industry expenditure in the pipeline, the two additional fares that I referred to which would offer comprehensive highway equivalence, with ferries that can cross Bass Strait four times a day, would be enough to achieve full equality. It would be expected that these fares, when offered in addition to all existing fares, would drive low-level tourism as well as encourage visiting friends and relatives and would allow access for business purposes and for viewing events, such as football, held in Tasmania. The focus should be on achieving an outcome that would directly drive all industries, including tourism. If you take core tourism out of that, you have a 70 per cent component of service industries that are driven largely by people staying in Tasmania.

A focus, if it is applied, on targeting groups of travellers on the basis of filling the most available types of travel accommodation on the ferries should be extended to achieve the overall purpose of the Bass Strait scheme, as the scheme helping not only tourism but also equalisation. This is especially so in the absence of the sea based competition that was expected but is now unlikely to arise because sufficient capacity is being introduced in Tasmania. If Bass Strait is not run in part as a low-fare volume service then the benefits of a new southern travel route through Victoria cannot be established and inequality over the Tasmanian-Victorian border will be continued. The costs of services in Tasmania may rise with a diminishing population, and fair access options will be skewed, encouraging a higher than normal transfer of cars at federal taxpayer expense without the same efficiencies as a land based highway. A foot passenger

alternative and an inclusive car fare will parallel all highway options and normalise access, saving Commonwealth taxpayers the cost of, in some cases, moving cars unnecessarily.

This is not a matter for TT Line, which operates under a Tasmanian government charter. The Tasmanian government can, and ought to, direct its operator to achieve highway equivalence. If the Tasmanian government cannot or will not, then Canberra needs to act. The success of our committees has been held as remarkable by some. The enhancement of the low-fare equalised concept will drive this success even more. Families and larger groups that may not use core tourism options will be the beneficiaries, as will one in two passengers travelling with a car who will have a greater opportunity to travel with increased stay-up ferry capacity.

The Bass Strait scheme, as with TFES, should also be placed under AusLink as many stakeholders, other than Tasmania and tourism, have a right to interstate highway equivalence. Also, the equalisation provisions of the Bass Strait equalisation scheme should be reinstated by ministerial direction so that the Bass Strait scheme will not be confused with being principally aimed at filling ferries or solely driving core tourism in Tasmania. Existing Commonwealth funding should be applied first to achieve equality. The filling of ferries through equalisation should not be met as a priority. Air services should compete with a full range of sea highway options, as is the case over all other interstate borders.

Highway equivalence and an acceptable return to the operator from offering highway equivalence should be funded by the Bass Strait equalisation scheme. Any travel apart from highway equivalence, such as accommodation and meals, should be funded by Tasmania or the traveller as they are effectively done by Tasmania through the provision of optional levels of cabin accommodation and optional restaurants on the ferries. The Tasmanian government should now introduce equality for all Australians, as about 80 per cent of all Australians travel by car, especially when travelling for less than 400 kilometres.

Tasmania should be treated by all as a state rather than as a holiday isle or a remote area of regional Australia, and should take its place as part of the east coast of this nation. The coalition, as far back as 1996, recognised Bass Strait as the single greatest impediment to the growth of population, investment and jobs for Tasmania. You could extend that to poverty, financial hardship and inequality. Any fears that numbers will destroy Tasmania should not prevail. The movement of people must be managed, not discouraged by price and restricted capacity.

The Commonwealth's Nixon report some years ago stated that access was still a barrier to Tasmanians and visitors alike. Nixon was right then and, if that statement were to be written now, Nixon would be right now. Tasmania supported equality in a bipartisan way before the funding was delivered in 1996, including written support for equalisation by its shipping line, TT Line. Given a satisfactory level of resources, it would be grossly unfair to those from across this country who campaigned and supported this outcome if it were not delivered.

The Tasmanian government cannot leave equalisation policy to the federal government or to its tourist industry or operators. This is a non-delegated function, in my view. It would seem unreasonable that its shipping line or tourism should or ought to have the same agenda as equality. They may not. The 'car going free' concept is a great promotion. It offers an incentive to travel and maximises revenue, perhaps for the tourist industry in part, and indirectly to many other industries in Tasmania. Also, volume equalised services may—and I think this is critical—

lead to a fear amongst some that Tasmania may depreciate the very asset on which tourism is based, or that it will encourage too many Tasmanians to spend money on the mainland. This view, if held, will naturally lead to tension between the need to provide equality and maximising the economic benefits to Tasmania and its tourism industry.

The community accepted the 'car going free' concept, however, as being what the tourism industry wanted. It is now time to restore the balance. The Tasmanian government should do so—and, in their absence, the Commonwealth should. The sea highway, based on highway equivalence, will increase Tasmania's population by removing Tasmania's imposed isolation and will build communities, schools, churches, shops and businesses which rely on a larger population to increase their viability. Interstate purchasers of houses in Tasmania will also be encouraged not to sell up in a few years as they will not suffer from isolation—friends and relatives will not be deterred from visiting because of the high cost of access. There is a perception that people can sell up in Sydney and Melbourne and go and live in Tasmania quite effectively. The only trouble is that those dollars go to the person who moves, not to the relatives who want to come and visit. Equality is a big driver of all sorts of activities across the board in a state. I am sure we would not accept it if New South Wales or Queensland decided to have something other than equality provided by the Hume Highway or Highway One.

Senator MOORE—I think Queensland has been trying to put a bigger gap between us and New South Wales.

Mr Brohier—It may be disappointing for some of its citizens. Trips to the mainland and vice versa could be for a few days rather than the suggested 10 days because of higher access costs. The nation has a vested interest in maintaining access between states, in my view, regardless of what the Queenslanders might think, and effective competition between states and their industries. Many Australians across this nation have connections with Tasmania, because Tasmania has been exporting its population for a number of years. All Australians should have the right of access to all states as citizens, not just as tourists. There were a number of major national resolutions that supported the outcome that I suggested. Day sailings and the large unused stay-up capacity provide enormous opportunities to deliver this outcome.

Tasmania is not a Barrier Reef island. Tourism is not just the main generator of gross state product. Enhancement of core tourism may ultimately be at the expense of the viability of tourism and other industries—if it were core tourism at the upper end only. I am not saying that it is but, if it goes that way, then other industries may suffer in the long term. A greater emphasis on tourism without providing highway equivalence to other industries may not grow the size of the Tasmanian economy—and they have many resources that could be used to grow the economy. A balanced approach to access is needed. We really need the sort of link that a Hume Highway could deliver. If balance were put into Bass Strait, I think we would see some amazing results in Tasmania.

With respect to AusLink, Victoria has asked for the Melbourne-Hobart corridor, including the sea transport in that corridor, to be part of the corridor of national significance. Tasmania, however, has asked for the same status of the corridor but has not specifically included the Tasmanian Freight Equalisation Scheme, the Bass Strait Passenger Vehicle Equalisation Scheme or its sea links. I suppose one would be a bit premature in saying this, but I hope that they may not have taken the responsibility to deliver full equalisation for all consumables and

comprehensive equalisation for all passengers under the existing schemes because then perhaps it is up to Tasmania to deliver that outcome. I think a preferable way would be to put these schemes, clearly in the national interest, under AusLink.

It is also important to understand that, while the revenue per visitor for an average stay will contribute between \$1,500 and \$2,300 or so over 10 days, the value to the Tasmanian economy of a single additional resident, or short-stay visitors in volume, may not have been quantified. I think that needs to be quantified and understood. These factors will contribute to many different areas of the Tasmanian economy and will also help Victoria, as visitors can come backwards and forwards through Victoria to Tasmania.

If Tasmania does not want highway equivalence, then I believe it should disclose the nature of the access policy that it seeks to apply across Bass Strait. An aim to achieve other than national highway equivalence will limit investment, population and jobs in Tasmania. If the wider view of equalisation that I referred to initially is adopted—that is, anything that will prop up and help Tasmania—for example, if the Bass Strait scheme were to be principally directed to meet tourism targets by offering fares in priority to ones based on equalisation, the primary justification for Commonwealth funding for interstate access may expose the Commonwealth to claims from other islands in this nation, or justify the elimination of what was originally equalisation but now seems to have the flavour of a subsidy scheme. I believe the Tasmanian economy must be given the type of accesses all other states enjoy—no more, no less.

I do not know whether you can agree with this, but I believe this committee might do well to return to Tasmania and call evidence and investigate sea access—given the priority John Howard gave it as the single most serious impediment to population, investment and jobs. Nevertheless, this issue goes to the fundamental human right of freedom of movement within a country for all Australians. I would suggest to you it is the primary factor affecting levels of poverty in Tasmania—in equality, employment and financial hardship right across the Tasmanian economy. You know more than I do about the impact of poverty in Tasmania and I think you have heard extensively about that issue.

CHAIR—We have.

Mr Brohier—I have finished my submission. I am sorry, I have probably gone a bit too long on this one. There are a number of documents that I have that support this position. If the committee sees fit, or if this process is going further and the committee decides to look more closely at this issue, perhaps there might be a time when those documents could be identified and handed up. They are the only copies I have.

