

PUBLIC

THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON THE COST OF LIVING MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON THURSDAY, 26 APRIL 2012

INQUIRY INTO THE COST OF LIVING

Ms KATH McLEAN, SENIOR ANALYST, TasCOSS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

Ms McLEAN - Tony Reidy sends his apologies.

CHAIR (Ms White) - Thanks, Kath. We are sorry he can't be here, too. Just to remind you that everything that you say in here is recorded by Hansard and is covered by parliamentary privilege, but if you repeat things outside of the committee they will not be covered by privilege. Do you understand all of that?

Ms McLEAN - Yes.

CHAIR - Thank you very much. Thank you for coming today and thank you very much for the submission provided by TasCOSS to the committee, it has been very informative. Did you have an opening statement you would like to make?

Ms McLEAN - Yes, Tony was going to make the opening statement, so bear with me if I read it. TasCOSS is very pleased to be invited to appear before the committee, and to speak to our submission and to take your questions. This is a really central issue to TasCOSS and to our members, that is community service organisations, who see first hand every day the devastating effects of financial hardship on the Tasmanian households they work with.

We believe there are actions that Government can take to provide genuine assistance for those in need and we welcome the work with the committee in that regard and hope you come up with some great ideas.

An increase in cost of living affects all of us, but has particularly serious impact on Tasmanians living on low incomes and that link between high cost of living and low incomes is really significant, and it is important that the committee considers that. As you know, about a third of Tasmanian households rely on Commonwealth support as their primary source of income, and by anyone's standards I think that is a pretty low income. However, among those households there are those that rely on Newstart and Youth Allowance, and Supporting Parent's Benefit, all of which are set at particularly low levels. For instance, a single person on Newstart receives just \$35 a day to live on, while an unemployed sole parent with one school-aged child receives \$394 a week, which I think is about \$56 a day.

These payments are clearly not enough to live on and while we understand it is not within your terms of reference, we do ask that everyone in the Tasmanian Parliament do what they can to encourage the Australian Government to increase those payments as a

PUBLIC

matter of urgency. We know that concessions really help, but they could be better designed, better delivered and better promoted, and they could be more equitable. There are gaps in the concession system that can be filled, and there are people who are eligible but who are not receiving concessions.

The other thing I would like to say is that we were a bit disappointed to see that housing was a missing term of reference for the committee because it has been one of the major contributors to increasing costs of living over the last decade at least, if not longer even. Our submission addresses the terms of reference and we do add a few things at the end as well.

CHAIR - Thank you very much, Kath. The first terms of reference is looking at the concession system and you, of course, touched on that and identified that there are some gaps that you think we could be addressing. Would you like to go a little bit further into that?

Ms McLEAN - We think the concession system can be better and I think particularly with electricity and water. They are really the big-ticket items, and water increasingly so. Both of those concessions are offered at the moment at a flat rate so every eligible household gets the same. The single person living in a one-bedroom unit gets the same as a family of six. That we see as not exactly equitable. We do not want to see it go down for the single person, obviously, but we would like to see it better spread more equitably and we think that could probably be done by changing it from a flat rate - that is, a certain amount a year. In the case of water and sewerage, I think it is about \$150 a year now, so changing that to a percentage base so that you would get, say, 30 per cent off your total bill.

CHAIR - The consumption charge or the fixed charge?

Ms McLEAN - Well both.

Mr GROOM - You are talking about a two-part concession.

Ms McLEAN - You could have a two-part concession.

Mr GROOM - Yes, one was just a sort of a flat rate and then one was based on usage.

Ms McLEAN - Yes, or you could bung them all together and have a percentage off the total bill, which is what they do in Victoria.

Mr STURGES - Is there a cap on that?

Ms McLEAN - Yes, there would need to be a cap I would think.

Mr STURGES - Is there in Victoria, are you aware?

Ms McLEAN - Yes, I believe there is a cap on the electricity concession. I am not quite sure what it is.

Mr STURGES - No, that is fine. I was interested to hear the concept.

PUBLIC

Ms McLEAN - You would have to have a cap otherwise it is a blank cheque and I do not think Treasury would like that.

Mr GROOM - It is a sort of incentive to inefficiency really.

Ms McLEAN - Exactly, and you do need to give messages about usage.

Mr STURGES - Dare I suggest it is hard to budget if you have not got some framework.

Ms McLEAN - Well I think Treasury would want that too. I think we all would actually. I do not know what level. We have not done any modelling or anything but I think Tim you were suggesting at one point the two-part concession as well.

Mr MORRIS - Yes, it was progressive, depending on the number of people per household.

Ms McLEAN - Yes, that is kind of difficult because households are shifting. Kids move in, and move out. They come home, are moving out, that kind of thing. It's very hard to keep track of but if you had a sort of percentage so that people who used more actually got a higher concession it would probably be better. Rates are done that way. Rebates on rates are provided; I think it is a 30 per cent concession.

Mr MORRIS - Yes, up to a cap.

Ms McLEAN - Yes, up to a cap, that is right, and water and sewerage of course used to be in that. When it was taken out the concession was made flat. We see that as a problem. That could be improved and I think for electricity a similar kind of concession could be offered there as well based on percentage of the bill so that people who needed to use more got a higher concession.

Mr MORRIS - Kath, is there any way of doing this without increasing the complexity and therefore the cost of implementation of these systems?

Ms McLEAN - I am not sure that a percentage would be terribly complex. It would need to be factored into the suppliers or the retailers systems, which should not be too difficult. A flat rate I think is easier to administer but I think a percentage rate would not be too difficult. A two-part concession might add a note of complexity there.

Mr STURGES - I think from a very simplistic point of view, the trick would be establishing appropriate criteria within that model. I have been thinking through how it might work.

Ms McLEAN - A two-part is relatively simple. As Matthew said, you have a flat concession for the fixed charges and a percentage-based concession. That might work as well, but it is a little bit more complex than a straight percentage.

Mr STURGES - Sorry, I was still focusing on the two-part.

Ms PETRUSMA - But the percentage should be relatively easy. I'm one of those people who gets \$5 off my bill every quarter just because it's taken out of my bank account, so if

PUBLIC

they can work that out surely they can work out that this person gets a percentage if they know they're on a concession.

Ms McLEAN - Yes, that's right. It would be the same percentage for every concession holder, but the bills would be bigger or smaller so the concession would be greater or smaller.

CHAIR - You've talked about the lifeline blocks as well.

Ms McLEAN - That is sort of a concession. That was something that Anglicare and TasCOSS did a paper on in 2010, I think. It is the tariff system. In both water and electricity you've had a fairly small block of usage that everyone got it at a very low cost. It's been called a 'lifeline tariff' - in other words, because we are talking about essential services, we're not talking about things we can decide whether or not we want to use, they're things we all use every day. That would be a universal low block and everyone would get it. Then, as you use more, you would have the costs loaded on to the higher block. It would be an inclining block tariff, but with a very low-cost, small part. That would really give a signal to try to use a lot less. The danger there would be that people might self-ration, which I think is a very big issue. That came up quite strongly in Anglicare's recent cost-of-living research and that's something I think we're going to need to think about a lot in the future, the self-rationing and how we address that.

The lifeline tariff is just that, you get a certain amount of electricity or water to use, if you choose to use or need to use more than that you then pay a little bit more and a little bit more as you go up. One of the problems there is large, low-income households that need to use more and I think that can be addressed through a concession system. This wouldn't replace concessions, but you would need a concession that kicked in at a certain point.

CHAIR - Have you had conversations with Aurora about this?

Ms McLEAN - Yes, we have a bit. They did some modelling based on some assumptions that could have been different, I think, but the modelling they did demonstrated that some low-income people would be paying more. We think it could be tinkered with to be fair. The fact that we're talking here about essential services is an important factor because it's not discretionary, generally speaking.

CHAIR - One of the other terms of reference we have is energy retail contestability. In your submission you advised against moving to contestability. Could you explain why?

Ms McLEAN - We remain sceptical about its potential value to particularly low-income householders. I have been involved in energy policy for quite a few years. I am a member of a national consumers' roundtable on energy, which is consumer advocates. Many of the other members come from States such as Victoria, New South Wales, Queensland, South Australia, where contestability is in place. Prices are about the same and they have found, generally, that it's higher-income households that benefit from contestability, what they call the 'second tier' retailers - in other words, not the Auroras, the incumbents, but the ones who come in - come in and cherry-pick the good customers, in their view - that is, the customers who use a lot and who are very sensitive to price and they can cut some deals with them. They tend not to bother with low-income,

PUBLIC

concession customers in general, so the people who get the price benefit may be the big users who have enough money to pay in certain ways - direct debit, for instance. A lot of low-income people don't touch direct debit because you are charged penalties if your bank account isn't up to it. That direct debit benefit that we get now is really only a benefit to people on a higher income or who know they can maintain a certain balance in their bank account and aren't constantly looking at it to make sure that the direct debits are covered.

CHAIR - Are you saying that if we had more retailers they would approach customers who have the capacity to pay?

Ms McLEAN - Yes. For instance, here in Tasmania it would be Aurora left to deal with people who had less capacity to pay and therefore you would assume their costs would increase because their market share is less. Would that be a risk?

Ms McLEAN - I would think so, and there are other costs of contestability, too, that don't usually get talked about. One of them I think that was talked about was the cost of the systems from the distribution from Aurora distribution to deal with a number of different retailers, which they are starting to do at some of the higher tranche users, but that would have to be expanded. But there are other costs of things like marketing. We would see a lot more marketing and we would see a lot more sales. There are certain costs associated with attracting and retaining customers and there would also be a lot of unwelcome marketing, a big problem in Victoria. Door-to-door marketing is how energy is usually sold and cold calling on the telephone.

Mr GROOM - We have seen in the last session legislation go through the Parliament on a national retail reform but were you consulted by the Government in relation to that?

Ms McLEAN - We were.

Mr GROOM - What is your feeling about that suite of reform? Is it a step in the right direction? Does it address some of the concerns that you are talking about?

Ms McLEAN - It does. There were some very good protections there around marketing but there are still some issues with people with low electricity levels, low numeracy levels who are faced with a door-to-door marketer. There are some protections, there are cooling-off periods and the like but the national energy customer framework is good. We were consulted very carefully by the MCE Standing Committee of Officials and TasCOSS put in a number of submissions around the matter. We didn't want to lose any protections that we already had and I was pretty satisfied, apart from the fact that Tasmania hasn't taken it up in relation to gas, so that is a bit of gap because gas customers don't enjoy the same protections now as electricity customers will on 1 July.

We were reasonably happy with it. There were some things that the Government kept that we were pleased with and that is, for instance, with prepayment meters the ability for customers to revert to the standard meter within 28 days of the price rise so we were quite pleased with that. That wasn't in the NECF - the National Energy Customer Framework - but the Tasmanian Government did choose to maintain that. In general, I think it is a pretty robust consumer protection mechanism and we were fairly happy with it.

PUBLIC

Mr GROOM - I am very aware of your view in relation to the contestability point and you would be very aware that the Tasmanian Liberals have a different view in relation to it but I would be keen to explore it on a couple of fronts. Firstly, you have already identified the benefit that can exist if you have a little bit more structure in tariffs. You have just spoken about the lifeline block. Isn't this an example of some of the flexibility that a contestable market delivers? We don't have that in Tasmania and yet in some of the contestable markets they do have those types of structures. One of the criticisms of the Tasmanian tariff structure is that it has a very high fixed component which doesn't incentivise efficiency.

Ms McLEAN - And it doesn't allow people to save money.

Mr GROOM - It doesn't allow people to save money and yet in the contestable markets, because they are developing different products, in fact they do have products that are very much like that where they have a very high percentage usage component and in fact in some instances a zero fixed daily rate. I understand your concerns about it and this is the conversation we have to have, obviously.

Ms McLEAN - Yes.

Mr GROOM - Is there any recognition that in fact in some of the contestable markets there is just more variation, more thought in terms of the tariff structures that might be on offer?

Ms McLEAN - Yes, I do grant that and I think that could benefit low-income households but it has tended not to in Australian jurisdictions where there is contestability. But those innovative tariffs are not reliant on competition either.

Mr GROOM - No, but they have tended to emerge in those markets and Tasmania is a great example, I would have thought.

Ms McLEAN - Yes, but one of the issues is the complexity of it and I think we all know about mobile phones. I bet none of us know what we pay for our mobile phone. -

Mr STURGES - I do, not much. I refuse to use it; timed local calls by stealth. I am the old secretary of the communication worker's union.

Ms McLEAN - It certainly is timed local calls, absolutely.

Mr STURGES - They did get their way, didn't they, in the end?

Ms McLEAN - That is right. It is complex. A lot of people could look at a range of tariff options and say, oh yes, that one does not have a fixed charge and that one does and that is a higher rate. It is incredibly complex once you get to that. Even now where we have pre-payment meters, we have the Aurora pay-as-you-go and we have the standard tariffs, it's very difficult to compare those two. Just talk to the regulator's office that does a comparison annually, I think. They have a terrible time doing it. It is just really hard and also it depends on everybody's individual usage. They have developed a typical customer as opposed to an average, which is quite good I think, but a number of different

PUBLIC

typical customers in different, high usage situations and so on. It would make it much more difficult for people to choose what would be the best for them.

I think in all the research that I have seen about contestability, none of it has really nailed a conclusion that low-income customers are better off. If I see that I would be happy.

Mr GROOM - I wanted to explore that as well because we are obviously talking here about the concept of concessions and, in fact, ways that we might be able to improve the Tasmanian concessions system to ensure that there is not inappropriate provision for low-income consumers in regard to the costs of power and water. I want to explore this concept. In my mind, you have policy that is about ensuring that the provision of energy services is as efficient as possible and then you have the concept of concessions to people who have particular needs. Would you agree that, in fact, they are separate questions, that in fact concessions should be transparent and we should identify what they are and they should be separated out from efficient delivery of energy services?

Ms McLEAN - Yes, they could be. One of the issues is that the efficient delivery of energy services may include lifeline tariffs. Efficiency is not the only goal of energy supply. It is in the long-term interests of consumers and that is all consumers, including low-income consumers. The fact that it is essential makes it different. I think, yes, generally, concessions can be done outside that efficiency framework, but they do need to be transparent and I think the Electricity Supply Industry Expert Panel illustrated where that is not the case at the moment with the pay-as-you-go concession.

Mr GROOM - In fact, also in relation to the main tariffs, the expert panel made the point that households and small businesses are effectively subsidising the total cost of the delivery of energy services in Tasmania by paying more than they should.

Ms McLEAN - Yes, that is right.

Mr GROOM - So the transparency point, I think is a very important point.

Mr MORRIS - Kath, there are a couple of points I would really like to get on the record in relation to concessions. One is around the new arrangements for water and sewerage and this relates to tenants in particular and also the council rates rebate. Tenants who are concessions holders who rent properties cannot access the rebate for water and sewerage because it is passed on from the landlord and likewise with the council rebates they cannot access it because the landlord pays it and factors it into the rent and there is land tax factor in there in rent as well in most cases. Have you any ideas as to how we might provide equity for concession cardholders to access those concessions that if they were owners of the property they would be entitled to, but because they are tenants they are not?

Ms McLEAN - Yes, that's one of the gaps that we talked about in our submission, that there needs to be a new concession. If the Residential Tenancy Act continues to allow landlords to pass through variable costs - that is, consumption cost of water to their tenants - tenants on low income need to receive a concession for that. I don't think there is any doubt about that. There is currently a review of the RTA - the Residential Tenancy Act - and one of the proposals was that landlords not be able to pass through those costs unless they have installed some water-saving devices in the house, like dual

PUBLIC

flush toilets, water-efficient showerheads and the like. I don't know whether that will get through or not, but that seems fair because for tenants in this situation it is a no-win situation. They get rates passed through, they get land tax passed through and they get water and sewerage passed through and the fixed rate as well, which is quite high. They pay a small bit of their consumption, and there may be a leak that they can't fix because that is down to the landlord, there's the water for the garden that increases or maintains the value of the property, there may be a gardener who uses water that the tenant pays for and so on. There are a lot of issues and we've made submissions about that in the past, but definitely I see that as a great inequity and one that really needs to be addressed.

Mr MORRIS - If there were no more magical money to be made available, would it be better to either leave the system as it is, or would it be better to share the existing amount of concession that is available across that class of people as well? What I'm saying is, reduce slightly the amount of concession that is available to people who are eligible to receive it and share that across so that all people of the same class, even though they are renters, can access it?

Ms McLEAN - I'm not sure about that. We'd have to look at the figures on that about how much you would reduce it. We have problems with it as it is, as I mentioned, it being a flat rate.

Mr MORRIS - I understand that.

Ms McLEAN - This is additional. This is a new group of people, is tenants who are receiving new charges that have no relationship -

Mr MORRIS - But the water concession is also a new concession.

Ms McLEAN - It was taken out of the rates concession and put in.

Mr MORRIS - Right. But the rates thing has always been there, it's not new and tenants not accessing that is not new.

Ms McLEAN - That's right.

Mr MORRIS - So if there was more money, yes, it would be easy to add in those, but would it be fairer to leave the existing system and leave tenants out as they currently are, or would it be better to -

Ms McLEAN - We did argue for that in our submissions that we take that clause out of the RTA that allows landlords to pass it through and that landlords pay all of water and sewerage charges.

Mr MORRIS - But it would then be factored into the rent.

Ms McLEAN - It already is and it has been for years.

Mr MORRIS - Yes, sorry, I know that.

PUBLIC

Ms McLEAN - Rents never go down. That's what I mean where tenants are really in a no-win situation in this.

Mr MORRIS - But they can get Commonwealth Rental Assistance.

Ms PETRUSMA - On page 2 of your submission you said that you recommend that the Tasmanian Government investigate options for delivery of concessions that give concession holders greater flexibility in choice in assessing entitlements. Have you any quick suggestions you can give us as to what that may be?

Ms McLEAN - I think we were responding there to the Social Inclusion Commissioner's suggestion for bundling concessions into a card. We've looked at that. We haven't looked at it in detail, but it seems like it could be quite difficult.

Ms PETRUSMA - Anglicare has said that too, so I was just wondering what your thoughts were.

Ms McLEAN - I think there are some principles that concessions shouldn't go down, all concession cardholders should remain eligible for all concessions, but it would be quite difficult. We've talked quite a lot about it and about what do you decide to spend your concession on. Because electricity is really hard for you to pay, do you use it all for that and then you are stuck with the full cost of car registration or your fishing licence?

Ms PETRUSMA - Is your opinion that the cost of putting in place the smart card system could outweigh the benefits of using that money to put into concessions?

Ms McLEAN - It's quite possible. Give it to the tenants for the water.

Ms PETRUSMA - On day fines - I have been intrigued by this, I hadn't heard much about it until I was looking at this - I did a bit of research and overseas it seems to be that if you put a day fine in place - say, speeding is 1 demerit point and an \$80 fine, but the cost to the Government of trying to bring them to court to get their income et cetera ends up being more than the fine was in the first place - do you have any suggestions as to how we could minimise costs?

Ms McLEAN - I think people report their incomes generally annually to the tax department.

Ms PETRUSMA - I suppose if you are someone with a bit of wealth and you have a good accountant you could be earning lots of dollars, but for the Government to try to figure out how much you have earned to get that \$80 back -

Ms McLEAN - That's right, but the tax system has the same problem.

Ms PETRUSMA - So you're saying we should make it based on taxable income?

Ms McLEAN - Yes, I would think so. I'm not sure about the day costs but it could be based on capacity to pay. For us, it's a minor annoyance but for some people a fine is devastating.

PUBLIC

CHAIR - When we were talking about bill smoothing, you mentioned that for people on low incomes direct debit isn't a great option. When we're talking about bill smoothing, what suggestions do you have?

Ms McLEAN - About how people might pay that?

CHAIR - How you might achieve the bill smoothing policy if you're not suggesting that direct debit is a good way to go.

Ms McLEAN - Unless its through Centrepay perhaps, which is Centrelink's direct debit; it's not through bank accounts. I would say we'd try to avoid that. If there was bill smoothing for car registration, for instance, now you can pay half-yearly or yearly. If you could pay quarterly, or even monthly, you would be responsible for making the regular payment however it suited you to pay it. For some people that might be direct debit from a bank account, it might be from Centrepay or they might want to go into Service Tasmania every quarter and put some money down. It could be done in any way; people choose to pay bills in lots of different ways. A lot of people still use the post office.

CHAIR - I guess car registration is unique in that currently you can only pay it six monthly, but energy and water bills can be paid more regularly.

Ms McLEAN - Yes.

CHAIR - Is there an issue here is respect to communication of the ability to pay more regularly?

Ms McLEAN - Yes, definitely. Aurora offers quite a suite of options to pay, and they do offer bill smoothing. A lot of people go into the post office once a fortnight when their pension comes, with an Aurora card or account number, and make a payment off their account. Then, when the quarterly account comes, they are either in credit or debit and then they can make up the difference and adjust it accordingly. I don't think Aurora promotes those other methods. I think the regulator at one point agreed with that and asked Aurora to do more promotion because people were tending to look at pay as you go as the only budgeting option, whereas there were quite a few. Pay as you go is pre-payment, so you pay in advance rather than use credit where it could be quite handy to get you across a lean period.

Mr GROOM - And there are some questions about what benefit the pay-as-you-go system delivers. If you compare it to the basic tariff, in summer months for example, it didn't stack up so well.

Ms McLEAN - That's right, but it is quite complex to work it out against your own usage.

CHAIR - Thank you very much for your time today, Kath. We may call you back at some stage because it has been very interesting talking with you.

THE WITNESS WITHDREW.

PUBLIC

Mr SIMON PAUL, PRESIDENT, TACH, AND **Mr JOHN HOOPER**, EXECUTIVE OFFICER, TASMANIAN ASSOCIATION OF COMMUNITY HOUSES (TACH), WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you very much for your written submission. Did you have a statement you would like to make before we begin?

Mr HOOPER - I could make one. You do have our submission and I guess as the Neighbourhood Houses are focused primarily on those isolated and socially disadvantaged communities, our focus with this in our presentation to you is that any measures the Government can take that particularly target those who are most disadvantaged and most vulnerable to cost of living pressures is really important, so we commend you for this investigation. Even though the putting together of our submission was a bit rough, since then we have done further consultations with our members around the State we have heard those communities saying where it hurts and essentially their ideas about what the solutions can be. We will put forward our ideas but whether the State has control of some of those ideas is where your expertise comes in. The difficulty in this conversation is that we are talking really about government business enterprises and so we would be saying you should potentially pressure them to behave in different ways. We are not certain of the legality of all those mechanisms and how that works, but that is what we hope you can do.

Mr STURGES - Can I say, Madam Chair, you come to the table today to tell us what you think. We will work through what administrative or regulatory processes there might be that we need to deal with, so please feel free to tell us what you think.

Mr PAUL - I guess that I would overlay that with what John said also, that across the State we are constantly hearing of the increasing pressures in every one of those 34 communities in which we work. Everyone's work is increasingly taken up with this stuff.

Ms PETRUSMA - Simon, have you got any stats of what the increase in your services has been - like the increasing numbers accessing your services.

Mr PAUL - We have not collected them on a statewide basis. We are working through a process of creating a standardised documentation.

Mr HOOPER - People come to Neighbourhood Houses because they are open places and where we do not necessarily have to go through a lot of form filling, so we are trying to balance that out now. Anecdotally, what has been said from Rosebery to Clarendon Vale where Simon works or to the north, sort of Launceston, is that Neighborhood Houses are almost being forced into the emergency relief space. Even though we are trying to do that community building and engage people in purpose and hope, there are still people coming and saying we have tapped out Salvos and we are desperate so can you help us.

Ms PETRUSMA - Is it mainly for food or for meals?

Mr HOOPER - It is food. NILS loans are going through the roof. Part of that is probably that NILS has expanded as well. I am Chair of the NILS board as well and over 20 per cent of the NILS loans, even though we have only be doing it for probably just over nine

PUBLIC

months, is now car regos and we did not do them 12 months ago. It is one of the key points I guess we have made in there. What we can do to smooth that is really important.

Mr MORRIS - Yes, I see that.

Mr HOOPER - Even though Aurora do bill smoothing, I think that Centrepay is actually a very different option for people. If you are in a crisis situation as a family and in a domestic violence situation, under Centrepay the money is out of your pension, as it were, before it goes in. If there is trouble in the family it means that at least the electricity and those sort of things are paid, so that the more government business enterprises offer Centrepay I think the safer people will be.

CHAIR - You said that you have been collecting anecdotal stories and ideas. Did you want to share some of those if you have suggestions from your members about how we address some of these issues?

Mr HOOPER - PAYG was something that a lot of the houses talked about as it needs to be cheaper. I think Mathew made the point that it is complicated but it appears to be on balance actually more expensive. It is a really good mechanism for people to manage their bills because you are just doing it as needed, you are doing it fortnightly. So while it may involve Aurora making a slight loss in that area, given that is a mechanism that has actually been targeted at disadvantaged people, for it to cost more seems to be a bit ludicrous, to tell you the truth.

Mr PAUL - The evidence on the ground is that people are just going without power. They are buying their power on a fortnightly basis and then they are running out for up to three or four days. Then they are often coming to people like us and saying, 'Can you loan us \$20 or help us top up?'.

Mr STURGES - In relation to pay-as-you-go, it is not so much in relation to the tariff - and hear what you are saying and I have heard that from a number of my constituents - but from your perspective and the work that you do in the community, are you hearing at all that there is an issue with actually getting to a facility to top up your pay-as-you-go card? I have had a number of constituent who don't have cars so therefore they don't have the issue of worrying about registration but they may have a young family, they may be elderly, and they are having trouble in the suburbs getting to a local shop or a newsagent or whatever to top up their card. I am meeting a fair degree of resistance from Aurora, I have to tell you.

Mr PAUL - About ways to make it -

Mr STURGES - More accessible.

Mr PAUL - Certainly that was an issue in the Clarence Plains community with Clarendon Vale and Rokeby. It is not so much an issue now and it has been quite successful. I not sure what the mechanism was with that change but I have certainly heard that before.

Mr HOOPER - It is the IGA Clarendon Vale now, so it probably depends on Aurora making the effort to make the access points closer to communities.

PUBLIC

Ms PETRUSMA - So they can go the IGA now in Clarendon Vale?

Mr PAUL - It is on the main road.

Ms PETRUSMA - Rokeby itself, okay.

Mr PAUL - Part of that pay-as-you-go and everything is just the complexity of understanding any system, be it taking out a loan from Cash Converters, trying to understand pay-as-you-go and what is my best option. There is no ready reckoner, there is no calculator. People come in and someone says, 'I have a medical loan. I have housing debts. I have all these various debts', but there is no simple system for which people can actually one-stop shop. They need a clear sense of what is the best concession for me, what is appropriate in my circumstances, where do I actually go to and weigh up how I can reduce my living costs? It is a complex process for all of us.

Mr HOOPER - We are talking about communities where people often haven't been exposed to lots of choices or choice-making because of their circumstances and intergenerational poverty. We try change for people but you can't make choices unless you know what they are and that is where financial counselling comes in once you have got yourself into a muddle. The trouble is that that sort of education on how to manage your debts doesn't come in until you have got into strife. That is why we think any expenditure into financial counselling increasing is pretty important. The west coast talk about the six-week wait for financial counselling and usually you are in a situation where you can't wait six weeks.

CHAIR - John, have many of your members accessed the Anglicare services available over the phone now? They receive Federal funding to provide financial counselling over the phone to combat that very difficulty.

Mr HOOPER - I haven't heard it talked about. In the north-west and the north, in particular, access to the counselling still wasn't what they wanted or liked. I think also that phone counselling is probably good if you have more skills and more confidence. Face-to-face sometimes people sometimes are that vulnerable. It is important to invest in, but it would probably work if there is already a relationship between Anglicare and that person, so the more they are out and about and in their communities the better access people will have to it.

CHAIR - So that is one issue, then, providing greater access to financial counselling.

Ms PETRUSMA - I see transport in your submission. What exactly are the issues you are hearing from people?

Mr HOOPER - Each house fills out an annual issues survey as part of its reporting to the department and transport is in the top three in every community.

Ms PETRUSMA - So in all 34 houses?

Mr HOOPER - Yes, whether it is Rosebery or St Helens. Very different issues, whether it is the regional bus services on the north-west coast or whether it is just in Clarendon Vale, the actual access to buses to and from and going where you need to go. That,

PUBLIC

particularly in terms of people's capacity for jobs and employment, is a critical issue. It is one of those social needs that everyone has and that given some of the transport is GBE-driven -

Mr STURGES - It is an essential if you are going to connect with the community.

In relation to the effectiveness of the current concession system, I note that in your submission you are saying we hear strongly and loudly daily from your NILS loan applicants that the current concession system is not sufficient. You are only our second lot of witnesses today, but we have spent a lot of time in our deliberations and in the submissions looking at people who are in receipt of welfare payments. From a community house perspective, have you seen an increase in demand from - and I do not like this terminology and I hope we can find a better terminology - the working poor, from people who are in employment but not on a high level of income, with a young family and all the commitments that go with it.

Mr HOOPER - The quick answer is yes.

Mr STURGES - I ask that question on the basis of eligibility to current concessions. It appears to me, from looking at the eligibility, that if you are not in receipt of a welfare payment or DVA or something like that, then you are not eligible for concessions. What demand or requests for assistance are you getting from those people who are in employment but low-paid employment?

Mr HOOPER - It is ironic but I was talking to one of our paid coordinators the other day who is in that circumstance because of her family circumstances. Some of the concessions are based on the healthcare card. We talked about this before we came in this morning. I do not quite understand how that works but I do know that in some communities the working poor you would think would have access to that healthcare card because that is what NILS uses as its gateway, as it were. At some level it seems to be, pardon the French, a middle-class welfare thing that people you would not think needed access to it in fact do have a healthcare card and people you think logically would have access to that, do not. I do not have mechanism for fixing it but that is definitely what we see.

Mr MORRIS - If you get someone you think might reasonably be eligible for a healthcare card, do you check their eligibility and go through with them? They may not have it because they have not applied for it, for example.

Mr HOOPER - Absolutely and I think that would be the case.

Mr PAUL - But it is often about crisis need and people's capacity when they earn \$38 000 and the threshold is \$36 500. They have a crisis but they are paying \$25 for their medicine as opposed to \$3, and \$5 for the buses as opposed to \$1.80. That is where it really becomes quite difficult for people.

Mr MORRIS - You are either in it and you get a reasonable amount of concession or you are just out of it and you get nothing or not very much.

Mr HOOPER - And you are not really that much more advantaged financially.

PUBLIC

Mr PAUL - There are a lot of disincentives to work, particularly from a Federal basis and the way that working credits work. People who work 10 hours often find it is not worth staying in the system when you add on child care and transport costs for your kids and all of those pressures, so you do not have a system that encourages people to do part-time work, we believe, when you are in those lower brackets.

Mr MORRIS - Does the concession system itself work as a disincentive for people to work?

Mr PAUL - I think it's significant enough to really impact.

Mr HOOPER - To actually make that choice? I haven't heard people saying that. Sometimes you do see parents in situations where it will cost them more to up their hours or continue to work, which is a tragedy, but we don't want anyone to take away that safety net for people.

Mr MORRIS - No.

Mr HOOPER - I don't know whether the change in the tax-free threshold that's coming in will make a difference. That's a big significant change that I think will make a difference, I would hope.

Mr MORRIS - We would hope so.

Ms PETRUSMA - Do you know the reasons people on Newstart Allowance are not always entitled to State Government concessions? Is that just a historical thing?

Mr HOOPER - I think so. Yes, it is also that Newstart is, as you know, a lot less. I think that is tending to beat up on the whole language around dole bludgers. It is not politically palatable to put them on a similar concession. As you know, the COSSes are campaigning quite loudly that Newstart really needs to be looked at.

Ms PETRUSMA - Do you know which ones they do get?

Mr HOOPER - I can't speak specifically.

Ms PETRUSMA - Which ones are you suggesting that they should have? If they were given three, which would you say would be the three that they needed to get?

Mr HOOPER - You would have to say power, but I'm sure that power is one because the health care concession does give you the subsidy. Just jumping back to what Tim said before, I think there are definitely people who don't get access to the concessions because they don't tick the right box and I think that's an issue. That is what financial counsellors find a bit. We would say transport is a big issue for people, and who knows what water is going to do for people. The big costs people are talking to use about are power, transport and food, but unfortunately there's no concession around food.

Mr PAUL - Certainly local government costs as well, rates.

PUBLIC

Mr HOOPER - If you're an aged pensioner in your own home, those sorts of concessions. In fact we had local government approach us before the water boards happened. One of the councils was trying to work out a way to offer concessions and they were coming to us for suggestions, which scared me a bit, but I thought at least they're asking the question, and should it be the health care card. I was a bit surprised they weren't already having those things in place. The water boards now do have a concession rate.

Mr MORRIS - The State Government pays for a concession, but that's not locked in as long term at this stage.

Mr HOOPER - Okay.

Mr MORRIS - It's almost a year-to-year thing at the moment.

Mr HOOPER - That's why we supported pretty strongly TasCOSS's idea of the lifeline tariffs for power and water.

CHAIR - They're essential services.

Mr HOOPER - That's right, yes, and transport. It would be interesting to see what free access to transport for people on concessions would cost but it could have a massive effect.

CHAIR - John, on page 5 of your submission you talk about Aurora being much harsher than they used to be. There's a direct quote there from one of your members talking about the collection of debts. Do you want to explain the anecdotes you heard and flesh that out a bit more?