CHAIR—When you are able to get more copies, you could send them to Mr Humphrey and they will be made available to each committee member, if you would like to do that.

Senator MOORE—The submission you have read this morning is significantly larger than the one that we already have, so we would really like to have a copy of what you have given us today.

Mr Brohier—I have read this as my notes; I am not certain that it is exactly as it is on your transcript. Could that version be made available to all of you?

CHAIR—Yes, it will be.

Mr Brohier—These documents are extensive and, in fact, there is one document that is key to my submission that I am not certain has been publicly released. I do not know, I have not inquired recently—it is a document that has been in my possession for about a year. I do not know the status of releasing some of this material. Most of the rest is in the public domain. Perhaps I will liaise with Mr Humphrey rather than provide him with copies and then maybe when I am in Canberra, or closer to Melbourne, he can make copies.

CHAIR—Mr Humphrey is regarded as a bit of an expert on these matters in parliament.

Mr Brohier—Mr Humphrey is?

CHAIR—Yes.

Mr Brohier—Well, that is perfect.

CHAIR—So if you could go and have a chat to him—

Mr Brohier—I am happy to.

CHAIR—Thank you for that. We are now a little behind time, but I have one question. We had a dozen or so witnesses in Hobart on 2 May and a number of them—from TACOSS, the Tasmanian Catholic Justice and Peace Commission and Anglicare—mentioned things like: ‘It is a low-wage state and a high-cost state.’ They talked about the highest cost of living in the nation, but none of them mentioned the reason why it might be that way. Would you like to comment on why these people, who are at the coalface of seeing poverty and financial hardship, do not see what you seem to see as being quite obvious—why the consumables are higher than anywhere else?

Mr Brohier—I was the principal behind the equalisation schemes. I started it back in 1992 when I followed it as a Melbourne based lawyer for a long time. I suppose my support base in Victoria has been people like Elizabeth Proust and the Committee for Melbourne; and major organisations in Tasmania including Tasmanian racing and other major players such as the building industry and retail—the list goes on. It was a very substantial business base. However, I do note that the Catholic provident fund and the Anglican Church also at some stage became supporters, including the hospital down there. I think that is the extent of our connection with these other groups. This has been pretty much a high-level push by business, although there was a large public awareness of the equality principle.

I think perhaps access to Tasmania is viewed by some as simply a tourism focus. When it comes down to seeing how this relates to the ordinary man in the street, I think perhaps people—I cannot answer for these organisations—have not turned their mind to that oblique angle. I just do not know. It was very clear to all of us when John Howard made the statement in 1996 that it was the single most serious impediment to the growth of population and jobs. I believe he knew what he was talking about, and he was certainly well coached by business about that. So there is no answer; I am sorry. I just do not know, but I think it is relevant. Thank you for raising it,

because maybe the transcript ought to go down to Tasmania and maybe this issue should be fleshed out by this committee. Maybe that is a good role for it.

CHAIR—Thank you very much.

Mr Brohier—Thank you for the opportunity.

CHAIR—Our pleasure.

[11.55 a.m.]

CLARKE, Ms Lorraine Joy, Financial Counsellor, Child and Family Services Ballarat

WHITE, Ms Fiona Therese, Manager, Family and Community Services, Child and Family Services Ballarat

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

Ms White—Thank you. Child and Family Services Ballarat is a large non-government organisation which is mainly state government funded. We provide services such as foster care, adoption and permanent care, adolescent placement and a range of family and community services such as family support, financial counselling, and men's and youth services. We receive some Commonwealth funding through DFACS for the Children's Contact Service and the Men and Family Relationships Program. We are a fairly large organisation, based in Ballarat, that covers the eastern end of the Grampians region around Ballarat, Bacchus Marsh, Ararat and Daylesford.

Today we thought we would perhaps give you some specific issues. Clearly, there are bigger issues around poverty that people have probably spoken about such as structural poverty, unemployment and so on. What we thought might be of some interest are the specific issues that our financial counselling service comes across very often in the course of their work. Lorraine has pulled together some of those and we have got a few short case examples for you. We might quickly work our way through those.

Ms Clarke—I have started with issues around Centrelink payments. We have quite a lot of clients coming in who have been breached or have to pay back family tax payments because they have been overpaid. A lot of it is to do with casual employment. There is a lot of casual employment in Ballarat as there probably is everywhere else now. It is very hard for people to estimate what they are going to earn for a whole year. It actually makes people not want to try to work, because they are penalised and then they have to pay back the money—and that puts them in further hardship. A lot of the agencies are finding that the welfare agencies are picking up the tabs for food parcels and so on while people are paying back because they have been breached or overpaid.

I have given you a case study of one client who decided to work for a newsagent delivering newspapers to earn a bit of extra cash. His employer did not give him pay slips so he did not know exactly what he was getting from week to week. He was breached and then he and his wife ended up paying back \$145 per fortnight out of their pension, so it really had a big impact on them. He said it was not worth him working; he decided that it was not even worth trying to get casual work.

The second issue concerns the finance companies that have started up. A lot of them charge very high interest rates of 30 per cent. They take a bill of sale over household items including the

kitchen table and beds. They are saying now that they will not take a bill of sale over those but we have still seen a lot of contracts that have bills of sale over all the household items and the car. With this particular company, if you get a \$600 loan, you end up paying back \$1,157. People are too scared not to pay it, because they do not have much to start with. If they are going to lose all their household items then they cannot live at all or if the family car is taken then they cannot get the children to school, so it impacts a lot.

These particular companies make people pay with a direct debit so that it is the first thing that is paid on payday. It is often \$90 a fortnight—that is the most common repayment. So, if \$90 is taken out of a pension before you start, you have to find other ways of getting your food and paying your rent. We have recently seen a client who had had a gambling addiction and who borrowed \$900 two years ago; he has paid back over \$1,300 but he now owes \$4,000.

Senator MOORE—With the same debt?

Ms Clarke—Yes. Because he did not have the money in the bank when they took the direct debit out, he then had bank charges. Every time a payment is dishonoured the finance company also puts more charges on. They charge \$2 a week just to manage it, plus there is \$10 if they send you a letter, \$5 if they ring you and \$45 if they send somebody around to say that you have not made your payment. So it just escalates.

CHAIR—What is the name of that finance company? Do you have the name?

Ms Clarke—I do: City Finance Loans and Cash Solutions is the main one in Ballarat.

CHAIR—Do they have a shopfront here?

Ms Clarke—Yes.

CHAIR—Senator Moore is a Queenslander; I am a New South Welshman. What sort of credit laws—

Ms Clarke—It originated in Queensland, actually.

CHAIR—Of course! I could have told you that.

Ms Clarke—As most of them do.

Senator MOORE—They do. It is a growing industry.

Ms Clarke—Unfortunately, yes.

CHAIR—What sorts of consumer laws are there in Victoria to protect people? Are you in a position to advise us of what sort of lobbying and agitation you do on their behalf?

Ms Clarke—We are lobbying to at least have the bill of sale taken off. There is a lot of lobbying with the Financial and Consumer Rights Council at the moment to at least make it illegal to have a bill of sale over household furniture. With bankruptcy you cannot lose your

household furniture, yet even clients who have gone bankrupt who have a debt owing to this company still have to pay it because the firm can take their furniture and car or whatever it has a bill of sale over.

With utility companies, we are having trouble here with Origin and TXU, which are the only two we have access to in Ballarat without Centrepay. We want to see Centrepay up and running. I do not know if you know what Centrepay is. Centrepay is where the money is taken out of a person's Centrelink payment before they get it—as against a direct debit, which comes out of their bank account. A lot of our clients have got huge utility bills at the moment. I have been seeing them up around \$1,500 to \$2,000. It has only been in the last six months that they have got this high. They seem to be escalating. Most of the clients say that if they could have the money taken out of their Centrelink payment, as their rent is, they might manage better. Once you have got a bill over \$1,000 and you have got to pay what you are currently using plus what you owe, it really puts people in a lot of hardship.

Bank fees for dishonouring direct debits are a huge thing at the moment. A lot of companies do insist on direct debit payments—the short-term moneylenders I have just talked about; the rent-buy schemes, where you rent goods and at the end of it, in a few years, you pay \$1 and you get to own them; the food hampers, the Christmas hampers, are through direct debit; and some mobile phone companies are as well. I have had one client who ended with \$250 in dishonour fees in one month, because they keep on trying to take the money out and it is not there. And, of course, once you have had the bank fees come out there is not enough again. It goes in circles.

There are issues with security companies that sell door-to-door. We are getting a lot of those in the lower socioeconomic areas. They target those areas and talk about the crime rate there and put a lot of pressure on people to buy them. Again, that is direct debit usually.

CHAIR—What are they are buying?

Ms Clarke—A security system.

CHAIR—An alarm system or something like that?