Mr HOOPER - Aurora seemed to have a better process of just negotiating with people around, 'You have a debt, we won't disconnect you, you'll do the fortnightly payments,' and to continue to renegotiate that. The anecdotal evidence we are hearing is that they are drawing a line in the sand a lot quicker now and the big thing with Aurora is if you're not on Pay As You Go and you're cut off it costs you so much to get back on. You have to clear the debt before you can. We're also hearing they're passing on those debts to debt collectors. We understand that Aurora need to break even, or maybe they don't, but that's another story, but a government business enterprise putting people to the wall over their electricity debt, which is an essential, seems a bit abhorrent and so everything they can be asked to do to manage those debts for people is pretty important. It's that reconnection that costs people so much. I used to be a hospital social worker and it stopped people getting out of hospital, which is a huge concern because they had a debt, they'd been in hospital for a long period of time and so to get them into new accommodation that suited them so they could get out of an acute hospital bed was blocked because we couldn't get the power on. While Aurora might say, 'But this really affects our bottom line,' the knock-on effect in, say, the acute health system, is something that costs us all a lot more. Again, I don't know how you deal with Aurora around that.

Ms PETRUSMA - John, on page 6 you talk about the requirement to have 100 hours of driving experience has increased the number of unlicensed drivers on the road. Can you give us some stories about that?

PUBLIC

Mr HOOPER - With NILS the rego loan is skyrocketing. I think people's inability to pay for their registration upfront is leading people to not registering their cars. The 100-hours thing - I think I've listed the 10 Neighbourhood Houses, like Clarendon Vale, have driving mentors. It's probably a great community-building thing. It gets older people mentoring younger people in driving, but I wonder whether 50 to 100, which makes it harder for people to get their licence, whether it makes a huge difference in terms of road safety or is it make a nice move, to put it bluntly, to be seen to be doing that? The idea for people having to have the hours is a sensible thing but making it that much harder when we know that, particularly in regional areas and decentralised Tasmania, access to a car and transport for work from the north-west coast et cetera is so vital that putting another hurdle in front of people is quite difficult. Unfortunately, the number of people driving unlicensed and unregistered is terrifying.

Mr PAUL - And all the support programs around this issue always struggle. There are constant issues - and I'm sure you guys receive letters asking for donations to keep these organisations afloat to fill these gaps. One of the big problems from our side of the fence is that we'll set these things up - the grant system and the system by which things are supported in the not-for-profit sector is such a competitive basis and it is not based necessarily on need so much but who can write the best submission and who can smooth it through. There are some struggling driver-mentoring programs around.

Ms PETRUSMA - And the costs of having to go for the different licence forms in each State, have you had any feedback on that?

Mr HOOPER - If they fail the test, people don't do it again. It is quite hard these days. We all probably got our licences when it was quite easy. There is quite a high standard these days and \$80 for the test is a fair chunk of a weekly income. I think we need to contextualise how much we are asking people to spend of their weekly income in these things. If you fail, there's no recompense, you've lost your cash until you can save up again for the next test. Sometimes your licence might lapse and you're back on the treadmill again of having to build up the hours. I think that goes for a lot of different things, from the monetary penalties that are put on. Regardless of your income you're paying that same amount. Some people are fined the equivalent of 50 per cent of their weekly wage when they receive a speeding fine or a parking ticket.

Mr PAUL - People on our incomes don't like it but that's the choice you have to make between whether you pay a bill or not.

Mr STURGES - Or if you continue to eat.

Mr HOOPER - Yes, that's right.

Mr MORRIS - The concept of day fines is one that improves the fairness significantly.

Mr PAUL - And creates less divisions as well. People don't think, 'They're picking on us'.

Mr HOOPER - The police do sit outside Clarendon Vale and Pass Road. There are good reasons for that but it just means that that has a bigger cost to the community. That was something we talked about in terms of whole-of-government policy, for you potentially to put forward the idea of graduation or means testing around a lot of these things. If you

PUBLIC

do the wrong thing, you pay a fine, but when you look at the proportion of impact on families it's not a just thing at the moment.

Mr MORRIS - Do you have any ideas of what the mechanism should be that sets the rates for calculating that? Should it be last year's income? The one figure you have, that everyone has, is last year's income tax.

Mr HOOPER - We've had this discussion and we know it's not easy, but that seems to be a logical thing. Yes, people's income might go up -

CHAIR - Or they lose their job.

Mr HOOPER - Yes, that's the difficulty, if people lose their jobs. We think it needs to happen, but we don't have the exact solution for you. We believe that means testing around some of those key things is very important.

CHAIR - Mike, did you have any other stories you wanted to share with us or ideas from your community before we finish today?

Mr HOOPER - We talked about car registration and investigations around Centrepay. So Centrepay across the GBEs is really an option; direct debit is not the same thing.

Mr PAUL - But certainly houses talk about capacity building and that is about actually supporting people and their families to achieve what they want to do, so things like your community gardens or your pathway training programs that enable people to get used to what work is about. Most people out there do want to work but the barriers and their perceptual view on how they are going to get there are a huge problem.

Mr HOOPER - When we talked about the TOTE money at the cost of living roundtable all the Neighbourhood Houses wanted to talk about was don't just invest in ER, you need to focus on education that lifts people up and then using those community-building mechanisms let people learn to grow and cook fresh food. Even with low literacy, all those things that change people's options are really important and education only works when people have purpose and hope. As you said, you can put options in front of people but I guess if they have got a meaning to engage they are going to do something with that.

We are really concerned about Cash Converters, pay-day lenders and the impacts they are having. We know that is Commonwealth and State but that is just dangerous. You would be hearing the horror stories.

Mr GROOM - You are starting to see more of it advertised on TV. I guess it probably is a cyclical thing.

Mr HOOPER - That is right. There is a big need out there so they are targeting that need.

Mr PAUL - It is the rent to buy stuff that I see most often. The \$2 000 fridge that you can pay \$800 cash for. It is the dollar at the end of your rental period.

PUBLIC

Mr HOOPER - Store credit, all those rental hires and then the pay-day lenders themselves - just abhorrent interest rates. It is just appalling. I know the Federal Government has looked at some caps on that at the moment but I do not know what the State think can do to impact on that.

Mr MORRIS - The expansion of NILS, including promotion.

Mr HOOPER - Yes, absolutely. That is one of our concerns: what happens to NILS once the current funding agreements run out in June next year.

Mr MORRIS - I wish we had more time to discuss that.

CHAIR - We might be able to bring you back, John.

Mr MORRIS - It probably would be useful. There's the car rego system as well. Maybe NILS can get involved there.

Mr HOOPER - Yes, at the moment we are doing the NILS and the car rego. I guess our thinking is that is happening because we do Centrepay so people are using us. So why is an NGO doing what DIER should be doing?

Mr MORRIS - Why should you be in the middle? Let's have a further discussion.

CHAIR - Yes.

Mr STURGES - That is the issue. If the department had a more flexible system for the payment of rego then NILS would not have to engage in that.

Mr HOOPER - That's right. You have asked the question.

CHAIR - Yes, that is right. The issue essentially was the insurance because you are not insured for the entire time if you're behind in your payments. The thing with NILS is that they pay the registration and then you pay back NILS so you are insured. So that is the hurdle we have to overcome but we will bring you back and we can talk about this if your like.

Mr HOOPER - I leave the country on Saturday. Not permanently but it may be that if you are wanting to do that soon, talk to Rick Tipping who is the Coordinator at NILS.

CHAIR - Thank you for that suggestion.

Mr HOOPER - I guess NILS have a lot of insights too. All the neighbourhood house agencies are agents for NILS.

CHAIR - Thank you both very much for your time today and your submission.

Mr HOOPER - Thank you for asking the questions.

THE WITNESSES WITHDREW.

Mr MARK COCKER, ASSISTANT DIRECTOR, MONETARY PENALTIES ENFORCEMENT SERVICE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you, Mark, for attending the committee and for your submission. I just wanted to check first you got from the secretary a document just outlining the processes of the committee and remind you that all our conversations are being recorded by Hansard and that you are covered by parliamentary privilege but anything you repeat outside the committee will not be covered by privilege.

Mr COCKER - I understand.

CHAIR - Did you have an opening statement you would like to make before we begin?

Mr COCKER - I do and I will try to keep it brief if I can.

Good morning, everybody, and thank you very much for the opportunity to come along today and discuss the operations of the Monetary Penalties Enforcement Service. Just quickly by way of background, the MPES is responsible for enforcing the payment of monetary penalties including fines imposed by the courts and infringement notices issued by both State and local government entities. In excess of 200 000 monetary penalties are referred to MPES for collection enforcement each year from over 40 different issuing authorities. The offences to which these penalties relate range from the Animal Welfare Act to the Security Investigations Act and virtually everything else in between.

In April 2008, the Tasmanian Government introduced the Monetary Penalties Enforcement Act 2005 and this changed the way the payment of monetary penalties was enforced and also delivered a number of efficiencies to Government and all stakeholders by alleviating approximately 50 000 matters each year from our court system. The key to the success of MPES can be found on our person-centric approach, where we work closely with all affected persons to ensure obligations are communicated clearly and barriers to compliance are reduced or at least minimised.

Our ethos, and this is the MPES ethos that I have instilled within my team, is to be of service first, where there is no wrong number and no wrong door allows us to ensure that our clients are dealt with in a professional, empathetic manner where we attempt to facilitate outcomes, changes in behaviour and support the integrity for the orders imposing monetary penalties. By leaving a positive impression we are more able to reinforce good compliance behaviour and ensure recidivism rates are reduced. The result of this strategy is that more and more clients are now aware of their rights and obligations imposed under a monetary penalty and a flexible set of arrangements offered for repayment including the use of Centrelink's Centrepay, BPAY and Service Tasmania, to name a few.

The challenges - external influence: it is not under the control of MPES to dictate the number, type and value of monetary penalties that may be referred for collection and enforcement each year. MPES have no control over what monetary penalties are imposed or withdrawn or when a debt or a monetary penalty may be collected other than through leverage applied in the imposition of enforcement actions and sanctions. The

MPES team acknowledge the environment within which it operates is subject to some significant challenges. With the current economic climate some clients are faced with difficult financial situations and decisions, some of which can include other commitments such as the rent, mortgage, utilities, food, general day-to-day living expenses, lenders, collection agencies and/or court civil judgments.

The establishment of a customer service approach combined with specific campaigns has brought to life a range of responses to handle client attitudes from compliant, careless through to the recidivists that prior to the introduction of monetary penalties enforcement legislation simply did not exist. The development of partnerships with key stakeholders and specific client groups has allowed MPES to foster an environment of participation.

Specific strategies are put in place to deal with the challenging economic climate and conditions currently faced by the Tasmanian community to ensure that priorities of individuals to meet their obligations to pay monetary penalties are maximised. Ongoing active stakeholder participation with numerous non-government organisations such as Anglicare, Colony 47, Mission Australia, the Salvation Army and Centacare ensure that the unintended social impacts associated with monetary penalties are both managed and minimised.

It should be remembered, however, that the role of MPES is not to punish but to encourage compliance and to ensure the integrity of orders imposing monetary penalties remain as a viable sentencing option.

CHAIR - Thank you, Mark. Some of the issues that have been raised in the other submissions that we have received would be the referral of clients to community service orders rather than a repayment of the debt in a monetary fashion. You and I have spoken about this previously as well but would you like to explain why more people aren't doing community service orders?

Mr COCKER - First and foremost, the conversion of a monetary penalty to a period of supervised community service orders is predicated on an application being made to perform or to vary payment conditions and/or perform community service orders. The Director of the Monetary Penalties Enforcement Service makes a determination as to the capacity of the individual concerned to pay and if there seems to be capacity to pay then that person is signed up to a repayment plan. If the director is satisfied that the client concerned has no capacity to pay then in accordance with section 31 of the legislation, that application is referred to the Director of Community Corrections as to a suitability assessment to perform community services.

Ms PETRUSMA - It is only 873 so it is only 1.4 per cent of all people who actually do it. A lot of submissions said we should try to increase that sort of number. Last year it was \$68 million in outstanding fines, so have you any ideas to try to reduce that?

Mr COCKER - Certainly, the MPES team are out there encouraging a range of options available for clients to deal with monetary penalties, one of which is to perform community service orders. We're actively encouraging people to take up all options available to help them deal with their monetary penalties, one of which is to perform a period of supervised community service.

Mr STURGES - Is that only after you've determined that there isn't the capacity to pay?

Mr COCKER - Yes.

Mr STURGES - What sort of factors do you take into account when you're looking at capacity to pay? Do you look at investment, be it real estate or cars, or the -

Mr COCKER - Essentially the key ingredients include income, expenditure, assets and liabilities.

Ms PETRUSMA - So the people who aren't paying the \$68 million, what can you do for some of those? Do you then move them on to community service?

Mr COCKER - If they've applied for it.

Ms PETRUSMA - Otherwise you just have to keep on going through the system?

Mr COCKER - Through the system. We initiate a lot of proactive enforcement actions, a lot of on-site client visits where we go out to areas and discuss in fairly simple terms with a lot of our clients as to what their obligations are and what their options are to deal with them. We may wait there, help them fill the form in, then bring it back and then shoot it off to Community Corrections for a suitability assessment.

Ms PETRUSMA - In last year's budget Estimates, an example was a council parking fine that was originally \$25. It then increased by 256 per cent through fees like the \$39 fee and the \$50 and another \$25 fee et cetera. Do you have a discretion not to charge those fees, or is it just something that's added on because of your costs and everything else?

Mr COCKER - The fee I levy against a commercial client or a local government council is 0.3 of a penalty unit, and that equates to about \$39. That is the referral fee that I invoice the local government council for the referral of that infringement notice and that in turn increases the amount owed.

CHAIR - We have a repayment calculator guide you included with your submission. In determining people's capacity to pay you say here it's only a guide. For instance, if someone has an outstanding debt of \$1 000 you are asking them to repay \$77 a fortnight to repay that debt within six months. Obviously a lot of the people we are referring to on this committee don't have the capacity to pay \$77 a fortnight, so how do you adjust that figure?

Mr COCKER - Again, each decision that the director makes is based on the individual set of circumstances as presented. There is no broad-brush approach here. So the individual personal circumstances of each individual client are viewed and an assessment made accordingly. What I've provided there is, as you indicated, just a rough guide for my team when dealing with people via the contact centre or out on the road as to what the director may look at in terms of the variation to payment conditions. If a client were to put their case or their situation to the director that would indicate that they do not have the capacity to pay and they're unlikely to have that capacity to pay, that's when that matter would be referred on for a suitability assessment to perform community service orders.

Mr STURGES - Once that assessment has been made and the payment process starts, if a client's circumstances change during, say, a six-month period, do they have the capacity to come back to you and have that reviewed?

Mr COCKER - They certainly do and we do that quite regularly.

Mr GROOM - Is recovery getting noticeably harder?

Mr COCKER - Yes and no. We're still maintaining collection rates in excess of 100 per cent, so basically we are collecting more than what is being imposed. It's getting harder and harder because there is less and less being imposed in terms of number and value. Essentially what we're left with is, to coin a phrase, the bad debts, the debt that's been sitting around for a while. So in some respects it is getting harder, but in others it is still relatively easy.

Mr STURGES - Not the low-hanging fruit anymore.

Mr COCKER - Exactly.

Mr MORRIS - You must understand a fair bit about low-income Tasmanians now and clearly you have that inherited debt that has historically been sitting around for a while, and you have new cases.

Mr COCKER - Yes.

Mr MORRIS - Of the new cases coming in how many of those people are actually low income and have a pension or concession card, a health care card, and are actually seriously claiming and your reports are coming back suggesting they are low income and that's the reason they're not paying, versus 'I don't want to pay it'.

Mr COCKER - I would love to have those figures but I don't. I do not have that specific benchmark.

Mr MORRIS - Do you get a sense?

Mr COCKER - I get a sense that probably you are looking at about three in every six people, so around about 50 per cent of some of the people we're talking about.

I also meant to indicate that of all the monetary penalties referred in a year, 70 per cent of those are matched to people who have existing outstanding monetary penalties. Arguably we could look at that figure and say there are probably reasons why they haven't paid the old stuff. Perhaps that's where that particular category falls. I'm not sure; I don't have that information. I would like to have it.

Ms PETRUSMA - Mark, some other submissions have stated that they feel that other organisations, some of the GBEs, are quicker to refer them to you for collection. Have you noticed an increase, that they seem to be harsher than in the past?

Mr COCKER - The local government councils?

Ms PETRUSMA - Aurora, or -

Mr COCKER - We don't get civil debt. All we are looking at is criminally imposed fines - infringement notices and court-imposed fines.

Mr GROOM - And you are saying there is less of it?

Mr COCKER - There is less of it.

Mr MORRIS - Is there less of it because of less offending?

Mr COCKER - I would like to think so. I cannot comment about that of course but I would like to say that the successes of MPES to date and the brand and image is such that people are aware of the consequences of non-compliance with the law generally and people are potentially slowing down and not committing as many offences. I would like to say that that is a success of MPES but I don't have the stats.

CHAIR - Going back to the first question I asked with respect to referral to community service orders, you said as long as they make a submission. I know you doorknock and do a range of things to connect with people to make them aware of their obligations, but do you think we need to be a little clearer in the first instance that they could work their debt off rather than pay them off? How clear is that made to them when they first offend?

Mr COCKER - It is fairly blatant that that is one of your options. You can apply to vary the payment conditions, including performing community service orders. I guess the bottom line is the conversion rate - seven hours or one day for every \$120 or part thereof.

CHAIR - Yes, it is in that calculator, which is a good guide.

Mr COCKER - The supervision and the number of programs available for community service orders require funding and if we increase the number of people being referred for community service orders then that may be another cost. I do not have the figures on what that may be.

CHAIR - You spoke previously about there being a maximum number of hours that community corrections will take an offender for.

Mr COCKER - Yes.

CHAIR - Which means that if you have an enormous debt you can't work it off; you have to pay off at least a percentage of that. What is the maximum number of hours?

Mr COCKER - What I have seen from community corrections is a maximum of 70 hours - we don't die in a ditch over that. We will convert the value of the debt equivalent to 70 hours, put the client on a repayment plan starting in 12 months time and in 12 months time when they have finished those community service orders we will then refer another 70.

Mr GROOM - What was your largest individual debt?

Mr COCKER - The last individual debt was \$1.267 million. That was conspiring to export abalone. The next one down from that is \$850 000, \$574 000 -

Mr GROOM - How long have they been outstanding for?

Mr COCKER - This particular penalty was imposed in the Supreme Court about two-and-a-half years ago.

Ms PETRUSMA - Does it go up with CPI?

Mr COCKER - No, no interest at all. The only increase to the originally imposed penalty would be through any actions we take.

Mr STURGES - Might I suggest that the only interest is collection.

Mr MORRIS - What are the chances of collecting that?

Mr COCKER - That one is fairly negligible. I understand the person concerned has left the country and is now a resident of Malaysia.

Ms PETRUSMA - Mike, is there a lack of organisations for you to refer on to community services?

Mr COCKER - No, I wouldn't say a lack of organisations. We have a really good community corrections service in Tasmania. I think it would come down to funding. I am not too sure what their budget position is like or the number of resources they have available but if I was in that environment I would be conscious of that.

Ms PETRUSMA - If you have a debt, how does the 70 hours -

Mr COCKER - You are looking at about \$1 400 in rough terms.

Ms PETRUSMA - A lot of other organisations have talked to us about day fines. Do you think day fines could work in Tasmania?

Mr COCKER - I think they have a lot of merit and perhaps should be looked at. I can see some significant challenges, however, considering the majority of monetary penalties imposed in this jurisdiction are not through the court. They are issued by an issuing officer. I could not really see an issuing officer, at 3 a.m. in the pouring rain, writing out an infringement notice, asking for your tax return or how much you earn.

Laughter.

Mr COCKER - That is one option of looking at it. The other option I would consider probably worth consideration would be a sliding scale. First offence of a particular type equals that dollar value. Second offence equals that, third and subsequent offence equals that. So it starts low and then builds up high, a more practical type of solution.

Ms PETRUSMA - So this is for more on-the-spot fines, you are talking about?

CHAIR - More like a traffic infringement, speeding, for instance, because the police service already have your records available. It would be very simple to access that to determine whether or not you have a previous offence.

Mr COCKER - Yes.

Mr MORRIS - The other way that we are exploring through the Subordinate Legislation Committee in relation to these fines that are set in dollars, is why they are not expressed in penalty units because they are having to reset the regulations and recalculate them every 10 years, so that when they increase they increase substantially, rather than using the step process of fee units or penalty units.

Mr COCKER - Personally, I think that is a fantastic idea to link that all back to penalty units.

Mr MORRIS - Yes, because then you can use that income system. You are, depending on your income, on step 1, 2, 3 or 4 or whatever.

Mr COCKER - We are asking the question.

Mr MORRIS - We are indeed.

Ms PETRUSMA - With regard to administration costs, if it was a \$25 fine or a parking ticket by the council or something, at times, I suppose, the administration costs outweigh what the fine is.

Mr COCKER - In terms of the costs to collect, if we use that scenario of a parking meter ticket, I certainly would not have those figures. I know the majority of councils who do issue those particular infringement notice in the majority of cases attempt to collect in the first instance. Those that they cannot collect they refer on to a private collection company.

Ms PETRUSMA - So they do not come through you.

Mr COCKER - They do not come to me straightaway. What the private collection company cannot collect, I refer back to council. They then refer it to me. So the stuff we are getting is at least four or five months old.

Ms PETRUSMA - Okay.

CHAIR - Any further questions?

Ms PETRUSMA - It is a very good submission.

CHAIR - Thank you very much for your time, Mark, get an early minute.

Mr COCKER - My pleasure, thank you very much.

THE WITNESS WITHDREW.

Mr GRAEME MILLER WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you very much, Mr Miller. Did you receive from the secretary, a document outlining the processes of the committee?

Mr MILLER - I did.

CHAIR - Thank you. I just remind you too, that everything you say will be recorded by *Hansard* and that you are covered by parliamentary privilege whilst you are talking to the committee. Anything you say outside of this room or to the media who are here today, will not be covered by parliamentary privilege.

Mr MILLER - I understand that.

CHAIR - Do you have an opening statement you would like to make before we begin?

Mr MILLER - I have a statement that I have prepared. I have timed it and it will take about eight minutes, if that is okay.

CHAIR - That is lovely, thank you very much.

Mr MILLER - First of all I would like to thank you for the opportunity to present my concerns regarding local government rates taxation to your committee. My statements are made in reference to the local government taxation, as implemented in the Clarence City Council rating policy. The Clarence City Council complies with the Local Government Act in relation to rates taxation, however I would like to bring to this committee's attention the discriminatory effects of following the old attributes of the Local Government Act to the nth degree.

The Local Government Amendment Bill 24 of 2011 enabled councils to levy 50 per cent of the general rate as a fixed charge. If this change was adopted into the rating policy by Clarence City Council my gross rates would fall from \$1 872 per annum to approximately \$1 676, an amount just above the average residential rate for Clarence. Twice since the legislative change, Clarence City Council has decided not to adopt the fixed-charge component for the general rate. The council's rating policy for 2011-12 remained unchanged and 2012-13 is to remain unchanged. Both decisions were mainly based on a council report that indicated a potential shift of the rating burden would occur, transferring from high-value properties to low-value properties. The council's report regarding that potential shift in the rating burden was not supported by the sample data provided for the analysis. The sample data indicated that for low-value housing, where the largest rates increases were to occur, the gross annual rates bill, after implementation of the 50 per cent general rate fixed charge, was between \$1 039 and \$1 100 per annum. Seeing that the average annual residential rates bill for Clarence is approximately \$1 650, the rates bills for the low-value properties that would incur the largest rates increase would still enjoy preferential discounts of between 37-31 per cent below the municipal average. If these ratepayers were receiving the State Government rates rebate, their effective annual rates, after implementation of the 50 per cent fixed charge, would be \$708 and \$750 respectively. In making these decisions, council does

not adequately take into consideration the ratepayers' capacity to pay. The Local Government Act includes a key principle statement that the value of ratepayers' land is an appropriate indicator of the ratepayers' capacity to pay. However, it is not the only indicator available and, if council is serious about social justice in our community, it would use the other indicators at its disposal to ensure that only those ratepayers who are in need were targeted under the capacity-to-pay principles. For instance, council does not produce analysis of the main types of beneficiaries who receive substantial discounts for low-value properties. Proper analysis would clearly show to council the main beneficiaries under the current rates tax regime. The analysis would show the quantum of the discounts to the main beneficiary ratepayers who can be categorised as State Government, which is the owner of public housing; private investors in rental property; and homeowner occupiers. Of these beneficiaries, the only ratepayers who may have a legitimate claim for consideration under the capacity-to-pay principles would be the ratepayer who is the homeowner/occupier. However, the financial profiles of these ratepayers will be similar to some other ratepayers who are living in differing classes of properties elsewhere in the community and are not getting the same preferential rates discounting.

In respect to the State Government, surely it should properly fund its community service obligations and not spread the cost of public housing on ratepayers. On 21 December 2011 the *Mercury* reported that the rental yields for Risdon Vale were 8 per cent. Surely this is an indicator that private investors in rental property are not doing any favours for tenants and should not be subsidised by the rest of the Clarence ratepayers? Another example of an available capacity-to-pay indicator that is ignored by Clarence City Council is the consideration of the impacts of its rating policy on pensioner and Commonwealth Healthcare Card holders, ratepayers who live in their own family homes not classed as low-value housing. Currently, some of these ratepayers are charged at a premium rate where the rates tax charge is significantly greater than the average value for residential rates in the municipality. Surely these ratepayers could be considered for a fairer rates tax levy.

I have formally approached the Clarence council in an attempt to get aldermen to understand the importance of this indicator and, to date, that has been without success. The major stumbling block to changing the Clarence rating policy to one which is fair for the community is that council is being led by an ideology that won't listen to any reasonable increases to rates tax for low-value properties. The current rating policy is a crude and very blunt instrument, an instrument which attempts to assist the poor in our society by providing substantial discounts off the average value for residential rates tax and attempts to charge the affluent in our society a premium charge above the average rates tax value. However, in reality it is such a crude instrument that it cannot hope to target these classes in our society and we end up with a highly discriminative system that treats people within similar classes of our society very differently.

Another reason for not modifying the Clarence rating policy for the current year, 2012-13, is that council has heard a rumour that the State Government may soon legislate mandating that a property's capital value will be the only allowable base upon which local government rates can be levied. Here the Clarence council is clearly making policy on the basis of rumour I think to defer any policy change for as long as possible. In respect to the rumour of mandating of capital value as a new rates base I would like to

take the opportunity to advise this committee just how devastating it would be for my finances should such a legislative change be enacted.

In my submission to this committee I referred to an Access Economics report that stated that only 25 per cent of residential properties within Clarence that are subject to the Valuation of Land Act 2001, section 11(3)(e), where the AAV - that is the assessed annual value - is calculated as 4 per cent of the property value. The other 75 per cent of properties within Clarence have an AAV, which is the estimated annual rental value, a value which is greater than 4 per cent of each property's capital value. If the capital value is introduced as the new rates base then the rates base associated with the 75 per cent of Clarence properties will fall when compared to the effect of the rates base for the 25 per cent of properties currently based on the 4 per cent rule. In effect, 75 per cent of residential properties within Clarence will receive a rates tax cut which will be levied against the ratepayers of those 25 per cent of properties currently subject to the 4 per cent rule. My property is one of those 25 per cent that would be devastatingly impacted.

I urge you to fully understand this change and the detrimental effects that it will have on ratepayers currently subject to the 4 per cent rule if such legislation changes are proposed. In the last couple of months I submitted a proposal to the Clarence City Council mayor and aldermen that should they not implement the 50 per cent fixed charge component for the general rate in 2012-13 then a safety mechanism should be adopted to accommodate a ratepayer's capacity to pay. The safety net proposal achieves what the current rating policy doesn't do, it targets low-income ratepayers and ensures that their contribution to running local government services and infrastructure does not exceed the average value for residential rates tax in Clarence, a very fair and equitable achievement whichever way you look at it.

It would work this way. Where a ratepayer is a recipient of the State Government's rates rebate, in other words the ratepayer is a pensioner or a health care card holder, the total charges for the annual rates tax would be capped at the maximum value equal to the average residential rates tax in Clarence. The ratepayer would then be entitled to the State Government rates rebate but would not receive the additional local government Clarence council rebate. Perhaps this safety net could be factored in to the next round of legislation.

Ms PETRUSMA - Graeme, can you explain to us more about the 4 per cent rule - are you saying you are better off under it or worse off under it?

MILLER - I'm currently worse off, and I will be even more so should it be mandated that the capital value is the new rates base.

Ms PETRUSMA - So they are assessing you on 4 per cent of the value of your home?

MILLER - Yes.

Ms PETRUSMA - How did you manage to get in that 25 per cent?

MILLER - It started about 28 years ago when I bought a block of land in Lindisfarne - it is one of those blocks that are fairly steep and rugged. The first job I did was to build a 75 metre concrete reinforced retaining wall on one boundary of the property which was

something I did at night with my wife holding the torch while I tied the steel - it was all new to me. Over this last 25 years we have built our home as we could afford the funds and as loans would allow us to do. We have not lived a lavish lifestyle, we have always lived within our means.

In my original submission to the committee there is a bit of a grounding as to how we have lived our lives; we only lived to what we could afford. Back in 2002 I was made redundant. At that stage our home was still not completed and I am still building, as well as being in maintenance mode. I guess I got into that position from my own endeavours and with the assistance of my father. It was one of these projects where I built my home as I could afford it - weekends, public holidays and in my own time, through my own labour and that of my wife and father. It was not that I was in a privileged position, I suppose I was in a position whereby I was willing to do the manual effort to get a home.

Since the time of purchasing my land - I bought my block of land, the same as every other property in that subdivision, for \$16 500. Today, a vacant allotment next to me has sold in the last year for \$320 000. It is the increase, and I think an uncontrolled increase, in the valuation of properties that has put me in this position whereby I am finding it difficult to remain in my family home that we have built and which we intended to be our family home for life. It is not that we had the funds to throw at it and get a builder to do it, we have done it with our own sweat and manual labour. There is very strong resistance to change policies to bring in a fairer system, and there is the increase in utility costs that there seems to be no control on anymore. There doesn't seem to be sufficient regulation. I used to work for Hydro Tasmania, which encompassed the whole sphere from generation distribution to transmission. Now there doesn't seem to be sufficient control on at least the distribution network in reining in utility costs.

My main concern is where that change can be made, and there is very strong local resistance from the aldermen to change and I think that is from an ideological bent that is being led to council by the mayor and from council itself.

CHAIR - It is certainly a very interesting story because you have bought in an area that is now well sought after, which means that your land value has increased and because of your endeavours on your property, as you mentioned, you have increased your land value, but with the current rating system your asset rich and cash poor, so unable to pay the rates that are attributed to your block of land.

Mr MILLER - Exactly.

CHAIR - You have made some suggestions in your submission and I thank you for that because it is really useful to not only have a problem brought to our attention, but also some suggestions for how it can be alleviated, so I thank you for your efforts. Also the table that you provided that gives a pretty good year-on-year assessment on what's been happening in your municipality.

Mr MILLER - One of my concerns is that it's a fairly complex area and aldermen of council, some of them are very loathe to discuss the topic because they don't have a good grounding in it, they don't have a good grasp on it and the presentations that are put to them I'm sure during the rating workshops where they make these decisions seem okay on the face of it, but if you really analyse the data that's presented, which I did do with

the figures that were underlined in my submission, the analysis that's put to the council aldermen doesn't stack up to the sample data from which the analysis has been made. Unfortunately a lot of the aldermen don't have the skills or the knowledge to be able to see that, but I try to bring it to their attention when I can get that sort of information. But it is very difficult for people unless they have put the time in to research exactly how the system work to really go against the proposal that's put to them by the corporate treasurer, which is a fairly detailed package that reads fine when you read it on the surface and in the confines of the workshop. You must be pretty brave and pretty sure of your facts to go against something like that.

I can see that part of this resistance for change is based on ignorance and another part is to go against the strong ideological bent that appears to be coming from the mayor because I've had various discussions from the mayor and during discussions he has indicated to me that he will not see any increase at all for low value properties if it's brought about by a change in the rating policy such as implementing the 50 per cent fixed charge of the general rate. However, he fails to realise that there are people with similar financial difficulties living in properties other than low value property. I will just give you an idea of the stance where these things are coming from because I think you need to understand this, is the leader of that community group said to me, 'Well, there are instruments at your disposal that you can use to remedy the situation.' I said, 'Well, what do you mean?' He said, 'Well, you can either defer your rates or else you can get a reverse mortgage on your property to pay the rates,' which I thought was pretty callous seeing that the rating policy in itself has shown to be a very unfair instrument in distributing those costs.

CHAIR - Can I just ask a quick question, Mr Miller? Your rates this year just gone were \$1 836; is that correct?

Mr MILLER - That's correct.

CHAIR - What was the rebate you received from the Tasmanian Government as a pensioner?

Mr MILLER - It would have been about \$302, which brought it down to about \$1 500.

CHAIR - Did you receive any other discounts on your rates?

Mr MILLER - Yes, about \$32, I think it was, from the Clarence City Council.

CHAIR - Okay. So roughly about \$1 500 was the total cost of your rates for the financial year?

Mr MILLER - Yes. I would just like to point out though, that people living in the low value properties get those discounts as well, but they also get preferential treatment from this regime that's currently adopted by the rating policy. One thing that does concern me is that the failure to recognise that if there are people out there that are pensioners in these low value properties, the sample data provided by the Clarence City Council show that those properties would be levied if they were receiving the same discounts that I do, they would be paying \$708 to \$750 per annum. That is half of what I pay at the moment and that's after the implementation of the 50 per cent fixed charge on the general rate. Now,

my rates would come down proportionately but I would still be paying, after that implementation, twice the value of the area of concern of the mayor.

There is no research or analysis as to the capacity to pay of these people who are getting these preferential discounts. I'm sure that there are a lot of people out there who are getting these preferential discounts who have a greater capacity to pay than some people living outside of those areas.

Ms PETRUSMA - I notice that house number 2 in your street has a land value of \$228 000 and they pay \$1 589 in rates. Your land value is \$175 000 yet you're paying \$1 872 in rates before discount. Why is there that discrepancy? Is that because you're under the 4 per cent rule and they're not?

Mr MILLER - Exactly. It's just that I've invested too much of my blood, sweat and tears in to the capital of my home.

CHAIR - Thanks so much. It's a really comprehensive overview of what's happening locally for you.