Ms Clarke—Yes, an alarm system. In a case I had just recently, the client had very limited reading and writing skills and did not understand any of it, except that she was told that the crime rate was very high. She said that she could not afford any more than \$20 per fortnight. I would dispute that she could even afford that. She understood that that was what she was signing for—\$20 a fortnight. She was told to sign the document and she later found out that she was signed up for a credit contract for \$93.37 per month via direct debit. The total cost of the unit was well in excess of \$3,000. Again, the bank fees—because she does not have that money in the bank—compound.

Mobile phones are always a problem. A lot of clients do not understand or realise how quickly the bills can mount up. The worst case I have had recently was that of someone who got a mobile phone through a magazine. It was advertised as costing only \$8 a month, so she thought, 'Yes, we can afford that.' By the time she got her first bill, she already owed over \$500—and that was only for SMSs, which are only 23c to 25c a message. She did not realise that she was paying per message and that they could mount up like they did. There was no hope of paying the

bill and, because it was under contract, they put on another \$500 for the disconnection fee. Sometimes the disconnection fee can be \$1,000.

Lately we have had quite a few small businesses or contractors coming in with tax debts. They get behind or they cannot afford to pay the accountants, so they cannot do their statements and do not get the tax done. By the time they do, the tax debt is way out of control. Again, it is like going in circles—they are behind and it is very hard to catch up, and they cannot afford the accountant's fees to catch up.

Another issue is credit card debt and credit limits. People start out with a small credit card limit and they get offered more and more credit. People think, 'Yes, I can afford to pay the minimum,' but they do not realise that the principal is not going down at all and in 10 years time they still owe the original \$2,000, \$4,000 or \$6,000 that they started with—all they have been paying in that time is the interest. I have given you a couple of examples. One client had schizophrenia. He had a \$3,000 credit card debt which he managed to pay completely because he was hospitalised for three months. Because he was such a good payer, they upped the limit to \$6,000. Of course, he was discharged from hospital and had to manage his finances on a disability pension and has never paid anything off that \$6,000 since he got it. He would pay the minimum and the next day draw it out in cash so that he could live.

The cost of education on low-income families is a problem. Every February we get a lot of clients coming in who cannot afford schoolbooks, uniforms and school fees. They often go to short-term money lenders and have to pay back double what they borrowed in the first place, just to get the children to school, or they access the welfare agencies and get food parcels et cetera while they pay back what they owe.

Financial counselling is underfunded in Ballarat. We have only got a 1.8 EFT in Ballarat and less funding in the other areas. We have a three-week minimum waiting list—and it is very hard to keep it within that time, too—and a lot of people need the service urgently.

Ms White—Our financial counselling is state government funded. There is some Commonwealth government funded financial counselling around the country, but there is none in this region. We have just had our financial counselling funding increased for four years, which is good. The Department of Human Services is moving to a system of unit pricing their services, which is good for the agencies. We finally have a realistic understanding of how much it costs an agency to deliver a service. Unfortunately, with financial counselling as with other services, they have said that it costs so much to deliver a service but they have decreased our targets rather than increasing our funding. So we have just had to terminate the services of our financial counsellor in Ararat, which is a pretty depressed, institutionalised sort of town. We now just have financial counselling one day a week there and in Daylesford, which will have a significant impact. We will be campaigning hard to get some more money for those services from the state government.

CHAIR—I am not aware whether there is a national approach to guidelines for these finance companies. Do you know if there are any?

Ms Clarke—I understand that each state has its own guidelines. There is also the consumer code, and the Consumer Legal Centre in Melbourne is trying to get that changed to include some safeguards.

CHAIR—We have had evidence from throughout the country, particularly in less affluent areas, about shopfronts. In New South Wales, in Sydney, suburbs like Cabramatta and St Marys have four or five.

Ms Clarke—There was another one in Ballarat, called Cash Now, and that was closed down last year because they were charging interest rates of 40 per cent or more with a bill of sale. The law states that you can only charge 30 per cent with a bill of sale.

CHAIR—Do you know whether the security companies that are knocking on the door are connected to the finance companies that are lending?

Ms Clarke—I do not know how that works. I asked to see this last contract but I have not received it yet.

CHAIR—In your opinion, do you think people are getting into more debt?

Ms Clarke—Yes, definitely.

CHAIR—What would you put that down to?

Ms Clarke—Credit is too easily available at the moment. They are not doing checks when people go in to get a loan or to buy something. Nobody goes through to see whether their financial situation would support the repayments.

CHAIR—So they get into trouble.

Ms Clarke—And a lot of our clients have limited reading and writing skills.

CHAIR—How many of them are in some form of work? Would it be half or a third?

Ms Clarke—Probably a third. I work a lot with gamblers. In terms of gambling financial counselling, I would say that a majority are in work. That is a different type of client and a different scenario. In terms of generic counselling, I would say that a third are in work.

CHAIR—Do people get referred to you? Do they just knock on your door or make a phone call?

Ms Clarke—The majority are referred.

CHAIR—From St Vincent de Paul or the Salvation Army?

Ms Clarke—From all the agencies. We belong to a combined welfare group in Ballarat. We all meet; we have a good network going. The welfare agencies have budget workers at the moment who normally help with budgets. They are finding that the debt level is higher and more complex than it used to be so they need to refer them on, whereas a few years ago they could handle more of the cases. The debt levels can be quite complicated now, and a lot of work is involved in negotiating payments and just trying to help turn it around.

Ms White—It is probably worth putting in a plug for the difficulties that the Privacy Act has put in place for you.

Ms Clarke—While the Privacy Act is needed, especially with telecommunications, it has made it almost impossible. In that particular field they will not deal with us even with a written authority from our client. I even had a client sitting beside me and they still would not deal with me. The client said, ‘I give permission for the financial counsellor to negotiate,’ and they would not. It has made it extremely hard.

Senator MOORE—Can they do that if the person has given approval?

Ms Clarke—They do. Whether or not they can, I do not know, but they do it. It makes it extremely hard. Telecommunications companies are the worst of all to deal with, but the Privacy Act has made it more difficult.

CHAIR—Do you deal directly with these finance companies?

Ms Clarke—We try to, but most of our clients will not let us deal with them because they are worried that they will lose their furniture. Most of the clients that I have seen will do anything to pay that debt, and leave the other. We help with the rest of the debts and help them to manage to pay that one. We try to encourage them not to do it again.

CHAIR—And do they?

Ms Clarke—Yes, because they are often told that it will help their credit rating and they will get a better credit rating if they pay it back and keep borrowing.

CHAIR—We heard in Canberra last week about credit surfing. Have you heard of that term?

Ms Clarke—No.

CHAIR—They move from credit card to credit card, paying one off with the next one.

Ms White—We had one last week with how many credit cards?

Ms Clarke—Fourteen credit cards. That was the highest number that we have ever seen.

Senator MOORE—And trying to juggle them. They have all got debt.

Ms Clarke—Yes, that is what most people do when they have numerous credit cards. They will juggle; they will borrow off one to pay the other. Then, 10 years down the track, they suddenly realise they are getting nowhere; they are just doing a juggling act.

CHAIR—We heard similar evidence from the Consumers Federation of Australia about credit surfing and mobile phone contracts—how people are getting themselves into difficulty. Do you think with mobile phone contracts that a public education campaign would be helpful?

Ms Clarke—I do not know what the answer is. A public campaign might help, but it should be like any other credit contract. They should have to produce evidence that you can afford to pay it and also it should be explained very well that it is a costly thing to have and that the phone calls are very, very expensive, as well as the SMS messages and the logos that you download—I did not know about that aspect until I dealt with this last client. If you download a ring tone, it can cost anything up to \$6 or \$8 for that one call.

CHAIR—Really? I did not know that.

Ms White—Young people in particular get themselves into enormous debt over mobile phones. In terms of your public awareness campaign, I guess they have been shown to be quite successful with smoking, drink-driving and so on. Perhaps it would work for phones as well.

Senator MOORE—With respect to the situation you described with Centrelink in terms of the family tax payment, we have spoken to the department about various things over the last couple of months. One of the things that they are very happy with is their range of options with family tax now—that people have a range of ways of accessing that payment. So it is not just that end of year estimation process. Are your clients the kinds of people who are aware of that?

Ms Clarke—They are aware of it, but if you are on a low income, you cannot afford to wait until the end of the year to get your money. If you have casual work, you might have a lot of casual work for a couple of months and then nothing for three months. If you did not have anything for three months, you have got no income for that three months.

Senator MOORE—The other thing we talked about in another inquiry was the linkages between when you actually earn the money and when you actually tell Centrelink about it, and the fact that that system is not always a good one for people—that you earn the money in a certain time, you tell Centrelink you have earned it, but sometimes you do not get the money until some time in the future. So your income is affected very badly.

Ms Clarke—I think that is more with Newstart.

Senator MOORE—Yes. That is the standard payment. Family tax benefit is the one that is causing the end of year debts.

Ms Clarke—Family tax benefit is where you have to estimate 12 months ahead how much you are going to earn. If you are casual, there is no way that you can estimate that. If where you are working is busy and you get extra work, you are penalised because you have earned more than you have estimated.