Mr MILLER - I do thank you for your time. I really appreciate being able to bend people's ears on this subject because I don't think enough is known about the complexity of it within the sphere of government.

Mr GROOM - Thanks for your endeavour too. It's been very comprehensive.

THE WITNESS WITHDREW.

Mr BENEDICT BARTL WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thanks, Benedict, and welcome. Did you receive, from the secretary, a document outlining the processes of the committee?

Mr BARTL - Yes, I did.

CHAIR - Just to remind you that everything will be recorded today by *Hansard* and that you are covered by parliamentary privilege but anything you do repeat outside of the committee meeting will not be covered by privilege. Is that clear?

Mr BARTL - Yes.

CHAIR - Thank you. Did you have an opening statement you would like to make before we begin?

Mr BARTL - I did. I have prepared an opening statement. So if you could bear with me, that would be great.

In the report, A Cost of Living Strategy for Tasmania, Professor David Adams notes that in tough economic times we should not be taking actions that make the most vulnerable relatively worse off than the rest of us.

Tasmania's sentencing system and in particular, the way in which the courts impose fines, is one area in which our most vulnerable are made relatively worse off. When sanctioning an offender to a fine, the courts are often required to impose a fine that is either a fixed sum or mandates a minimum amount. A good example was the recent sentencing of Senator Stephen Parry to a minimum fine of \$520 for drink-driving. But how is it fair that someone who earns \$4 500 a week is required to pay the same amount as an individual in receipt of Newstart Allowance who takes home \$240 for the same week.

Tasmania's fining system does not deal with offenders in a satisfactory way, fining the socially and financially disadvantaged too much. This is evidenced in Professor Adams's research when he notes that almost one half of Tasmania's households are either relying on a government pension or belong to the working poor.

With many Tasmanian households financially disadvantaged, it is argued that change can, and should, occur so that our most vulnerable are not made relatively worse off.

A reform that I urge this committee to consider is the introduction of an income-based fining system, a system common to the countries of Europe and a system which better meets the important sentencing principles of transparency, proportionality and equity.

An income-based fining system has other benefits including increased community support in the sentencing system, increased revenue and the reduced use of custodial sentences.

In Germany, for example - a country from which I have just returned - the introduction of an income-based fining system in the early 1970s saw a 90 per cent drop in the use of custodial sentences of six months or less. This can be contrasted with Tasmania, where recent research by the Law Reform Institute demonstrated that 89 per cent of offenders sentenced to custodial sentences in the Magistrates Court were for six months or less.

Whilst there is a need for legislative instruments such as the Monetary Penalties Enforcement Act to ensure that fines are paid, it is suggested that offenders are more likely to repay fines if they are set at amounts able to be repaid - a relevant consideration in Tasmania, where around \$68 million in fines remain outstanding.

I urge the committee to support the introduction of an income-based fining system and to call on the Government to establish a feasibility study investigating exactly how an income-based fining system would operate in Tasmania.

CHAIR - Thank you, Benedict. It's great to have someone with your expertise addressing us. I understand that you completed a master's in the topic of day-fine so you have obviously conducted an extraordinary amount of work in this field. We have had a few discussions already this morning about the concept of the day-fine. The particular issue that we are trying to work through is how you assess a person's income in order to appropriate the fine.

So in your work in Australia, have you been able to determine how to assess a person's income and therefore determine their fine without going through a costly court process, for instance? Understandably we don't want it to cost the Government more money in recouping an \$80 fine than is necessary.

Mr BARTL - I will use Germany as an example - that is a system I understand best. In Germany there's a federal system, the same as Australia, which means that the states do not have access to the income records. That's a similar model to Australia where our Federal Government collects income tax but not the States.

So Germany is a good model for Tasmania. In Germany, the way in which the states get around that problem is by doing three things, potentially. First of all, the police will collect the data so when people are fined, for example, for a drink-driving offence, the offender is there and the police are able to ask the offender, 'Well, you're going to be done for drink-driving, tell us a bit about yourself', so that getting information such as your age, your income, your employment details, whether you have children, your assets, your liabilities - the police can do - which means that once it gets to court the police prosecutor is able to put that information to a court rather than the defendant having to do that. So that is one way in which it can be done.

Mr GROOM - Is that how it's done in Germany?

Mr BARTL - That's right.

Mr GROOM - How would the police verify that information?

Mr BARTL - It can't be verified but generally people do tell the truth and there are ways that that could be got around. For example, in New Zealand you are able to ask offenders

how much they earn and it is made very clear that if they provide the court with false information they can be done for perjury.

The second step that is often taken is if further information is sought, either because the police haven't initially asked the offender for that information or because it simply wasn't appropriate, for example, the offender was very drunk or on drugs and not in a state to be asked those questions, the matter is then referred to police prosecution and they are able to do the investigation.

Ms PETRUSMA - In Tasmania a lot of on-the-spot fines occur where you are written out an \$80 fine on-the-spot for a speeding ticket, how would that work in that situation then?

Mr BARTL - In Germany the day-fine is only applied to indictable offences, which means it has to go to court. On-the-spot fines remain the same.

Mr STURGES - I am sorry and I don't want to impede your flow of information but the traffic infringement notices also allow you to challenge that infringement in court so if I could just take this one step further. If the concept of day-fine became well-known, and I would expect that if we did move to recommend the implementation of a day-fine concept that we would put a process of communication in place so the community knew about it, therefore if that basic very minor traffic infringement - I don't think any traffic infringement, for instance, all speeding is wrong - but let us say a low level traffic infringement notice is issued and I choose to contest that, given the concept of the day-fine that you are explaining, would I then open up that option? Is that correct?

Mr BARTL - At least in Germany it would be, if it was able to go to court but my understanding is in Germany there is a quite clear distinction between summary and indictable offences, so whether with on-the-spot fines they can go to court, whether they would be also subject to the day-fine, I don't know.

Mr GROOM - Can I just understand this because obviously you have looked a lot into this and you are very familiar with the German system, are you suggesting to the committee that in fact the day-fine concept should be applied with respect to indictable offences but not with respect to summary or on-the-spot type offences? Is that what you are actually saying?

Mr BARTL - Yes.

Mr GROOM - Can I also just ask then, in the context of indictable offences, how does it actually work in Germany because often there can be quite a significant time lapse between when someone has actually committed an offence and when they ultimately have their matter determined by a court, and in some instances it can be years and obviously there is the possibility of their financial circumstances to have shifted quite dramatically, so is it at the point of offending or is it at the point of sentencing that you would make the judgment?

Mr BARTL - In Germany it is usually at the time of sentencing and that is because somebody - and there was a case where somebody won Tattsлото and it changed quite considerably but also people who lose their jobs so, in reverse, people who go onto

government payments are also not in a position to pay what they should have paid if they had been sentenced at the time of the offence.

Mr GROOM - The Tattsлото example is a pretty unusual one but one of the things that I would be interested in this is - and I am not suggesting that it would be the majority experience - but I wonder whether it is open to manipulation in some way, shape or form. If I know, for example, it is probably going to be a year before my matter is determined and I adjust my arrangements - I don't know to what extent the fine system applies in Germany and how large the fines are - but are there any issues with that?

Mr BARTL - There have been court cases in which that has happened and people have moved from full-time employment to part-time or even resigned from their employment. In those circumstances the court looks to a person's capacity, so if it appears that they are deliberately seeking to milk the system then they will be fined based on how much they should have paid if they had been sentenced at the time the offence had transpired.

Mr MORRIS - In the work you've done, what is the baseline? With the existing fine system we have, is there a presumed level of income that it is based on to get the relativities we currently have?

Mr BARTL - No. In the Tasmanian system?

Mr MORRIS - Yes, in the current system in Tasmania. Is it based on an average income of \$50 000 and therefore a speeding fine component of \$200 for a low-level offence is based on that, or is it \$20 000? If we were to move to day-fines, at what income level do you place the existing fine system?

Mr GROOM - How do you determine the relativity?

Mr MORRIS - Yes. So once we know the baseline then for those who have lesser income or capacity to pay we might reduce the level of fine and for those who have greater capacity we might increase it, but how would we establish that or do you just pluck a figure out of the air?

Mr BARTL - The question about how it works in Tasmania I can't answer; that is a question for Parliament because Parliament works out how much the fines will be.

Mr MORRIS - Is there a baseline for Germany?

Mr BARTL - To back-peddle just a little bit, in Australia how it normally works with drink-driving, to use the drink-driving example, there will be a minimum fine - so for a first-time drink-driving offence the minimum fine is \$520, but it can be increased. What usually happens is that the magistrates will have a tariff whereby they will say, 'Normally we'll charge around, say, \$600' and then it can be increased if the person has intentionally been drink-driving. There are lots of factors that the court will consider, but at least with Senator Parry given that he pleaded guilty at the first opportunity, he was very contrite, he publicly expressed his remorse, all these factors, the court -

Mr MORRIS - So attitude is a significant

Mr STURGES - I think Mr Morris has raised a pertinent matter and it might be worth our while noting that we can go back and have a look at where this benchmark is established.

Mr GROOM - It goes to the heart of it, doesn't it?

Mr STURGES - Yes. Without taking your time, Mr Bartl, I think it is a very relevant issue.

CHAIR - Are you able to describe where the benchmark sits in Germany?

Mr BARTL - In Germany, what will normally happen is there will be a going rate as well but the going rate is not based on an actual figure, because everyone has a completely different income. How it is worked out with drink-driving, for example, it's considered that anywhere between, say, 20 and 30 penalty units should be applied - say, 20 for the first-time offender who shows remorse and then more penalty units for the person who is more guilty. How it works in Germany is, those penalty units will first of all be worked out and then the judge will tell the offender how many penalty units are going to be imposed. Then it moves to the second stage, which is 'now I will consider your income'. In my opinion, that's a much more transparent process; it is not simply Senator Parry's - and I apologise for continuing to use him as an example - first-time offence of showing remorse, \$520, it is 'You earn a lot of money but given that you've shown remorse it will be at the lower end of the scale'.

Ms PETRUSMA - We have been told with the MPES, for example, that they usually deal with a lot more summary offences than they do indictable offences, so do you have an idea how many indictable offences you would be looking at? Is it a big percentage or small percentage versus summary in this State, have you done any research on that?

Mr BARTL - I know that the last financial year for which figures are available, which I think was 2009-10, the Department of Justice annual report shows that around 30 000 indictable offences received fines.

Ms PETRUSMA - For the year?

Mr BARTL - Yes. I'm very sorry I don't have the figures with me, but it was something like 15 000 drink-driving offences, so 15 000 people received a fine. Then with everything else - minor stealing, assault and other offences - around 30 000.

Ms PETRUSMA - So it's quite a sizeable number that this system could be applying to. Do you know if there's been any breakdown as to the percentage that are low-income versus high-income offenders in this?

Mr BARTL - No, that information is not available.

Ms PETRUSMA - You said we might possibly see increased revenue, so I suppose we need to look at that 30 000 to determine where people fit.

Mr BARTL - Yes, but there will also be increased revenue because people are more likely to repay their fine. There's around \$65 million that's outstanding. If the fine was fairer and the offender was more able to pay it, the Government would receive that revenue.

Mr GROOM - Presumably you would also make savings in the efficiency of recovery as well?

Mr BARTL - That's right.

Mr MORRIS - With having different levels for different incomes, how do they do it? Do they do brackets or do they do it by \$20 000 differences in income? How would you establish the steps and how many is it practical to have, or is it just a sliding scale?

Mr BARTL - The penalty units are worked out for each individual offence.

Mr MORRIS - Yes, so that sorts out the offence, but in terms of the escalation or de-escalation, depending on your income, is that stepped.?

Ms PETRUSMA - No, it's in here - you divide your income by 365 and multiply it by the penalty units.

Mr MORRIS - Right, okay.

Ms PETRUSMA - It's quite a simple formula.

Mr BARTL - That means that it is individualised for each offender. To use your example, if someone was in the \$20 000 to \$30 000 bracket but earns \$29 999, they would be in a lower bracket than a person who earns \$2 more, which would be unfair.

Mr MORRIS - But that's how the tax system is based, and I was just wondering whether it was similar.

CHAIR - Benedict, do you know of any jurisdictions that have a way of applying this model to summary offences?

Mr BARTL - No.

CHAIR - I think that's also an issue we're facing, because a lot of those offences are ones that cause people great hardship, and in determining a way that we can apply them more equitably this appeared to be a model that we could use, but because it's not used anywhere else it's a little bit hard to determine whether or not that's appropriate. Do you have any other suggestions for how we could address the system to make it more equitable for those summary offences?

Mr MORRIS - Isn't converting those to penalty units rather than dollar amounts an achievable way of doing that?

Mr BARTL - It is. There will be additional cost because, for example, a parking fee is issued simply because you have parked in the wrong space so you have to pay a fine, but by introducing an income-based fining system you would then require people to find out exactly how much that person needs to pay, and it may well be that in a lot of cases it's not worth it; there's no profit or benefit for the State.

Mr GROOM - It may even be negative.

Mr BARTL - Yes, in having to chase people up about a \$100 fine.

Mr MORRIS - But if it's expressed in penalty units, if parking too long on a meter is 0.25 of a penalty unit, it's not difficult to work out from there -

CHAIR - It is if it's an on-the-spot fine because how do you determine their income?

Mr GROOM - When you talk about applying penalty units, the day fine concept then requires you to apply it to have a multiple of your daily income.

Mr MORRIS - You get the model and self-disclose it.

Mr GROOM - I think the point being made here is that if you then have to apply a multiple of the daily income, then you need to work out what the daily income is and that requires a significant increase to the administrative burden, and the question is whether or not it is worth it.

Mr BARTL - With indictable offences, the offences are quite serious.

Mr STURGES - I understand the delineation now. It has been worth listening to your contribution.

Mr BARTL - Just to finish with the German models, I explained the first two ways in which it can be worked out before it gets to court, so that is that the police will often have a charge sheet which has an address, where the offence took place and what happened, and there is no reason there could not be extra information about what the person does for a job and those sorts of things. Then there is the police prosecution who can also chase up information. The third way, of course, is that the judge asks the person. If the person does not want to provide information and the police prosecution are unable to find anything out, then there is the final step, which is simply that the judge will ask the offender what has happened.

Ms PETRUSMA - One last question. With people who are more able to afford a flash lawyer to try to decrease their income, is that when the court would then look at the capacity to pay? For example, if you were rich and managed to get a lawyer to say that your income is only \$40 000, over in Germany how do they deal with that?

Mr BARTL - They are not interested in all assets but they will take into account big assets. One interesting distinction is that in Germany most people rent, so the home ownership rate in Germany is only about 40 per cent, whereas in Australia it is a lot higher, which means that the house is not usually needed to be looked at there. That is something that would need to be taken into account in Tasmania.

Ms PETRUSMA - What other assets do they look at in Germany?

Mr BARTL - It has to be big assets, so if you have an Arthur Streeton painting or an expensive car or house, those sorts of things.

Ms PETRUSMA - Do they find that the cost of administering the system in Germany is outweighed by the benefits? Have you seen any data on the costs of administering the system?

Mr BARTL - No, but it was about 950 million Euros in the last year of record-keeping. Germany has a much bigger system, over five million people, and there has been general acknowledgment that the income-based fining system is the way to go. In Germany, about 80 per cent of all indictable offences get a fine. In Australia and Tasmania, it is generally just for very minor indictable offences that you will be given a fine. Drink-driving is the classic one.

Ms PETRUSMA - So the 950 million Euros is the revenue they received?

Mr BARTL - That is right.

Ms PETRUSMA - Do you know what their administration costs were on that for administering the system?

Mr BARTL - No. That is difficult because it involves the courts and prosecution and police.

Mr GROOM - A lot of the costs are built in, presumably.

CHAIR - It has been very interesting, thank you. I believe we are seeing you later in the day too with the Tenants Union. Thank you very much for your time.

THE WITNESS WITHDREW.

Ms MIRIAM HERZFELD, CONSULTANT, COUNCIL OF THE AGEING (COTA) TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you for coming along, Miriam. Did you receive documents outlining the process of the committee from the secretary?

Ms HERZFELD - I did, yes.

CHAIR - Everything will be recorded by *Hansard* and you are covered by parliamentary privilege. Anything you say outside of the committee process will not be covered by parliamentary privilege. Would you like to make an opening statement to support your submission?

Ms HERZFELD - I am here representing the Council of the Ageing. I am not their employee, however I have assisted them in the preparation of a number of submissions. Their CEO has recently resigned so I have been asked to step in and make a statement on their behalf.

Our research with COTA Tasmania has shown that one of the key issues for older Tasmanians is the maintenance of their health and wellbeing. While many may not regard this issue or the issue that is the subject of this inquiry to be about health, older people frequently draw parallels between the rising cost of living and health outcomes. For example, in talking to some older people one person said, 'I'd like to bring up the issue of mobility. It costs about \$5 000 for a motorised scooter'. While a pensioner has mobility, it's not costing the taxpayer a lot of money because they get out and about and do everything, but otherwise they can't afford it because they have to get taxis. Those who can't afford it have to be put in a home and that's going to cost the Government a damn sight more if they can't get out and about and do things for themselves. It goes back to trying to keep people in their own homes and having a good quality of life.