Senator MOORE—Do you have any suggestions as to how it could work better?

Ms Clarke—I have not had time to think it through.

Senator MOORE—That is important from the department's point of view, because those problems are there, but it is trying to make the system work. It is people like you, who are working with the ones who are troubled by it, who may be able to give some support.

CHAIR—You do not have to answer now. You can write to us.

Senator MOORE—It is good to think about it with the welfare meetings that you attend, because this particular payment has caused immense problems.

Ms Clarke—It is a complex thing. I do not think we saw the problems before they changed it to this new ruling. So maybe it should go back to the old way in this case—I do not know. I do not know what the problems were before or why they changed it to this new method.

Senator MOORE—Ms White, you mentioned earlier that you did some housing work as well through your agency; is that right?

Ms White—I will just very briefly put in a plug for Grampians Housing Network, which is the state government public advocacy program in Ballarat. They have all left town and gone to Queensland for the school holidays.

Senator MOORE—That is good of them.

Ms White—But I will hand over their submission.

Senator MOORE—Good. There are some ongoing issues that come out no matter where we are—certainly debt management is one. Senator Knowles, who cannot be with us today, has a particular issue with gambling. Her concern is that the damage of gambling is getting worse as people have access to different ways of doing it. Is that something that you would care to comment on?

Ms Clarke—I would agree with that. The damage that it is doing is still coming through, because a lot of people have gone through all their savings. If they have left a job and got a lump sum superannuation payout, it is not uncommon for all of that to be gambled. There are a lot of issues there.

Senator MOORE—Yes, it is a major issue for her, as is the fact that each state has different arrangements related to it. Another issue we hear of is that of housing—available housing, public housing, emergency housing. I take it that all those things are issues here.

Ms White—Yes. There is less public housing as stock is sold off and not replaced. As is the case everywhere in Australia, the median price of houses in Ballarat is really zooming up. There is a shortage of rentals. Housing is taking more and more of people's incomes. It is taking a significant proportion: 50 or 60 per cent.

Senator MOORE—It throws everything else out when you have that cost.

Ms White—That is right.

Senator MOORE—We heard evidence this morning from the Salvation Army. Emergency housing and youth housing were raised as issues. In that discussion there was a comment that there is an increase in the number of teenage mothers in this part of the world. That interested

me, because the national figures show that the number of teenage mothers is going down. Is that an issue that has come up through your organisation?

Ms White—Yes. A number of agencies are working collaboratively in town on the issue. Ballarat's statistics, for whatever reason, are about double the state-wide average, which is really interesting. It was about 60 babies last year for very young parents.

Senator MOORE—Are we talking lower teens—under 16?

Ms White—We are talking 13 to 18.

Senator MOORE—That is very young. With one of the larger agencies we talked about comparisons with overseas. The UK and Ireland have been receiving a great amount of discussion in our public meetings. Both those countries have instituted programs of working with families—single parent and traditional families—on parenting skills. They are also, from the time that someone comes forward about having a child, working with them to give them support, to give them skills, to give them the kinds of community options that maybe they would not have. Have you looked at any of that stuff that is going on over there?

Ms White—Certainly in Victoria people are taking heed of some of that overseas research, which is really about early intervention. If you look at the English models you see that they pump millions of pounds into early intervention, which we have not been really good at in Australia.

Senator MOORE—That is the Blair poverty stuff. We have received a lot of information about that. It is very positive but it is very early in the process.

Ms White—Yes. DHS has recently funded six innovation programs across the states. Ballarat has got one of those programs, because we have a very high rate of child protection notifications. That certainly is an early intervention approach, which is terrific. Things like Best Start and Safe Start have now started. We have a long way to go, but we are starting to understanding that early intervention is absolutely vital and where we need to put the bulk of our money.

Senator MOORE—If you had the chance to give the committee one message, what would it be?

Ms Clarke—Speaking for the agency, you had better answer that.

Ms White—Oh, golly!

Ms Clarke—I would say another financial counsellor.

Ms White—In the end, we are dealing with a situation of structural poverty in Australia. We can have financial counsellors, food vouchers and all those things, but they are all bandaids. It really is about many people—through unemployment, disability and all sorts of things—living in extreme poverty. It is intergenerational and it is very difficult to break that. We really need to get into some very fundamental work rather than just have the bandaids.

Ms Clarke—Again, though, if we had more funding for financial counsellors we could do more community development and community education, but we do not have time for that.

Senator MOORE—So it is the early intervention in that as well, before people have plummeted to the bottom.

Ms Clarke—I would love to do some more of that. We go into the schools, but we just do not have the time because we have such a huge case load.

CHAIR—Thank you very much.

[12.28 p.m.]

HENDERSON, Ms Karen Julie (Private capacity)

WHITING, Ms Kerry, Chief Executive Officer, United Way Ballarat Community Fund

CLOUT, Mr Peter Edward, Family Services Manager, Centacare, Catholic Diocese of Ballarat

NOLAN, Ms Trish, Acting Director, Centacare, Catholic Diocese of Ballarat

CHAIR—Welcome As advertised, we will now have a public forum. People can say whatever they like about our inquiry or anything that has been said today. If you want to go into the *Hansard*, you can come up to the table.

Ms Henderson—I would like to say that the truth of poverty is not simply a matter of not having enough money. It is the whole degradation of a person. You cannot afford food, medications, fuel, payment of amenities or clothes. When things get really bad, you cannot afford simple things like soap or toothpaste. You cannot even afford to invite friends in for a cup of tea. You become depressed and it creates a whole vicious circle. It feels degrading even asking for welfare help. You become vulnerable, and so many people are aware. You become a target, even for government agencies. I am currently locking horns with Centrelink. I have had no income for almost five months. The power is due to be cut off on Wednesday. Centrelink made a decision which I believe is wrong. I have asked them to overturn the decision but they have not. They want me to fill out forms. They said they can give me an income if I fill out those forms, but it would not be making a true statement and in fact it would be fraudulent. I cannot afford anything without a benefit. I am not entitled to a health care card. I suffer from depression and require medication for it. I will run out of that in two days. I am an asthmatic and cannot afford medication for the asthma. I also suffer various allergies, including food allergies.

I am too afraid to open the mailbox. When the phone was on, before it got cut off, I was too scared to answer the phone. When people, friends, come to the door you pretend that you are busy or that you have got to go out, because you do not want anyone to know. You begin to feel not quite human. You are even afraid you smell, because you have not got soap to wash with. You become totally isolated. That is about it.

CHAIR—Thank you.

Ms Whiting—First of all, I heartily commend the speaker before me. There is nothing as powerful as first contact. It is all very well for agencies to come along and talk about case studies, but it is different to have an actual person speak to you about their problems. I commend her bravery.

United Way Ballarat Community Fund has operated in Ballarat for 20 years. It is a voluntary organisation insofar as it is managed by a board of around 15 Ballarat businesspeople. We do a skills audit to make sure that the community is properly represented on that board. I am a paid

worker for that board and I have a part-time assistant. A majority of our money is raised through workplace donations, and we have operated that way for 20 years.

We do a community needs analysis every two years into the health and welfare sector in Ballarat. We write to over 300 health and welfare service providers. We include the police and teachers in the survey. We simply ask them to tell us what the top 10 issues are relevant to the areas in which they work and the top 10 issues that they think are critical to the wider community. We collate that information, we hold a morning workshop to discuss all the issues raised and we then print those issues in a booklet that is used by the university and by other larger agencies applying for government funding. The aim of the booklet is to identify areas of critical need and areas that the community fund should be funding. That booklet is not ready yet; we have one from two years ago that is available. Our current findings are being typed up at the moment and will be available, we hope, within a month to six weeks. We shall forward those on to the committee.

Ballarat has a high aged, student and part-time employee population. Therefore, our average income in Ballarat is quite low. There is a high level of heart disease and diabetes. A lot of it is attributable to poor nutrition due to low income. There is a high need in Ballarat for financial counselling. There is a Breezeway program that feeds the homeless in Ballarat. They need \$90,000 per annum to run that program. There is a Fusion schools breakfast program that is in high demand to feed secondary school students who, for a variety of reasons, are unable to access proper nutrition in the mornings. There is a whitegoods loans scheme that is run in Ballarat in conjunction with a lot of the agencies, whereby they provide a small loan and financial counselling to help a lot of struggling families to access whitegoods.

The six major issues that came out of our last community needs analysis were: mental health, domestic violence, family relationships, general health, drugs and alcohol, and youth. A lot of those issues are interdependent and cyclical. We are trying to run programs to address those needs; as always, there is a lack of funds. The gap is widening between the rich and the poor; it is very noticeable in Ballarat. A lot of the programs that are set up for our youth in Ballarat are what I would term mickey mouse programs. What they tend to do is employ the youth and, once the funding dries up, the youth are back out and the figures can be manipulated. That is the end of my statement. Thank you very much for listening to me. I will forward the results of our current community needs analysis to the committee.

CHAIR—Thank you very much.

Ms Nolan—I would like to present some of the issues that have been confronting our agency for the last couple of years, particularly in relation to poverty and financial hardship. Centacare is the official Catholic social welfare agency, and we represent the western region diocese of Ballarat. The impact of poverty and financial hardship, particularly on families and individuals throughout western Victoria, has been significant. We have noticed increases in family hardship, social isolation and individual and family stress. We have also noticed generational exclusion from participation in the social and economic life of the community.

We are aware of large numbers of clients within our services who are experiencing more and more stress and more and more hardship. I will go through some of the areas that we have been looking at, in particular youth in Ballarat and surrounding areas. The unemployment rate for 15-

to 19-year-olds is very high at the moment, at 23.4 per cent compared with the state average of 15.8 per cent. A lot of the employment for youth is seasonal, casual or non-ongoing and does not foster skills that lead into ongoing careers. Where young people can get jobs, they are only short term ones.

Other areas are very high numbers of youth trying to access crisis accommodation. We have a number of programs for young people who have a mental illness or a mental disability and for young people who are homeless or at risk of homelessness. Those people are faced with the fact that crisis accommodation for youth is very limited, for girls in particular. We often have to put them into caravan parks, boarding houses or hotels, which is just not suitable for those young people. Often they have no money to buy food, so we providing not only food but also clothing and basic medical requirements. When young people come in, we offer them a survival kit. We give them a backpack, with things like toothpaste, combs, face washers and personal hygiene products because, for many of those young people, they are the last things they would purchase.

For many young people, accessing the income support that they are entitled to is difficult. They cannot work their way through the system. They do not know how to confront people at the counter at Centrelink to ask them what their entitlements are. Many of them have had poor experiences, so they do not even go into Centrelink. Often young people come in to us who have entitlements but just do not go near Centrelink, and we have to work our way through the system to get them in place. For other young people, there is a lack of education and training that is suitable to their needs, particularly for those young people who have dropped out of school early. For a number of them aged 15, 16 or 17, their last real schooling was around grade 4 or grade 5. Their experiences of training and education are poor, and they are unwilling to go back into the system. They see that the system has really cut them out and excluded them, and the consequences of that are ongoing poverty and unemployment and an inability to access the sorts of things that they could if they had better circumstances.

Peter can talk about a lot of the issues that impact on families. Peter works in Family Services at Centacare. Again, issues such as the high cost of housing and the lack of public housing impact significantly on our families. There is the Centrelink breaching regime whereby payments are withheld from families. Agencies have to spend time going through and assisting those families to gain their entitlements. The high costs of school uniforms, books, fees and those sorts of things impact on families and their ability to budget for those things and to get the basic requirements to live. Health issues such as poor nutrition and the lack of access to bulk-billing often impact on families. There are waitlists in support services. We have large waitlists in the services that we can offer. While oftentimes we have to work with families in crisis, people who are just one step back from crisis have to wait until we can get service to them, then they get into crisis and then we deal with them. So there are no preventive circumstances in which we can help them.

Others have spoken to you about the generational issues of unemployment and the lack of role models within families. Children are particularly at risk in families under stress. One issue for us is the high demand throughout western Victoria on personal relationships counselling. That is one of the least funded programs that we have available. Often agencies like ours have to supplement counselling programs from other areas of our income and other areas of funded programs. As we know, many programs are not funded beyond service delivery, so trying to

manage the bottom line in providing counselling services, particularly in more isolated areas, is another difficulty.

One of the other groups of people we work with is single men. Again, for single men there are significant issues of housing. There is very little crisis accommodation available to men and very little public housing available that single men can access. A lot of public housing is available to families with children. Single men often cannot access that housing. When they can get accommodation it is often not suitable to assist them to re-establish relationships with their children and families, so it helps to prevent them from becoming involved in the lives of their children.

Mr Clout—Probably a key area for us that is not often talked about in terms of poverty is the relationship of family breakdown to poverty, the way family breakdown will often throw both sides of a breakdown into poverty, and that then leads to a whole range of difficulties. Early intervention and the things that Trish mentioned about counselling are important in that underfunded area, as are the resources that have gone into primary dispute resolution which, while it does not prevent breakdown, mitigates, to an extent, the effect of breakdown.

I echo the comments of my colleagues from Child and Family Services about the effects of a range of economic factors on poverty—for example, the way that the activities of various companies affect the poorest in the community. Whilst different government policies such as family law, health and bulk-billing might have positive effects in the broader community, for the poorest in the community they have some opposite effects. That somehow needs to be taken into account as an effect on poverty in the country.

Ms Nolan—One other group of people who we work with are people who have a mental disability or a mental illness. There are significant waitlists for people within our community to access supported accommodation. In the last six months, our waitlists have blown out to up to about 35 people. Sometimes the waitlist can be up to three years. Again, it is the issues of income support, employment, access to basic food, clothing, bedding and payment of utilities. As an agency, we are having constant demand to provide those sorts of supports for people in this group. In all of the groups that we are working with, employment is one of the major issues impacting on their ability to live independent lives and improve their personal and family circumstances.

We have an employment program in Mildura—part of the Ballarat diocese—and over 50 per cent of our job seekers on our intensive assistance program have been unemployed for three years plus. Again, that is impacting on the seasonal casual work. People are only able to access casual work because there are no other opportunities available to them. Also, because of their skill level and their ongoing unemployment, they just keep going within the same cycle. They get a small job for a short period, then they are back on unemployment benefit, then they go into the cycle again. It is very difficult, particularly in areas like that.

There are also areas of geographical isolation in small and outlying areas, in Ballarat and throughout western Victoria, where access to transport—being able to come in on a bus or a train to actually get to the job or to the training program on time—is an issue. It is an issue particularly for young people around the Daylesford area, where, if we can even get them into some kind of employment or get them into a training course, oftentimes the bus schedule does

not run to allow them to be there. They do not have the finances for cars or petrol. Often they do not have the support within families to provide those sorts of things.

For many young people, given the generational unemployment, there is a lack of an identifiable family member to act as a role model for them so that they can see that there are opportunities for employment and that there are certain cultural things, such as being able to show up on time, involved in being able to commit yourself to employment. They do not see those things because of their family circumstances.

Again, there is a lack of affordable private housing. The rental market is very high in Ballarat. Families are finding it difficult to be able to access private rental. There is limited public housing. Young people cannot access private rental because they are not seen as good bets within the rental market, particularly when there is a ready clientele of people with more income. We have 15-, 16-, 17-year-old parents coming in, and accommodation is not available to them. I think I have covered most of the areas. That was a very brisk, jotted, potted view. We will put in a written submission, which has been thought through a bit more.

CHAIR—Thank you.

Senator MOORE—Thank you. We have the issues on record.

[12.50 p.m.]

KNEZ, Mr Douglas, President, Ballarat East Conference, St Vincent de Paul Society

LENTEN, Mr Brian Joseph, President, Bendigo Regional Council, St Vincent de Paul Society

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

Mr Lenten—I think it is great that we have the opportunity to speak to you; I think it is tremendous. I have been around the society for 33 years as a volunteer. Therefore, I will raise some concerns which we in the St Vincent de Paul Society have within our area. In Victoria, we have 350 branches. We call them conferences. In the Bendigo conference, which covers the city of Bendigo, there are about 90,000 people. We have eight of these conferences, with about 100 volunteers.

As an indication of the scope of the work in Bendigo, I advise the committee that in the 10 months from July 2002 up to the present we have made 2,648 visits to the homes of families in need. Over and above that, we have provided assistance to 2,485 individual visitors. We have an assistance centre in Bendigo that we open from 10 till two each day. It is virtually a big grocery shop. People come there, and their main need is food. So far, we have spent \$103,000. We reckon that is going to reach \$140,000 by the end of the financial year. You could probably double that, because a lot of the local manufacturers are very generous to us; I think 200 loaves of bread come in and go out every day. That is good.

I believe the high number of visit contacts which we have places us in an exceptionally good position to comment on the nature of the problems encountered by those in difficult circumstances. I would like to touch on a few aspects which, while not unique to Bendigo, are probably worthy of special mention. Single parents, particularly, exist almost without exception on Centrelink welfare. Ours is a country area where many have been forced to relocate seeking employment. The old networks of family disappear and people have no support. They are out here by themselves. They are unable to afford most of the things which other families regard as normal. There is no computer, no Internet and certainly no Harry Potter for their children. They are not able to participate in soccer, AusKick, cricket or football. They cannot afford the up-front fees. They have no choice of schools and the idea of getting a tutor for a struggling child is just not on. It is no good.

The children are excluded from normal society as they grow. Perhaps worst of all, they frequently come to maturity without a work ethic, because there has been no-one in the house employed. That is very sad. Their future is grim. The problems have become intergenerational. On our many visits—my particular group works mainly in an estate—there are always many kids at home, missing school. This goes back through the generations and does not help them in later life.