Older Tasmanians also talk about the high cost of food and we know that malnutrition among older people is a growing issue. Malnutrition contributes to increased risk of infection, impaired respiratory function, muscle weakness and depression. They talk about high transport costs, and we know that transport difficulties can contribute to isolation and poor mental health. They talk about the high cost of electricity and finding other ways to stay warm that don't consume electricity as heating appliances do, such as going to bed early. We know that many older people feel the cold more than most and we also know that warmth is a prerequisite for health.

The point that COTA Tasmania wants to make is that these issues - concessions, social tariffs, taxes et cetera - need to be recognised within the context of health and wellbeing. If we get these things right we will enable people to stay healthy and well for as long as possible into old age. We will enable them to stay in their own homes and lead good quality lives. We will prevent them from needing to enter aged-care homes, access aged-care services and from consuming the entire government budget through healthcare services in our hospitals. The issues related to the cost of living are of paramount importance to COTA Tasmania, we thank you for the invitation to be involved in this

inquiry and hope that the Government will continue to engage with older people in meaningful ways into the future.

Ms PETRUSMA - Miriam, on page 4 of your submission you say actions are needed to prevent more old people from falling into the disadvantaged category. Can you expand any more on that?

Ms HERZFELD - This is talking very much about self-funded retirees who continuously seem to miss out. They have suffered a lot through the global financial crisis, for example. A lot of those people are not eligible for the kinds of concessions that others are and they are finding it increasingly difficult to deal with cost-of-living pressures. One of the things we thought about was perhaps encouraging the broader community and more organisations within the community to share in the responsibility for the ageing population. Things like forming partnerships with other businesses that would provide concessions through the Seniors Card, for example, was something we thought was very valuable, and because that card isn't means-tested it would enable all of those older people, including self-funded retirees, to reap the benefits there.

Ms PETRUSMA - You talk about helping in your opening statement and you also talk about offering more concessions that encourage older people to adopt health-promoting behaviours. Can you expand on how you believe that will decrease their cost-of-living pressures and the Government's costs as well?

Ms HERZFELD - This is probably more about the longer term rather than immediate relief of cost-of-living pressures, but keeping people healthy and well is obviously going to contribute to cost savings in the longer term. If we can support people to stay healthy, stay in their own homes, stay active and connected in their communities, they will be much less likely to need to go into homes, enter the healthcare system and be part of the hospital system, et cetera. We are talking very much about prevention of poor health and supporting people to do that and again, it can come back to engaging the broader community, for example, by encouraging gyms to provide concessions for older people to get involved and other sporting organisations. Also not all nutrition services provide subsidies for older people, so we should be forming links with those parts of our community that are providing nutrition services and encouraging them to offer concessions for older people when it comes to prevention and staying healthy and well, and the same with mental health and cancer screening and things like that. So from our point of view, it is paramount that we support older people to stay healthy and well because we know that in the longer term that is going to reduce the burden on the healthcare system and the costs associated with that.

Ms PETRUSMA - You also talk about a smart card, and in the Senate Community Affairs Committee's report inquiring into the cost-of-living pressures on older Australians recommendation 5 basically states that we need greater national uniformity between Commonwealth, State, Territory and local governments to work together to develop a nationally recognised seniors card to provide concessions and benefits. Has that progressed at all?

Ms HERZFELD - Not that I know of, no, I believe not.

Ms PETRUSMA - Do you know what the Government's initial response was to that back in 2008?

Ms HERZFELD - My understanding was that they didn't accept that recommendation. I don't know the detail as to why not but that is something you would have to look at more closely. I don't know, but that was certainly a finding from that inquiry. COTA Tas can see the benefits of a smart card technology for older people and certainly when we put that suggestion to a limited number of older people in a focus group we conducted there was a positive response to it. The concerns older people have is about the cost to Tasmania as a whole, I suppose, because we know that these sort of smart card technologies can cost a lot of money to establish, but they can see the value of a streamlined system and a single card.

The other thing I would like to add is that when you introduce something new to older people - and I suppose it goes for the community in general - initially there is some apprehension, and I think if we were going to go down that road it is really important that we engage very actively and have those conversations, because initially when I floated it with some older people they were like, 'Oh, they're going to have access to my bank account', so there is almost a fear there that is set up and with any of these sorts of changes it is imperative that we are open and honest and engaging actively with older people so they understand what it means for them.

CHAIR - Miriam, in your research have you been able to determine the take-up rate of concessions that are already available, because anecdotally we have heard that people may not be aware that there are concessions available for them to utilise? What has your research indicated?

Ms HERZFELD - We don't have comprehensive data to show that. What we go on is the fact that there's quite a lot of qualitative data that's been collected that shows that the cost of living is still an increasing issue for people, which leads us to the assumption that concessions are not adequately addressing cost of living pressures.

When I conducted a focus group with older people - and, again, I want to reiterate that it's limited research, initially when we started talking about concessions there was confusion about what people were entitled to and who was getting what. Even though they were aware of the Government booklet that provides them with some of that information, there was still quite a lot of confusion about what you're entitled to. I don't know how widespread that is but it's certainly come up in the research that we've done.

CHAIR - I was wondering if you have any suggestions of how we might improve the understanding of the concession system.

Ms HERZFELD - Education is obviously key and that strategy is an education strategy. We also think that all of those organisations that provide the concessions, particularly the bigger players like Aurora, have an obligation to ensure that their customers understand the information and the concessions they are entitled to. So, strengthening the education services that are already existing but adding to those.

Probably the other concern that we'd have is there are people in the community that aren't as literate, maybe, as the average person. So from the older person's perspective, people

who are coming from culture-diverse backgrounds that may not speak English as a first language, older people who have a disability, people who are visually impaired, people who are socially isolated - all of those things - we really need to have a much more concerted effort to get this information to those people.

Mr STURGES - I agree with you entirely that eligibility - and these are some of the things that I've picked up from what you've said - communication, accessibility and education are key matters that we need to deal with for our ageing population.

I would argue that a lot of people are receiving concessions but don't know that they're receiving concessions at the moment. I note that you are saying here in your submission that the review could investigate whether it's appropriate for people to be able to choose how to apply the concessions.

I have also heard what you've said about the smart card technology or something similar, and the impact that that would have on our ageing community. Let me tell you, I get a bit nervous about technology.

Mr MORRIS - We'll send you out an IT program first.

Mr STURGES - You can laugh about it but my adult children embrace technology a lot more readily than I do and I like things on paper.

So when you're saying about choosing the application of concessions - and I don't want to put you on the spot - but does it necessarily have to be a choice to use smart card technology or a choice to say, 'I'm eligible for this package which equates to x dollars and I'd like to have that put into my bank account, and I'd like the choice to be able to use that'. Is that too simplistic?

Ms HERZFELD - It is actually something that was suggested by one member of our focus group. I guess the difficulty with that type of thing is that you have no control over how a person might use that money and we do have people who are more vulnerable because of other situations such as alcohol consumption and gambling issues. So we'd need to find a way to ensure that the concessions or the monetary value of the concessions is applied for the things that are, I think, essential services. I think that has to be paramount for people because otherwise that money could be used for something else.

Mr STURGES - Other than for what it was intended, yes.

Ms HERZFELD - Yes, I think that is a danger with doing that. The idea about choices has come up because there are quite a lot of things that people are eligible for under concession such as hunting and fishing licences.

Mr STURGES - A lot of older people don't have cars.

Ms HERZFELD - That's exactly right and they're saying, 'Well, I miss out there, could I put the monetary value of that to my heating or something else because I'm spending so much time at home,' or transport, for example. COTA isn't suggesting that that's necessarily the way we have to go, but we feel it's worth investigating because when we

floated it with a group of older people they were very keen for that kind of approach to be explored.

Mr STURGES - Dare I suggest that - and this is very simplistic - a voucher system to be used through Service Tasmania for the provision of payment for utility services or some other service for which concessions are available? Might that be something that COTA would embrace? What I'm suggesting is that if I was eligible for a number of concessions, and we're hearing about the problems that exist to introduce smart card technology, what if I was given a voucher - and I don't know how that would work as I haven't thought this through - I could then as the recipient of, say, a \$300 voucher, use that through Service Tasmania to pay off my Aurora bill or pay off a small amount of my water and sewerage bill.

Ms HERZFELD - And the choice rests with you as to -

Mr STURGES - Yes, but that voucher is only for services.

Ms HERZFELD - Essential services.

Mr STURGES - Yes, those types of services. It might be for a hunting licence. I might choose to want to use \$20 of that for a hunting licence. Certainly I can't purchase alcohol or cigarettes or go to the local.

Ms HERZFELD - Yes. Don't get me wrong; recreational pursuits are also a very important role for people in terms of health and wellbeing. In terms of health and wellbeing, a person who is in control of their own endeavours is much more likely to stay healthy and well for the longer term and that's very much where we come from - listening to the voice of older people and setting up systems that empower them to be able to be in charge of their decisions. That's something I think that COTA would be interested in exploring further.

Mr STURGES - Thank you for your comments around that.

Mr GROOM - Miriam, you have mentioned older people better understanding the concessions that are available and the like. In our roles we speak to a lot of people and we get from time to time the opportunity to go and see them in their own homes and one of the things that has really concerned me in the area of power costs is that issue of education. People have expressed a concern about power as most people do these days, but then you go into the home and you see the set-up it's seriously inefficient, and that's having a massive impact on the cost that they're having to suffer. Yet when you try to have a conversation with them about that it is evident that they're just not aware of the point or that issue. Government, as well as Aurora have various measures that are designed to try to better educate people, but it's clearly not good enough and we have to do better at it. Do you have any thoughts in that regard?

Ms HERZFELD - I absolutely agree with you and we recognise that concessions are only part of the system. It needs to be accompanied by education and improving housing and all of those things. I think that that's probably a population-wide issue, I would say, but obviously certain older people would feel the cold more than most and so it's something probably that's been brought to your attention. We feel very strongly that education is a

really important thing. COTA Tas has a peer education program and we've done quite a bit of research on that and looking at the literature around the value of peer education models in upskilling, enhancing knowledge, et cetera, among older people. We know that's a strategy that works.

We have peer education programs. Do you know what I mean by 'peer education'? It's an older person going and speaking to an older person, so you are a peer in that regard. We have peer education programs around mental health and depression and managing pharmaceuticals, and we're just in the process of developing one on financial elder abuse and protecting yourself around financial elder abuse. Using that model it's possible to start to educate older people about what they can do in their homes to keep the cost of electricity prices to a minimum.

Mr GROOM - How are those models funded?

Ms HERZFELD - Some of those are funded federally through HACC funding. They're not all long-term funded programs, so it's like a lot of health promotion and prevention programs in Tassie, they're funded for very short periods of time and so it's about being opportunistic with your funding, which is a problem. In the longer term, knowing what we know about the demographic change and the ageing population, that is something that definitely needs to be looked at. Older people, from my experience, are very open to new ideas and suggestions if they're engaged in the process. They're interested in learning and they have a lot of their own life experiences to contribute, but they're also interested in new ways of doing things and I think it's a matter of working with them and supporting them to do those things.

Sometimes making changes to the home or looking at the types of heating appliances that older people might have is not easy. Say, for example, if they live in a retirement village, if they have a very inefficient form of heating it's not always within their control to change that heating. I've heard of situations where requests were made to change a particular heating appliance in a home, but because they were part of a retirement village and that was controlled by a large organisation they weren't prepared to look at making those changes. So I suppose it's not just about individual responsibility and enhancing the knowledge of that individual, it's also about creating an environment that supports people. Yes, they can shut doors and use curtains, and all of those things, but there are still some very inefficient homes out there and that's when older people would be forced into going to bed early or whatever, reducing their quality of life because the making of changes is beyond their control.

We would advocate for individual responsibility and doing everything you can, but also looking at the broader environment and how older people can be supported in their various living arrangements.

Ms PETRUSMA - Miriam, in here you talk about the cost of living pressures possibly leading to financial elder abuse, so do you have any examples?

Ms HERZFELD - We don't have comprehensive research that indicates that, but we do have stories from individuals who have come forward from time to time. We know through that that there are older people out there who support their children financially and that's again a result of the rising cost of living, but it's also related to other things, gambling

issues et cetera where family members - and elder abuse is predominantly committed by people who are closest to older people - family members or close friends who are going to their older family members, their older parents, to obtain financial support and assistance. We have a suspicion that this may be an issue that's contributing to some older people being further stretched in terms of meeting their own cost of living needs. As I said, we don't have comprehensive evidence of that, as we don't around elder abuse in general, but I think there's a figure of about 5 per cent of the population that is suspected of being affected by elder abuse. You would say, obviously, that if that is occurring the older person has less resources themselves.

Mr STURGES - I think the classic example there is the grandparents raising grandchildren - the number of grandchildren who are just dumped.

Ms PETRUSMA - Do you have any examples that you can give us, stories that you've been told?

Ms HERZFELD - No, I can't, I'm sorry. I was advised of this by the CEO of COTA Tas and sorry, I don't.

Ms PETRUSMA - Do you have any suggestions as to what we as a committee could recommend to prevent that from occurring?

Ms HERZFELD - There is a whole elder abuse strategy I believe in place -

Mr MORRIS - It's being developed.

Ms HERZFELD - The concern is obviously that that's not adequately funded, given the situation at the moment.

Mr GROOM - What is the funding situation?

Ms HERZFELD - My understanding is that there are no resources attached to implement that strategy.

Ms PETRUSMA - It was discussed at the last Budget.

Mr MORRIS - It is only being introduced at the moment; it's still very new.

Ms HERZFELD - That's right, yes. I'm not part of the committee involved with that, but what I am involved in is a project that COTA Tas won some funding for through the Community Support Levy and that is the Peer Education Program, which is about prevention of financial elder abuse. That's a pilot project at this stage and it has a very rigorous evaluation attached to it and if it shows to be successful over the course of the next year I would like to see further resources directed at that kind of approach. That's a program that engages with the Public Trustee and with the Guardianship and Administration Board and those people who see the end result of those types of situations. We're very interested in prevention and empowering older people so that again they can stay in charge of their endeavours, and giving them the resources so that they can prepare themselves for later in life and prevent elder abuse from occurring. That would be one strategy that I would suggest would be very important.

Also I believe through the elder abuse strategy they are looking at finding ways to collect more data about the extent of the problem in Tasmania. That's one of the things that we don't know. We have case studies that end up at the Guardianship and Administration Board, but certainly a lot of this stuff goes on behind closed doors and we really don't know. That's a big concern for COTA and COTA is trying to do something around that in terms of prevention and educating people how they can arm themselves against potential elder abuse.

CHAIR - Thank you. Do members have any more questions?

Mr MORRIS - I just have one. It strikes me that most of the concession system is based on the pull model that requires you to apply for the concession. Do you think there is any merit in moving more towards the push model? This means that if you've got an age qualification or you've applied for Centrelink benefits, then there should be a mechanism as they've now qualified, even though it's a Commonwealth thing, to come back to the State and be given information about the benefits they are eligible for as a result of that, rather than relying on them applying. I think you actually have to apply for the Seniors Card, I don't think it's automatic.

Ms HERZFELD - That I couldn't tell you.

Mr MORRIS - No, I'm not sure, but I will check it out. I think you have to apply. Virtually all the concessions you actually have to apply for, which is why so many people miss out. I'm just wondering whether going to the push model is better, whereby once you trigger the first event, which is usually approaching Centrelink for support, that triggers a whole heap of things to happen automatically behind the scenes.

Ms HERZFELD - I think that's absolutely true; I think that's commonsense. I think when you hit that age group it should be, 'Here you go, this is what you're entitled to'. We should be more proactive in providing people with that information upfront. That very much links with the prevention approach that we're talking about, rather than relying on people to seek this out - yes, absolutely.

Mr MORRIS - It's likely to be more costly to the State Government, but that's not the point.

Ms HERZFELD - But if you look at it the other way around, if you provide that information to people it links in with keeping people well and healthy into the future, at home and supported -

Mr MORRIS - And not falling into greater need.

Ms HERZFELD - Absolutely, and then it's too late. We really feel that we need to put a much stronger focus on that, knowing that we're going to be in the situation with so many of our people over 65.

CHAIR - Thank you so much for coming along today, Miriam.

Ms HERZFELD - Thank you very much.

THE WITNESS WITHDREW.

Mr BENEDICT BARTL, SOLICITOR AND LIAISON OFFICER, TENANTS UNION,
WAS CALLED AND EXAMINED.

CHAIR - Thank you for appearing again, Benedict, on behalf of the Tenants Union this time.
Do you have an opening statement you would like to make?

Mr BARTL - Yes, but just before I do that there's some additional information I hope I can impose on you.

CHAIR - Thank you.

Mr BARTL - In Professor Adam's report he makes the point that housing prices have gone up by 25 per cent over the last decade. Information we've received from our good friends at the Real Estate Institute of Tasmania clearly shows that in a lot of cases the rent has actually gone up by significantly more. There are a couple of points we'd like to make about that. We think Professor Adams based his research for the statistics on housing overall, so that would have also taken into account public housing and Housing Tasmania rental properties where the tenants have remained in the premises for a decade and the rent may have only gone up by \$5 or \$10 over the course of that decade, but for those tenants who are moving into properties, the rent over the last decade, as you can see from our research, has gone up by at least 67 per cent and as much as 106 per cent for a three-bedroom property in Hobart. That was the first point we wanted to make.

To ease the cost-of-living pressures on renters there are a number of recommendations that we believe the committee can and should support. First, we believe the tenant should be able to pay their rent fortnightly rather than the current requirement under the Residential Tenancy Act which provides that rent can be paid up to a month in advance. We say it should be capped at two weeks so there would be less discrimination against low-income renters if they only had to pay two week's rent rather than four. This would also be in line with Professor Adams recommendation of bill-smoothing, so rather than receiving a big whack once a month, it can be smoothed over in two bills over a month.

Secondly, in cases where tenants are concerned that the landlord wants to increase rents unreasonably, we recommend that rather than having to go to court, which is what tenants have to do at the moment, they should have the matter referred to the Residential Tenancy Commissioner. This would provide tenants with access to a less intimidating, expensive and time-consuming decision-making body and would ensure that powers rested with the specialist body best able to accurately assess whether the proposed increase was unreasonable. So rather than just going into the lottery, which means that you file your application with the court and then you get the magistrate who is assigned to the case, we believe that a specialist body such as the Residential Tenancy Commissioner would be better able to determine when a rent increase is unreasonable or not.

Finally, and I believe this matter has been addressed by a number of other submissions, we would like the committee to consider ways in which water concessions can be passed on to tenants. At the moment tenants are able to obtain an electricity concession because the bill is made out to the tenant, but with water because there is a fixed component it is sent to the landlord, which means that the tenant is not able to access a water concession.

We would like the committee to consider ways in which tenants are able to access a water concession.

Mr MORRIS - On that very subject, what about the pensioner concession for rates because rates are built into the rental as well, so does the same thing apply for rates as well as water concessions?

Mr BARTL - That's difficult. The Tenants Union would say yes, but that's difficult because it's never clear when owners ask for rent how much is actually for the house and how much is for rates.

Mr MORRIS - All of the rates are bound to be built into it every time.

Mr BARTL - Are you asking should a concession be provided for tenants?

Mr MORRIS - Yes, where it's their principle place of residence. If they were the owner as opposed to the tenant they would get the concession.

Mr BARTL - Yes, okay, we would definitely support that.

Mr MORRIS - The two are together, that's all.

CHAIR - When you referred to the two weeks' rent in advance, that's the bond, isn't it? So rather than requiring a month you are requiring two weeks, is that what you meant or is this different?

Mr BARTL - No. A landlord is able to ask for up to four weeks' rent and we say that it should be reduced to two weeks, so the landlord can only ask for two weeks' rent.

CHAIR - So no change to the bond?

Mr BARTL - No.

Ms PETRUSMA - Do you know the percentage of landlords who actually do charge four weeks in advance rent? Is it larger than the people taking two weeks?

Mr BARTL - I couldn't tell you. I can only point you to the section in the act which says up to four weeks. It says the rent cannot exceed four weeks.

Ms PETRUSMA - In advance.

Mr BARTL - Yes.

CHAIR - Now that you have explained that, a contrary story has been brought to my attention by a tenant who wanted to secure their lodgings and therefore offered to pay up to two months in advance to secure their lodging while they had the capacity to pay, but were unable to do so. In those instances it does disadvantage people who may be looking to have that security of tenure.

Mr BARTL - Yes.

CHAIR - But you are saying in most cases it is a disadvantage to have that provision in the act. On the whole it would be of benefit to reduce it to two weeks.

Mr BARTL - Yes, it would provide a means of bill-smoothing.

Mr GROOM - Can I just ask in terms of the water concession pass-through concept, how do they do it interstate? Are you familiar with that in other States?

Mr BARTL - No.

Ms PETRUSMA - Benedict, do you know why there has been such large percentage increases in Hobart and the north-west versus Launceston?

Mr BARTL - No, I couldn't tell you.

Mr GROOM - Has there been an adjustment of demand for rental? Are there more people transitioning out of home ownership into rental?

Mr BARTL - Yes, there is. The vacancy rate has increased over the last decade, which has meant probably that owners are able to ask for more rent.

Mr MORRIS - Are you seeing any change in recent times in terms of the availability of rental properties - is it increasing?

Mr BARTL - In the last month I believe the vacancy rate has decreased. For example, in the weekend newspapers Edwards and Windsor were offering one week's free rent because there are now more rental properties available but, again, that is only one week and we would like to see agents and owners reducing rent over the course of -

Mr MORRIS - Yes, permanently. Is that happening at all, do you think? Do you keep track of what rents are being asked from those advertisements, and has that changed?

Mr BARTL - It's just too early to say at the moment, Tim. It has just been in the last month that we've started to notice those advertisements.

Ms PETRUSMA - Do you know why that is? Do you think it's because people are shifting to the mainland for work?

Mr BARTL - Don't know, sorry. Isn't Tasmania's population increasing?

CHAIR - It is.

Mr GROOM - I have quite a specific question. It might seem a little out of context, but I'd just be interested in your thoughts. I came across this issue recently of share accommodation arrangements for uni students. Often there are a lot of transitory students coming in for a term or whatever and some accommodations are set up where basically they are let out on a room-by-room basis and people just move through them. My understanding is that in some of the other States there is a special classification given to that type of accommodation which exempts them from some of the formal

requirements under the residential tenancy legislation and yet that doesn't exist here in Tasmania. Are you familiar with that issue?

Mr BARTL - Yes. My understanding is that under the Residential Tenancy Act educational facilities are exempt.

Mr GROOM - That would cover that shared accommodation.

Mr BARTL - For some of the premises.

Mr GROOM - Where you let out on a room-by-room basis.

Mr BARTL - They would be exempt too.

Mr GROOM - Okay. What is it called? 'Education facility'.

Mr BARTL - Yes.

CHAIR - Thank you very much for your time again and for your submission and for tabling the document you provided.

THE WITNESS WITHDREW.

Ms DONNA EVANS, TASMANIAN STATE MANAGER, GOOD BEGINNINGS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you, Donna, and thank you for coming to speak with the committee today. I just wanted to check you received from the secretary documents pertaining to the procedure of the committee today.

Ms EVANS - I sure did.

CHAIR - And I just remind you that it will be recorded by Hansard and that you are covered by parliamentary privilege but anything you say outside of this committee will not be covered by parliamentary privilege.

Do you have an opening statement?

Ms EVANS - I did not really prepare anything because I guessed it would mainly be about what Good Beginnings is. I don't know if any of you are aware of Good Beginnings. We are a children's charity so we work with families and children to build better outcomes for children so anything we would do is with disadvantaged communities and is always to build a future for children. That is it in a nutshell.

CHAIR - Thank you. Obviously the committee is looking at a range of different things and I guess one of the aspects I would personally like to see us look at too is capacity building which is what you do and dealing with not only the children but the families as well in these communities. Would you be able to give an example of the sorts of things that you do in communities?

Ms EVANS - In the sort of space of cost of living and the impacts for families, the approach that we like to have is focusing on parenting and things like access to good food and nutrition. We have a base in the Bridgewater and Gagebrook community. It is more that just giving them access to good food but actually helping them to understand the benefits of good nutrition. For us it is more than just a handout for a voucher but how are you going to use this money and let us help you to build your capacity in your role as a parent to understand the benefits of nutrition but at the same time help supporting the practice of that.

We take a holistic approach, being in the communities, using that sort of community development, building relationships with the community to really build their capacity. We often use outreach models. We do not believe that it should be centre based and them continually coming to us. We use an outreach model always with the intention of linking into community supports and building community supports because they are very socially isolated and are not aware sometimes of what is out there. That is the sort of capacity building that we would undertake.

CHAIR - Some of the evidence we have received has indicated that we need to have a greater focus on financial literacy. Having been fortunate enough to participate in a Good Beginnings program in Bridgewater and Gagebrook I understand how you operate. One of the things that I thought was excellent was that they do a cooking program at

lunchtime for parents. They actually had a traffic lights work project that Andrea did with parents and it was also financial literacy but understanding foods and the value of foods. Do you think that we can better utilise the outreach models that your organisation and other organisations already have in place in these communities where you have already built relationships?

A pertinent question for you or your organisation in particular I guess is your level of funding, where it comes from and how that resource is enabling you to grow this model of outreach.

Ms EVANS - We are predominantly funded by FaHCSIA, we do not receive funding from the State Government. We have used that outreach approach all along. I guess capacity-wise it is like all funding, it is limited so it is about using the dollar wisely and using the funding that we receive wisely. One of the challenges with outreach is that it's expensive. It costs more to go to communities than sit in your office and demand they come in for an appointment. With that we always have an outcome; they are linked into the people at Community Support and our model is to actually build those networks within the community. We run a program called Living With Live Wires, which is all about parents with children with behaviour problems, so those children who get suspended from school at the age of five, and getting those parents to come together and offer their own initiatives, strategies and resources. We very much use their skills to empower others and so it is about that role modelling and getting some community advocates in that community development role. Very much the way we work is, rather than come in and tell you how to do it, share your experience and then share it with your friend, your neighbours and so forth.

It's very small. It's really challenging because even if you look at the population of Bridgewater and Gagebrook we have a handful of programs and I think there's 1 500 children under the age of five in that community alone. So it's small and to build that capacity would obviously take more expansion and so forth, and we only do what we can do with what we have. We try to run those programs that build nutritional capacity and then the whole idea is to get those participants to then support -

Mr STURGES - What sort of acceptance level do you have?

Ms EVANS - We've been here now for six years and we've been accepted, which is what I think is one of the biggest achievements of the team out there. We're a very small team, Bridgewater and Gagebrook, less than five staff and they're all part-time, so I think we have 2.5 FTE out there, but they have been accepted. We have actually been invited by the community to be in the Child and Family Centre to have a permanent presence there and deliver our programs there. We're the only non-government agency that has been asked to do that. We're very lucky. We sit out the back of the Community Health Centre in a little terrapin, which has just been painted by the aboriginal communities. It's lovely, so we're very lucky. Even though our resources actually decreased in that area, unfortunately, to program funding, I really see it as an integral site because it has been accepted and there's no point in those communities just closing shop and then another agency moving in and starting again. It just doesn't work, they are very mistrustful and it's always 'How is that fair on the families?' For us it's always what is fair on the families. We have been accepted and we're very fortunate indeed in that regard.

Mr STURGES - How is the success rate going?

Ms EVANS - The outcomes that we try to measure are generally around family functioning and parental knowledge, and children's behaviours and things like that. In the last reporting period, which was the end of the financial year to January, I think there was something like an 80 per cent success rate in our participants in improvement on their knowledge of being a parent. That can include things like nutrition and access to services. We aim for about a 70 per cent to 80 per cent success rate, as well as that satisfaction, so we measure the changes we see. That comes down to asking them have they changed and a good example of that is they actually read to their children at home now compared to before, as well as, 'Are you satisfied with us as a service?', and that then helps us with our engagement with the community. We work very much from a partnership approach, which is we're not the experts, we actually want to enhance their knowledge and skills and they share their stories and we share ours. That is how it's worked for us and we're lucky.

Ms PETRUSMA - So, Donna, how many people have gone through the programs?

Ms EVANS - That's a good question. Because we do outreach it's quite low numbers, but we do some groups in the Catholic schools and there were a few hundred families who participated in the programs in one form or another. Our outreach component is much lower, but we do group work in Gagebrook Primary, St Paul's Catholic Primary School and Herdsmans Cove. Not so much - we work with them - we don't actually deliver that many programs in Herdsmans Cove, we go there as well. We have a base in Gagebrook Primary.

Ms PETRUSMA - In the ideal world, how many families would you say you should be working with?

Ms EVANS - It is interesting. The way we would like to see it is that you have your soft and your targeted service. Everything is now becoming very targeted and less early intervention really into that space, because we have so many vulnerable, disadvantaged communities. We would like to see a soft universal service as well as targeted. In that space we would like to see a soft universal service as well as targeted in that space; we would like to see universal having larger numbers but acknowledging targeted as expensive, and that is what we call 'closed groups'. A good example that we would use, but we haven't got the funding for yet, is a program called Play to Grow which is a parenting session where the children are cared for, the parents are there, and we talk about nutrition. What access to services do you know about? All of those parenting things that some of these families don't know about, and then you put them together in a group with their children and they put into practice what they have learnt, some of the skills around parenting. Some of these families don't even understand the concept of nurturing. They don't have that relationship. It is such a volatile relationship they often have with their children. They put it into practice and then debrief and share their stories again. That would be a closed group and you might only get 20 parent families in a year, but they would then enter into a more universal program that we run.

Mr GROOM - What are the most significant skill gaps?

Ms EVANS - I was talking about some of the most vulnerable. I think in the Bridgewater and Gagebrook community we are seeing more and more harsh parenting in those lower socioeconomic areas and a lack of understanding that a two-year-old isn't actually doing that to you on purpose, they are just tired and you haven't managed their routine. It is really basic fundamental stuff that needs to be taken right back because they didn't experience that parenting and the generation before didn't, so it is that really fundamental stuff that we would see in those families because five-year-olds shouldn't get suspended from school because of their behaviour.

Ms PETRUSMA - How many have you seen out that way?

Ms EVANS - It is common. I know myself from back in the days of service delivery and the process around that and I understand one principal said, 'I have a right to have a safe workplace for my teachers and so forth', and that is fine and dandy, but when you get a letter sent home saying that according to such-and-such an act your child has breached this and you have to keep him at home for three days and punish them for three days when these parents don't understand what is wrong with their child in the first place for behaving like that. It is very common

Ms PETRUSMA - Do they automatically refer them on to you or are only the repeat offenders sent to you?

Ms EVANS - I guess in that particular community that is why that Livewires program has come about because these parents don't know what to do when their children are sent home at 12 o'clock every day, so that support group has been set up. There might be referrals but unfortunately for us it is a capacity issue because those sort of referrals will start with more of a home visit - you don't say to those families, 'Off you go and do a parenting course'. That is only viable if they actually understand why they are doing a parenting course and what it is and why you are making them come along, so it is very much about raising their awareness of their own style of parenting and their behaviours and how that impacts on their children. Yes, we get referrals, but we are unfortunately limited capacity-wise.

Ms PETRUSMA - Do you find that cost-of-living pressures are impacting on them?

Ms EVANS - Yes, the transport issues impact on those families. Again I take a lot of that to nutrition; it is so much cheaper to buy chips than it is vegetables, so they go to what is affordable to not even understanding nutrition for the next generation. We can do all the nutrition classes in the world but when red capsicum is \$8.90 a kilo they're not going to be doing a stir-fry tonight. That is what I think impacts but it has led to almost a generational lack of knowledge on nutrition.

Ms PETRUSMA - What is the answer to that?

Ms EVANS - I think it is financial literacy, so if you are going to have those programs helping them with food vouchers and so forth there is that accompanying program. The way I would see it is that you are subsidising accessing good nutrition but putting that whole package around that. 'What are you going to do with that food and why should you eat that food and have you ever tried this?' Every man and his dog is running a good *Master Chef*-style program and we ran one for kids in the school holidays but

unfortunately again for us we are not really resourced to do it at this moment. It is two-pronged, we do what we can when we can, but they actually really enjoy it. I think once an agency in any community has that relationship you can actually build on that.

Ms PETRUSMA - Do you work with Second Bite to deliver food parcels?

Ms EVANS - Yes and no. One of the things that we have steered away from a little bit is that food rescue. That is not our core business. If we do use those services, and we have done periodically, it is more of a reward system to say, 'You've done some great things in your space in the last months and if we give you this extra package of food it is going to really support what you've been doing', and so forth. We are not a crisis service that hands out food but we do have accounts with Second Bite and things like that. But we have steered away from that kind of practice. I think the Neighbour House takes on that role. We are more about raising the awareness of the families.

CHAIR - And building that capacity so individuals have the skills to use the food.

Ms EVANS - Building that capacity, developing those skills and then getting your champions. As I said, we have been lucky we have some great champions of the community, like a mum of nine children. She is amazing. She is a great advocate for the community and will come along to our programs and then support other parents coming to our programs, but it has taken a while to get to that space. We still have a way to go because it is a fast-growing community.

Ms PETRUSMA - One of the other things you have written in your submission is about families having to drive without a licence. Are you seeing that as an increasing issue?

Ms EVANS - It is a challenge for us and I can only cite examples. If you are a single mum at the age of 19 and you have no support networks, to get a licence is virtually impossible because to do those 50 hours or whatever it is -

Ms PETRUSMA - It's 100 hours.

Ms EVANS - They just do not do it, so a lot drive without licences. If they come into our service, we are not going to go out to the car park and see if they have driven there themselves. We have the conversations and certainly we do not condone what they are doing, which is why we use a bit of outreach because we do not want them driving illegally, but we do see it a lot because there are some real barriers, especially for young parents with children. What do you do with your children when you go and do your training hours? Even if you could get someone to help you with your 100 hours, what do you do with your children? It's a challenge. More and more we are seeing Neighbourhood Houses get some of those programs up and running.