In public housing in Bendigo at the moment there is an eight-year wait. I do not know how this compares with other locations, but we know that it is hopeless for those on welfare who are forced to rely on the private rental market. It causes ongoing financial stress, uncertainty and insecurity. There is a severe shortage of rental property in Bendigo, and that has meant a very high-priced market. The shortage of land available for building means that land prices are high and relief from high rental prices in the future is unlikely. The families we call on cannot even begin to think of home ownership.

I will expand on that a bit. I spoke to a firm up there yesterday which has the largest stock of rental properties in regional Victoria. At the moment, they have six vacant properties. They told me that they will get five to 10 applications for each of those. They are also saying that it is almost like applying for a job to now get a rental property. Land is scarce, and the same firm recently got the selling rights to a new estate of 24 blocks. Eighteen sold and they started at \$45,000. Even in that short time they have now gone up to \$55,000. In other areas of Bendigo they are up to \$70,000. So it is very difficult for the people we work with.

You would know better than I about the New Zealand scheme where they advanced the child endowment which could be used as a deposit on a home. I am not sure whether that went ahead, but it would be a wonderful thing for the people we work with. Some people have been in housing ministry homes for 20 or 30 years. I made a note a minute ago that it would be wonderful if state governments could look at that so those people could eventually own those homes. They have certainly paid off a lot of money. It would also break the poverty cycle. They would have a house to leave to the kids and it might kick on.

Even those who have accommodation in the housing estate live their lives constantly in arrears, particularly with regard to utilities, and suppliers are not slow to deprive people of services if they get behind. Water is just reduced but the other services are simply cut off. Talking about utilities, I would have to praise Telstra, who gave us a heap of vouchers. Those Telstra vouchers have been marvellous. They have really assisted us. We must have gone through \$10,000 or \$12,000 of them in Bendigo. Telstra needs a pat on the back for that.

In a recent case, a mum and her three children had their water supply reduced and the other services cut off. They moved in with a friend and the same thing occurred within two weeks. When I called on them they were running on a lead from next door. The parents are probably going to be survivors but it is pretty rotten for the kids. I know that the Ombudsman does very good things, but those sorts of things occur and it takes such long time for anything to happen when you write to them. In a case just last week, I was rung up on the Sunday through the local presbytery. That mum was no longer game to go home with her two kids because a couple of blokes had run through the house bashing it up. The police were involved, but that did not stop the threatening phone calls. We accommodated her with another agency which then picked her up the following week. She was just too frightened to stay in the house. On some of those estates gangs roam about all the time. They are not good places to live.

We are not immune from the attrition in health care facilities which has occurred throughout regional Australia. Long waiting times for medical and dental treatment are the norm for those who cannot afford private care, and that includes virtually everyone we see in our work. The impact on their quality of life is not difficult to imagine when you are restricted and continually live in pain and discomfort with dental and other medical conditions.

I cannot give you the exact unemployment figure for Bendigo, but our case records reveal that along with solo parents, the unemployed make up the highest proportion of people who come to us for assistance. As in most regional centres, Bendigo has higher unemployment than typical metropolitan areas and for those young people entering the work force there is little employment for those not scholastically gifted. Many are forced to leave home for Melbourne, where, without family support, the situation is extreme. If they get a job, the money goes on accommodation and food and they can hardly afford the odd trip home. The intergenerational cycle of hardship starts again and it goes on and on. As in every area, I guess, we have seen many families that have lived like that for generations.

In conclusion, I express the hope that I have been able to give the committee some insight into the problems that we see each day. We know Bendigo is not alone in the country. There is wide-ranging poverty in its community. However, we believe that Bendigo, along with most regional areas, has particularly pressing circumstances. There are also effects on the volunteers. They get very upset seeing these things; they cannot do a lot about them. We can pay bills and we can feed, clothe and furnish people but we cannot do everything to get them out of the cycle. The other effect on volunteers, particularly on me, is that you just hope that you will live long enough so that your own grandkids—I have 21 of them—will not be there. That is all. Thanks for listening.

Mr Knez—Ballarat East Conference is one of 12 conferences in the Ballarat Regional Council of the St Vincent de Paul Society. Our conference covers approximately 20 kilometres on the east of Ballarat, on the Melbourne approach. We have 14 volunteers. It is one of the busiest conferences in the Ballarat area. The conference was established on 4 August 1913, so we are coming up to our 90th birthday next month. It is keeping us busy.

I am looking at a different aspect from the one that Brian is looking at—the conference only. Our members visit the needy in their homes and discuss their needs. If food is required we provide a food voucher. They pick up what they need from the supermarket, except cigarettes and alcohol. Their needs are also furniture, clothing and bedding. Sometimes they just want someone to sit down and talk with them, especially some of the older ones. We are often called upon to provide food and fuel for travellers. They see Ballarat as a city where help is guaranteed, because they have been through here before. Our St Alipius parish church is on the Melbourne approach to the town. Some of these needy people attempt to build St Vinnies's handouts into their budget by continually asking for assistance each week, and we have to question why that is happening.

We in the Ballarat East Conference have followed the Salvation Army model by restricting those wanting repeated assistance to a set number of visits. In any case, we are looking at four to six visits per year, unless of course there are exceptional or difficult circumstances. I will quote you some figures. In 2001 we visited 749 homes and paid out \$15,169 in vouchers. In 2002 the numbers dropped: we visited 568 homes and paid out \$11,500. Up to June 2003 we visited 265 homes at a cost of \$5,500. Not only are we supplying food but also we are lucky to have the support of one of our bakeries in town, which provides the leftover bread every night of the week. Unfortunately, we are able to pick it up only twice a week. Not only are we providing food for those people but also we are giving a backup with the bread.

Many people experience different degrees of poverty and hardship. I have four noted here: the unemployed, the homeless, the single parents and the mentally retarded. I will attempt to cover all those groups. Statistics from our conference show that we are helping 20 per cent of the unemployed. It has been widely reported that the percentage of youth unemployment in Ballarat is 23.4 per cent of the population, while the state average is lower at 15.8 per cent. We believe that the overall percentage of unemployment in Ballarat would be considerably higher than the state average.

Some issues have caused that unemployment. Many businesses have closed in Ballarat, only to be replaced by computer based IT companies where only the well-educated can apply. Another important aspect is the lack of apprenticeships. That is denying opportunities for the less educated. There is the intergenerational gap—the culture that exists in families and has continued from the previous generation. That is a problem for us all. We are told that tariff reductions may be introduced, as has been advertised. That is going to affect the percentage of employed people in Ballarat as well. We believe that positive employment opportunities should be available to all members of the community, including the long-term unemployed and that governments should do their utmost to provide opportunities for everyone.

No. 2 on the list that we had is the homeless. Unfortunately, these people are difficult to assist and our success rate with them is absolutely poor. We provide short-term assistance for food and shelter. Appointments are made for them with Centrelink and with Catholic Centacare, but they are unable to see the importance of this assistance and do not turn up. These people slip through the net and certainly downhill without any remedy to improve that. When we talk with these people they say they want a better lifestyle, they want a better future, but they cannot change. We think that if there were social workers provided for these people, and by that I mean more social workers provided by Centrelink, we may be able to help these people individually, if we can find them. They frequently say they want to improve their situation but do not know how to go about it or where to start. It is too overwhelming for them; the task seems too big. Encouragement and guidance is required. The St Vincent de Paul Society is dealing with these people on a continuing basis, but experienced social workers, as I said, are required.

An example we had was that one Sunday at mass the parish priest came to me and said, 'We have a chap out the front and he is crying—he is sitting out in front of the church.' We went and talked to him, took him inside the church, tried to console him. It was very difficult because he was crying uncontrollably. After a while we were successful. We found that he was hungry and he was lonely—he did not have anyone. So we took him across, gave him food, gave him a drink, walked with him for an hour or so just to talk through his problem, to try and understand where he was coming from and what we could do for him. What had happened was that he had been told to get out of home when he was 15. He was from the western suburbs of Melbourne. He was now 23. We thought that he had just come from the western suburbs, but we now believe that he had been here for quite some time. After supplying him with food, we managed to find some accommodation for him overnight. We went to the local Peplow House, which is a house for people—men, usually—who cannot find accommodation after hours and we managed to make an appointment for him on the Monday. We have not heard from him since. He has not turned up at Peplow House. God only knows where he is. It is extremely difficult that these people are out there and that we—or the government or Centrelink or anyone—cannot do anything for them. I feel so sorry for them—especially the ones who are pushed out of home at an early age.

Our next topic is single parents. Our statistics show that 49 per cent of our assistance goes to single parents. Of course this is a huge and unacceptable percentage. Some of these, as Brian has said in relation to Bendigo, have relocated from Melbourne or from some of the larger towns into these rural cities—and because they are more central, too. Most single parents have difficulty managing the welfare they receive: they are unable to budget; they can only live from day to day. Not only does a single parent have to provide for the normal demands of their children but they are constantly being asked to provide for additional activities, especially at school with the excursions, lessons, books and other things. As Brian said, unfortunately their children are missing out on so much. Once again, these young people are pushed out of home at an early age, or choose to leave home at an early age, and they are missing out on all of these family skills—these growing skills, these learning skills.

But, on a good note, the area of Wendouree has been very fortunate. Through the local community centre and through the local members of parliament, they have provided courses. They are for just the normal living skills that we use every day, like cooking, bringing up children, writing letters, answering phones—just simple things that they provide out there. They show the young people how you can cook without it costing too much money. They were all asked to bring vegetables—just simple vegetables: potatoes, carrots, onions, swedes, cabbage, you name it—and they were shown how to cook a soup. Or, with a bit of meat that they were able to get from the butchers across the road, they were able to cook a stew in no time and at very little cost—very nourishing for them, much better than takeaways, and more available for them. We also look to encourage these single parents to seek available help and take on that advice. We have been pushing a lot of them through to Catholic Centacare. They have facilities there.

The next topic is the mentally retarded. Of the people visited, 23 per cent are in this category. The institutions in Ballarat have, over the years, closed their doors, causing these people to be relocated in the community in these cluster homes. These people are at risk to themselves in the community. Unfortunately, they cannot help themselves when problems arise. We have another example where we support them in any way possible. In fact, if we know that the ones we deal with are in trouble we will go there immediately, if possible. We supply their bread, as we said, twice a week. Sometimes if for some reason we cannot get there or if the bread supply is not as large as it normally is we cannot attend. You would not believe it but the next day they will ring up wondering where you are, not only for their benefit but for your benefit too, to make sure you are okay.

We believe what is needed is for us to attack the problem with more sincerity and conviction. We are forever trying to work out or identify why they cannot manage, but it is probably better for governments or for regional areas to take on that role because they are in a better position to do this. We also wonder at times whether Centrelink is supporting them in the right way. We often hear that people are turned away from Centrelink or because they cannot get there in time for an appointment or something like that they are not being supported by Centrelink in the way that perhaps they should be. I know there are two sides to that, but that is another issue we wonder about. A couple of issues I have not raised are gambling and drug taking, and we know there are instances of those with each of the four aspects I have mentioned.

The final point I would like to make is that in Australia some of the higher-profile charities seem to get more support than the charities that perhaps have a lower profile. We would hope

that all charities would be treated on the same level. Over the years, we have heard that we have a level playing field. It makes it very difficult when some charities which are not in your face, like some of the others, miss out.

CHAIR—Do you want to name one of those high-profile charities?

Mr Knez—No.

Senator MOORE—Do you want to name anyone who misses out!

CHAIR—With regard to homelessness, in your experience—in all your years of being active in the conference—is there more homelessness now? You might wish to comment as well, Mr Lenten. Mr Knez, you said you talked to this young man who was forced out of his home in the western suburbs of Melbourne. Did you ask him why? Did he tell you why he had to leave?

Mr Knez—Yes—because of his alcohol drinking.

CHAIR—His problem?

Mr Knez—His problem. You asked me if there is more homelessness nowadays than before. I really cannot answer you because he is the only one who has come across our path. It was only because he was outside the church at mass that it was brought to my attention.

CHAIR—Is there any evidence, to your knowledge, of men becoming unemployed and falling into this trap of homelessness?

Mr Lenten—They go back home to live, then their habits are not up to what mum and dad require, so they end up homeless. Again, it is drink and it is also probably other habits that they have got. They are also not bringing in any income, so the parents cannot handle it. Up our way there is a fair bit of that sort of thing. I am talking about men that I have met who are 48 or 50 years of age. Their marriage has broken up, they have wandered back home, and it does not work. There is a lot of voluntary homelessness, of course, with the youngsters: mum says, ‘Clean up the room,’ and off we go.

Senator MOORE—We have been talking with Centrelink throughout this inquiry because, in terms of the relationship, a lot of people that are dependent on Centrelink are the people who are struggling. They are talking about their involvement with their local communities to try and ensure that people have the best knowledge available and that the local awareness is there so that, when services are provided, they have got a local flavour. Have either of you gentlemen been involved with your local Centrelink? What are the kinds of things that you have been able to achieve with that kind of relationship?

Mr Knez—We were lucky to have a Centrelink rep speak with us at our regional council meeting last week. He pointed out a lot of things that I certainly was not aware of.

Senator MOORE—Was it useful?

Mr Knez—I would have hoped that the welfare people would have been able to work in the community a lot more than what they are doing at the moment.

Senator MOORE—Were you able to share that feedback with him? It is really important that the government agencies hear that.

Mr Lenten—We had a seminar up there that the Salvation Army arranged at their place, and Centrelink sent along a couple of speakers. One of those was an extra person they had put in—a young lass who seemed very much with it, and it sounded as though she was doing a top job—to spend more time with people. At least they have got one extra staff member there. The Energy and Water Ombudsman also came up. I have forgotten her name but she was excellent. There are lots of ways around it, but the people we are dealing with do not know. Often it has gone far too far and into the hands of the collection agency before we find them. But I find Centrelink are okay

Senator MOORE—We have heard from a couple of different agencies today about people's spiralling debt and the need for support and counselling. Does St Vincent de Paul offer financial counselling?

Mr Lenten—No, not up home. We send them along to St Luke's, which is the Anglican church. We say, 'We'll give you furniture, we'll feed you and clothe you and we'll pay some of your bills,' but we know our limitations. We are not professional enough to do that.

Senator MOORE—So you are not funded for that in this area?

Mr Lenten—No, we are not funded for anything and we do not want to be funded. We have got our four centres and shops for all the clothing we get. We do quite well up there, and there is enough to go around. In fact, in the whole Sandhurst diocese we have got 19 centres or shops and we have only got two paid people, so that is good.

Senator MOORE—That is working well.

CHAIR—How does someone get to use the services of St Vincent de Paul? Do they go to one of your shops and say, 'Look, I'm in trouble'? Do they go to the back of the church?

Mr Knez—The Ballarat regional council and the Bendigo regional council work differently. Brian has spoken to you about the shop that they have—

Mr Lenten—The assistance centre.

Mr Knez—We have got an assistance centre in town here with a local number. People ring in and that information is relayed to the different conferences around the area, then we will have a visit. That is followed up with food, furniture, clothing or whatever they need.

Mr Lenten—Where they are selling—with the exception of the cathedral, which is my conference; we just cannot attract members—we do service them, give them what they need, in at the assistance centre. SPC has been very generous with drought packs. Apparently the people with fruit donate that free and the workers work one Saturday every so often. We got all these

drought packs of 12 packs of their products—we got a pallet of them. We are working with a couple of farmers; I did not mention them but, as you probably well know, some of them are in real trouble.

CHAIR—Are single parents a greater phenomenon now than it was years ago?

Mr Knez—Yes.

CHAIR—I think you said, Mr Knez—or Mr Lenten—that a number of people are budgeting your assistance into their weekly livelihoods.

Mr Lenten—Yes, Doug said that.

Mr Knez—They are endeavouring to do that but, unfortunately, we are not a bottomless pit either. We have got to restrict our support to a degree, but we try to back it up with the bread support on Monday and Friday.

CHAIR—Is it mainly single parents? You did mention that single parents are the ones who were using you weekly.

Mr Knez—It is not only single parents; it is all of those on our list.

CHAIR—You said that you try to give them some life skills ideas.

Mr Knez—Of course.

CHAIR—Are they successful? I suppose that every person who is a success is a gem.

Mr Knez—Of course. The success we have sometimes is making people think for themselves and trying to get them to budget and to be financially independent. That proves to be successful for a certain period of time but then it goes out the door; then we have to draw them back again.

Mr Lenten—The trouble with budgeting is that when you put someone on a budget you have got to feed them for about a month first, because there is such an amount of their money that would go that they have nothing to live on in those first few weeks. The way I work, and the way I hope my people work, is that I will feed them every week for as long as it takes. If these people relying on Centrelink have a birthday party or a huge utility bill, they are gone—they have got nothing to live on. I know what I spend on groceries, and there are only two of us at home now, and those poor people cannot spend that money. If an appliance breaks down or something, we usually feed them. We say, ‘You go and get it fixed and we will feed you for the next six or seven weeks.’ We do put limitations on some if we that there are the needy and the greedy, but if there are kids we do not question very much. We are very concerned about the kids.

CHAIR—Do you supply baby formula?

Mr Lenten—Yes.

Mr Knez—The Christmas period is a wonderful time for the support of the community and all the big businesses, such as McCains, Mars, Myer and, as Brian said, Telstra. It is great all year round—I work for Telstra!

Mr Lenten—I did not know that when I gave it a rap.

Mr Knez—It is a wonderful time of the year—not only with the food and the presents, but also because a lot of the community clubs supply toys. If they do not make them they purchase them. The local newspaper, the *Courier*, runs a program. With the food, toys, presents and hampers we have almost got it covered. So Christmas is one of the prized times of the year, when not only St Vinnies but, I am sure, all charities get support.

CHAIR—I do not know if you were here earlier when I was saying that Senator Moore and I were in Newcastle and the Raymond Terrace conference gave evidence to us. Raymond Terrace is the next big town out of Sydney off the expressway. The Raymond Terrace conference was probably a sleepy little conference that used to do what it did, and all of a sudden now it has, say, a woman and two children in a car who have just escaped some domestic violence situation. Is that what you have here, because you are basically the first town out of Melbourne?