Ms PETRUSMA - So transport to Bridgewater itself, like the bus services and everything else, is -

Ms EVANS - It's a challenge, and even getting between Bridgewater and Gagebrook is a challenge between the two very close communities. If you want to get your groceries, if you do grocery shopping with your three young children, it is a challenge to do that.

Mr MORRIS - Especially if you're on the other side of the river.

Ms EVANS - If you are in Gagebrook and you want to go to Covehill Fair with your children and get groceries, it is -

Mr MORRIS - It's an expensive taxi ride.

Ms EVANS - It is a taxi ride, and who is going to carry all those bags and look after the children? So there is all those sorts of problems. We would support strategies around the best way you could do that et cetera but transport just between Gagebrook and Bridgewater is important, because a lot of the services are in Bridgewater.

Mr MORRIS - Yes, that's right.

Ms EVANS - If we are running a program initially, we will support access to providing transport to our programs with the idea that after [inaudible] capacity. But to get them in the first place, you have to physically get them there, get them to understand the benefits that come with it and why it is a good program or whatever it is we are doing, and they will come on their own once they can see that support.

Mr MORRIS - Do you think it is possible to break the cycle with these intergenerational families and what would be required to do that?

Ms EVANS - I ask myself that question all the time, especially when we are talking about intergenerational and all in the one community. I think it is but it is quite an intensive way of working. It is really about the early years, getting the mum when she has those little children and really raising her awareness, because they just don't understand what impacts on them; they don't understand that the way grandma yells at you is not the way to talk to each other. So it would be slow but I think it can be done and you would obviously not clump them all together so they can share those wonderful parenting strategies that some of them have and things we hear about. But you can definitely get those parents to understand what is happening to them that is affecting their children and often it might be accommodating them elsewhere or whatever but it is no small task and we do our little bit all the time.

CHAIR - It is an interesting point because it is not unique to this community.

Ms EVANS - No, I am just using that because that is where we are, but -

CHAIR - I know, but I was thinking in respect to the cost-of-living pressures that families face, if you don't get in and start to build understanding and the skills and educate people then the cycle is really difficult to break, as you mentioned. You referred earlier to universal services and targeted services. What universal services should we be looking at investing more in that can help raise awareness and education levels to help people break the cycle?

Ms EVANS - We have the playgroups and so forth that are running, which are a great universal service. I think those sorts of programs are very worthwhile because they are that very soft entry but we should be supporting more, maybe not run by government so much, maybe run by community organisations. If playgroups are run too locally, like by

the parents themselves, they can become quite cliquey and some of the more vulnerable families in that community will never ever go there. We are acknowledging that there will always be what we call a universal service that will always need some kind of guidance by an organisation or a community.

We run a dads' playgroup that has been running very successfully but it can become very middle class if not for the fact that we manage that group. They are a great group for referring the more vulnerable dads because they mentor them and role-model for them. It's just one of the most fabulous groups. However, if that was left alone - and I know they should become autonomous - I can see that the vulnerable dads would never be in that group if it wasn't for that support. For me, it's those group programs that are universal but still we have to acknowledge that some of them in some of the more vulnerable communities can't be completely autonomous. You see that once they take ownership they can drift. They have a lovely way of knocking down tall poppies, so it's about managing that behaviour in the groups.

I think it should be universal so that it is more open-ended. It doesn't have to be a referral base; it's there, it's community-based and supported by community organisations. It has the buy-in from communities - 'I can see there are some real problems in these particular families here, the children aren't eating well and aren't even coming to groups because they can't afford to get there. Maybe an outreach program for those families would get them back in.'. You need that soft entry and exit.

We need more parenting groups. I am saying that because I'm biased, but more group-based programs that you don't have to be referred into but needs some guidance around supporting what happens. Even in the groups we're running you can see sometimes parents' behaviour can be a bit challenging and we need to be there.

Ms PETRUSMA - Something that came to me from child and family centres is that it is great they're doing programs for zero-five but as soon as the child turns six there's nothing until they turn 12 when more Federal funding kicks in. Are you seeing that as an issue out at Bridgewater?

Ms EVANS - Yes, we do.

Ms PETRUSMA - There is this big gap between 6-12 years of age and that's where some of the other disadvantaged communities are saying they have gangs of 8-12-year-olds roaming the streets, burning houses and everything else. What is your suggestion on that?

Ms EVANS - You're quite right, that is the case, and it's almost like because we didn't get to them in the early years that they are where they are. We are noticing that in our very limited capacity it tends to be school holiday activities et cetera, but it's getting those relationships with the families to get those kids to come along. Kids are roaming around - I think we had a nine-year-old throw faeces at our building not long ago. You cannot work in isolation, you need the family - and that child is not going to come back. You need that family unit to get that binding from the parents and get that relationship. There is a raft of programs that can be run in that space.

In one of the parenting courses we have developed in the first sessions the parents say, 'These are the things that affect us. We don't want to do units 3, 4 and 5, we only want to do 6, 7 and 8', and bullying and child behaviour in that 6-12 age group is built into that because it doesn't just stop when they turn five and six. We have some great programs and even in mentoring programs we have one for girls - Go Girls - for Aboriginal girls to reach their potential. They are so at risk of early teenage pregnancy so we are working with them when they are six to 12. There are lots of programs around but you have to get the buy-in from the community first. You cannot just launch these programs.

CHAIR - I guess that is the difficulty. Whilst we can recognise the best model and the Government might be able to fund an initiative, the trick is engaging people to take part. How do you do that? That is the hard part, building those relationships.

Ms EVANS - I think in any initiative that has to be acknowledged. You get a lovely contract to say by the end of 2013 you will have done A, B and C, but you might not have even got the community on side. When any initiative is launched there has to be that community development first. We do not set up in communities just because it looks nice or someone gave us the money. It is more about the needs and whether we can get that relationship, that social inclusion approach and get the community on side. That is really hard, there is no doubt about that. It has taken us a long time to get accepted where we are.

CHAIR - Thank you very much.

THE WITNESS WITHDREW.

Mr PAUL SMITH, EXECUTIVE MANAGER CORPORATE GOVERNANCE, WARATAH-WYNYARD COUNCIL, WAS EXAMINED BY TELEPHONE.

CHAIR - Thank you, Mr Smith. I just want to remind you that this conversation is being recorded by *Hansard* and that you are covered by Parliamentary privilege but anything you do say outside the proceedings will not be covered by privilege. Is that clear?

Mr SMITH - Thank you, yes.

CHAIR - Thank you very much for your submission. Did you have an opening statement you would like to make before we begin.

Mr SMITH - No. The council submission was fairly clear and simple and I think we thought it was fairly understandable to anyone who read it.

CHAIR - Certainly. The first point of your submission is calling for criteria for benefits and support to be clear and simple and consistent across all State government agencies. Did you have any suggestions on how that should be done, because currently eligibility criteria is essentially your pensioner's concession card or health care card. Did you have other suggestions for how we might do that?

Mr SMITH - I think the council's concerns probably went to a wider group of beneficiaries than just pensioners and concession cards and there was some discussion around youth benefits et cetera and that the eligibility criteria were a bit inconsistent and confusing at times. I think in terms of the pensioner and the health card issues, that is something the council itself is dealing with in terms of the definitions that we use around people who receive benefits and it is something that has been of interest to council, what the local regional water authority has done in terms of the benefits that it provides to individuals and to community groups. It is just a general observation on our part that we are looking for simpler and standard definitions of these groups so that we can ensure that the benefits go to the people who should be receiving them.

CHAIR - Thank you. Could you explain a little bit more about your particular council's approach, who do you provide concessions to?

Mr SMITH - We provide rebates to pensioners and, of course, there is a whole range of council services which are provided and across those there are rebates or there are dispensations from fees and costs that are granted to people generally upon request, and most of them at the moment are dealt with on a case-by-case basis.

CHAIR - If you had clearer guidelines around the eligibility that would make your job easier or would you continue to have flexible -

Mr SMITH - It would assist us, I think, in developing guidelines that were more consistent internally but also consistent with what is happening across the State as well.

CHAIR - You touched also on the water body, did you want to expand on what you meant by that?

Mr SMITH - It was more an issue at the moment. The water bodies are reasonably new and the whole pricing mechanisms are still evolving. We have had an issue in recent times around concessions that are granted to community groups, not-for-profit groups, sporting clubs, et cetera. There have been some concerns around what the definitions of who would get the benefit and who wouldn't and how that then mirrors with the benefits of councils applying in similar areas. Cradle Mountain Water, I think in the last month or so, have issued their policy statements on that so that has given us a position around which we can now reconsider our own position.

Mr MORRIS - Tim Morris here, Paul. Just in terms of providing concessions that the council does, what are the things that drive the council to provide a concession? Is it people's income, capacity to pay, are their assets considered, or how does council think about what reasoning it should give for someone getting a concession?

Mr SMITH - I would have to preface my comments by saying that I am new to council - I joined around Christmas time - and I am just running through my first budget process with council, so it is not clear to me yet what the objectives around council's actual delivery of concessions is. They do have a high level of concern around the impact of rising costs on particular groups within the community and I think that their approach towards giving concessions has been pretty much standard with what local government does across the board, so it has been to pensioners and it has been a reasonably straightforward approach but, like all councils, we are facing increasing costs and a reluctance to increase rates and so, through this budget process itself I think we will be giving some more thought to exactly how we do that and how we target those benefits to those groups that the councillors believe are in the most need.

Mr STURGES - Paul, it is Graeme Sturges here. Could you just give me some examples of some of the local rebates and concessions that your council offers to your community?

Mr SMITH - We offer some rebates on regulatory fees and on planning approvals under some circumstances. We offer some payment support for water rates. We offer rate discounts on the general rate and there is probably a whole range of other smaller ones that I am not -

Mr STURGES - Sorry, is that rate discount the one that is currently funded through the State Government concession or is it additional to that?

Mr SMITH - I am not aware of that but it may well be. As I said, I am new to Tasmania and new to Waratah-Wynyard so I would suspect you would probably know more about those structures than I do at this point in time.

Mr STURGES - Fine. I was just wondering if it was additional to, but that is fine.

Mr SMITH - I am not too sure, I would have to review that.

Mr STURGES - Thanks. My last point on that, how does the Waratah-Wynyard Council make their community aware of the rebates that are on offer?

Mr SMITH - I don't believe at this point in time Waratah-Wynyard has any real program of information, advice and support in order to do that and that is something that we will

have to look at. We certainly run a web page, we have information and brochures available in the front lobby. We are embarking now in social media in order to try to interface better with certain groups in the community, but I think it's something that we will be looking at in terms of how we can make information better available and how we can coordinate with other agencies who are also active in that area, so we're not duplicating services.

CHAIR - Thanks, Paul. Point three of your submission does call on the Government to improve awareness of eligibility for concessions through a case management approach. What exactly do you mean by that?

Mr SMITH - It was just a reference to the potential that rather than having a dozen different concessions out there that people may not be aware of, that an individual who was in a group for whom some support was a desirable outcome could be treated as a case and then looked at as to what their circumstances are and what support mechanisms may be available to them so that you make them aware of all of the issues, and make the ones available to them that are appropriate to their needs. There is a case management officer who is aware of the wide range of support benefits that are available and sort of tailors a package that suits the circumstances of the individual, rather than having the individual, in a sense, responsible for trying to identify what is available to them.

Mr MORRIS - Paul, Tim Morris here again, would the council consider having some of its officers take on some of that case management role?

Mr SMITH - I think council would be interested to talk with Government about how that might happen, yes.

Mr MORRIS - You have the interface with those people. Say they're coming in and saying, 'I'm claiming my council rates rebate,' and at that opportunity you would say, 'Well, this is the first time you've claimed your council rates rebate; are you aware of what other concessions you are eligible for?'

Mr SMITH - I think that's a possibility and really that all flows around the information systems that are available to use, certainly internally within council where we're devoting some more resources to getting our own information together in a more accessible way so that our customer service officers have access to all of the range of council programs that are done, and when someone comes to the front desk and they make an inquiry then we have links to a whole range of things so that we can provide customers not just with some information that they request, but perhaps with a range of brochures and pamphlets of other things that may also be of interest to them. A lot of that really depends on the information access that's available.

Mr MORRIS - Certainly you could potentially do an insert that could go into the State Government's Concessions Booklet so that when someone gives them that information, you can give them the insert that is the council-based stuff and -

Mr SMITH - I think the council would be interested in looking at ways in which that can be streamlined and where you avoid duplication. They're not particularly looking for an extra role for themselves, it may be that there's another agency that is better able to do that, but it was more about integrating the information and then making ease of access,

and avoiding duplication of resources so that more funds can go out as benefits to recipients rather than be tied up in a lot of bureaucratic processes.

CHAIR - Paul, I'm unaware of your background but you did say you had moved from interstate; did you hold a similar role there?

Mr SMITH - I've held a couple of similar roles in local government, I worked in economic development and I've worked in corporate governance, and I've spent some time with the Queensland Competition Authority dealing with regulatory pricing and national competition policy implementation. It's a pretty diverse background.

CHAIR - I asked because I wondered whether you had some insights into what's happening in other jurisdictions in this space and your involvement there, if it's relevant.

Mr SMITH - Not specifically around social security benefits; most of my work has been more at a corporate level or an economic development level.

CHAIR - Okay. I thought we might be able to mine your brain if you had.

Laughter.

Mr MORRIS - I'm going to have another go, if I may. The second point you make about administrative efficiency and the payment of concessions should be a priority. We don't, at this stage, have any notion of how much it costs to provide the concessions regime at the State level. Does council keep track of how much it costs the council to provide those concessions? Just on that point, more generally, what do you think we can do to improve the administrative efficiency?

Mr SMITH - Like State Government, council doesn't currently have a costing system which isolates the cost of providing those sorts of services and benefits. I would think in our case it is probably reasonably minor costs that aren't necessarily worth the effort to isolate and identify. I think that in all these cases the first step that you have to take is to understand what the underlying cost structure is, that you know what you are doing and you know how much it costs, and then you are in a position to determine whether there is a different way to do it. That is something we are working on internally in council across all our services to develop a better understanding of the service standards that we provide, what the costs are and if we modified the service standards, what the budgetary impacts of that would be. You need to have good information to start with before you would start playing around with administrative structures.

My experience in local government has always been that you can introduce new programs and you can make back-of-the-envelope assessments of how much savings you make, but actually realising those savings is a lot more difficult to do. My view is more about planning at the front end about what you might do and how that might be done at a lower cost and how you might then be able to realise those savings, or reallocate those resources to other productive things, that is the way that it should go.

Mr MORRIS - Certainly in our case I think it is very much about any savings that can be made from the administrative side should be pushed out to bringing more people in and providing them with the benefits -

Mr SMITH - I think the councils are aware that those sorts of changes take time and so the savings are not necessarily immediate but it is about, in the long term, becoming more streamlined and more efficient and being able to reallocate the same resources to better benefit. I think the bottom point of our submission was that council is aware of the difficult economic conditions that we are all in; they are not expecting more resources to be made available for benefits, but it is about whether improvements can be made to systems and processes that allow the benefits to be better targeted or more of the funds that are spent to be directed as benefits themselves.

CHAIR - Thank you very much, Paul.

Mr STURGES - I think that is a very pertinent comment that they make in relation to the provision of service and coordination.

Mr MORRIS - One last point, which is point 6 around the increased incentives for low-income earners for insulation - environmentally desirable but effectively systems that cost less to run, such as more efficient heat pumps, solar hot water systems and the like. Has council done anything in that space in terms of -

Mr SMITH - Councils have directly provided incentives into those areas. Waratah-Wynyard is a smaller council, it is a fairly tightly run ship, it is a financially well-managed organisation - we run balanced budgets and we have low levels of debt - so it has been pretty conservative in the way in which it has used money. I think their issues and concerns were that a number of them have put in things like solar heating panels, and they think they are terrific, but they feel that low-income earners maybe don't have the \$2 500 or \$3 000 to pay out of their own money to get the benefit to put in a \$5 000 or \$6 000 system and so they cannot reap the benefits of offset or zero power bills, for example. Sometimes the capital cost is still a barrier to some of the disadvantaged groups to be able to take advantage of some of these programs.

Mr MORRIS - But given that council plays in the water space, even though it's slightly at arm's length at the moment, such things as either providing low-interest or no-interest loans, which can be collected back through the rate system - that type of thing?

Mr SMITH - They have not been issues around which councils have discussions at this point in time and I suspect, in the short term at least, we have sufficient issues that we are dealing with internally in terms of maintaining assets and developing systems within the council that are our primary focus, that it would be a number of years before council could even contemplate whether it could play a role of that nature.

Mr MORRIS - Okay, it's good to get an understanding.

Mr SMITH - Again, it is certainly something that I would be more than happy to place in front of councillors in terms of a strategic perspective in developing our next strategic and corporate planning processes. But I think it would be a number of years away before council would be in a position to contemplate what it might do then. We are going to have sufficient issues with the current budget process in dealing with costing, for instance, that we are having to bear and to keep rate increases at a reasonable level that we think the community can afford.

CHAIR - Paul, thanks very much for your time today.

Mr SMITH - I wish you well with your inquiry and hope you find some quite creative ways to make things better.

CHAIR - I appreciate that, thank you.

THE WITNESS WITHDREW.