Mr Knez—Yes.

CHAIR—Is that a thing that you have noticed changing in the last few years?

Mr Knez—It probably has not increased, but it is certainly there. We are still getting a number of people—not only women but men—in difficulty.

Mr Lenten—There are about three agencies in Bendigo to look after the women. Sadly, I put two in motels at the weekend recently, and I said to one of them, ‘It’s only you and the kids,’ and within an hour the bloke was back. That is disappointing. In our area we had a tornado recently, which did a fair bit of damage. In one of our areas a little boy raced down to the backyard and saw a trampoline the next morning and raced in to his sister and said, ‘Look, mum’s bought us a tramp.’ But it came from six houses down the road!

Senator MOORE—I hope he got to keep it.

Mr Lenten—No, he did not.

Senator MOORE—One of the earlier witnesses gave evidence that in the last couple of months she has been seeing very large utility bills, larger than she had seen in the past. Is that something that your organisation has seen?

Mr Lenten—The problem is that in most of the homes these people can afford to rent—whether from the ministry or privately—the heater is in the lounge, and they are freezing in those homes, so all the beds get moved out into the lounge and the heater is on for probably 24 hours a day.

CHAIR—The only other place where we have heard mention of the utilities is Tasmania.

Mr Lenten—Yes; it is cold there.

CHAIR—It has not been mentioned in any of our other hearings.

Mr Lenten—I worked in an estate, and with my group the heater is on all the time. I know that you can say it is bad management, but if a birthday comes up or the car breaks down they are gone.

Senator MOORE—Or the washing machine or any of the major appliances—

Mr Lenten—Yes; they are in trouble.

CHAIR—Do you have any evidence or any anecdotal evidence that when people just cannot make ends meet they turn to crime or prostitution?

Mr Knez—Or hock stuff—all the time.

CHAIR—Or steal stuff?

Mr Lenten—It is bad at those places where you can take stuff and get money. I have forgotten the interest rates, but we had one young couple whose computers were in a back room and they were paying something like 180 bucks a week for the interest on about \$3,000. It was something incredible. The sign was up out the back. I cannot remember what the interest rate was, but it was incredibly high. It is immoral.

Mr Knez—We quite often see our clients' names in the local newspaper for misdemeanours, which is disappointing.

CHAIR—Is that because they have given up and that is the best way they can make money?

Mr Lenten—It is a cycle. For example, they do not renew their motor vehicle registration—it is 500 bucks—or they have an unroadworthy car, and then they are in more trouble. That is how the cycle goes. That is why I would love to see some scheme where they could eventually own their home, or something like that, or where child endowment—whatever it is called now—gets paid upfront.

CHAIR—I think the British government is doing things along those lines.

Senator MOORE—They are doing lots of stuff with early intervention.

Mr Lenten—Yes, that is good.

Senator MOORE—Is it getting any harder to get volunteers in your chapters?

Mr Knez—It is cyclical. Going back about 10 years, we had four members. We are now up to about 14. We have two new ones coming tonight. It ebbs and flows.

Mr Lenten—I have been saying for a long time that it is the bald heads and the blue rinse set. That works and it is all right because they are retired and they have got the time. We do not get a lot of young people and I understand that—with their studies and their families.

Senator MOORE—Do the schools still have their chapters?

Mr Lenten—Yes, they are good. But they are limited—you lose them when they head off to uni or somewhere. At least they might pick up another conference when they go university or they move out of town.

Mr Knez—The Aquinas campus of the Australian Catholic University have their conference there. They do a fantastic job with the youth of the town.

Senator MOORE—We have spoken with people from your organisation everywhere we have gone and it is very valuable.

Mr Lenten—You might be able to help us write the new manual then.

Senator MOORE—We could help!

CHAIR—I see that you have got Mr Dufty down there keeping an eye on you.

Mr Lenten—He is a good lad!

[1.36 p.m.]

WARREN, Mr Ken (Private Capacity)

CHAIR—Welcome. Would you like to make an opening statement?

Mr Warren—I am a CPA in public practice here in Ballarat, and an issue has come up with my clients that I thought was a bit of an anomaly and should be known. Basically, it relates to a situation of a father with children. It is a bit complex in relation to whether or not the children are dependants and whether they are recipients of Centrelink payments. If I can outline the facts I am talking about, you will perhaps understand the complexity of what I am trying to say.

In the first instance, there are two families. The father of one decides to move in with a new partner. She has dependent children and he has dependent children. Both parents have boys over the age of 18 when the decision to move in was made. Both boys were working—one in particular was in a good job and earning good money—when the decision to shift in was made. About two weeks before the shift took place, the boy that was earning the good money lost his job and subsequently applied to Centrelink for benefits. The stepfather's income was then believed to be taken into account, even though the boy was over the age of 18.

The new stepfather was in business with arms-length partners. Centrelink required all of the financial statements and so on from the various family companies, other companies, interlocking trusts and so on in an endeavour to find out whether this boy was entitled to claim a benefit, and basically they said no. One of the reasons for that was a business partner, who was not involved at all, did not want his financial affairs to go to Centrelink because of the stepson of his business partner, who he really did not know.

In the meantime, the father's son also lost his job and, because neither of the boys had been out in the work force long enough and they had not earned enough, they now both became dependent on the one father. There was no obligation on the non-custodial parents to support the children, because they were over the age of 18. It has left both boys in a situation where, effectively, they have to fight for money. To the best of my knowledge, they are both earning cash from wherever they can, as they have no support from anywhere. They are unable to get it.

There is a real problem with the definition of those boys as dependants when in fact the stepfather did not go into that relationship knowing that that was going to happen. That was not part of the arrangement in the first place. I see it as a terrible problem for those young people, who have no means of getting anything—other than to battle for a job and/or money as best they can. I know one of the boys has to travel quite a distance. He is actually undertaking some schooling again, and he travels back to near his home, which is outside of public transport. He is delivering pizzas and things like that, and virtually 100 per cent of the money he earns goes on petrol to go back and do the job.

To me, it is a very difficult situation, where everybody seems to be obliged but no-one is obliged to actually help out. There does not seem to be any way around any of the obligations.

Why should a business partner who has nothing to do with the circumstances have his affairs interlinked with Centrelink? I hope I have made that clear. It is very hard of the top of my head.

CHAIR—No, that is clear.

Senator MOORE—Is that the only form of Centrelink payment that the family is claiming?

Mr Warren—The family was claiming what would, in the old days, have been called child endowment. The circumstances were that the mother was on a family benefit.

Senator MOORE—For her family?

Mr Warren—Yes. Then they shifted in together and that benefit stopped. She has other children as well, and they were accepted as being part of the arrangement. They were under the age of 18 and so on. Their father actually does provide maintenance for them under his normal legal obligations. There is no problem there. Family benefit and all that stopped, so she went off the benefit and became a dependent of his, which was part of the arrangement as they understood it as they were moving in together.

Senator MOORE—So for any Centrelink claim at all the business would have to acknowledge their situation. So, if they were claiming family tax benefit or payments for any of the other kids, even before they reached 18, the father's full business—

Mr Warren—Yes, in his circumstances. All of that had been cut off, and it was understood that that was to happen; that was not a problem.

Senator MOORE—So it was the unexpected nature of the young men losing their employment—

Mr Warren—Totally unexpected, yes.

Senator MOORE—and the fact that the legislation now says that if you are 18 to 26 you are still dependent on your parents' income if you are living with them?

Mr Warren—Yes—whether you are dependent or not, because—

Senator MOORE—That is right.

Mr Warren—in a sense you are not the parent.

Senator MOORE—That is right. You are just part of the unit.

Mr Warren—Yes. The anomaly is the fact that, really, neither of the fathers per se in these circumstances would seemingly be responsible, other than for the fact that they shifted in and actually reduced dependence on Centrelink by the very fact of doing it.

Senator MOORE—You should speak to Centrelink.

Mr Warren—On their behalf, I have been down several times and had lots of interviews and so on.

Senator MOORE—It is very hard, I know, but the only way that policy ever changes is to keep on putting those things up.

Mr Warren—The only step, as I understand it, at this point is to go through the appeal process, and it does not feel like that is going to go anywhere. As an accountant in public practice, I am supplying that sort of information to Centrelink all the time for clients in various situations, such as those with small family companies and so on. It never seems to be a problem where the client is supplying the information on their own behalf or where the income and so on is within acceptable limits; if it is way over then it simply does not happen. In the vast majority of cases, it just seems to flow. That is not a problem. But this is an anomaly that pops up, and you say, ‘Where do these young blokes go?’

Senator MOORE—They are just lost.

Mr Warren—Yes. They just disappear. I am not sure how they are surviving. But I know that they are not getting much money from the family unit anyway, because there is not enough there.

CHAIR—Thank you very much.

Subcommittee adjourned at 1.43 p.m.