



Submission to

State Budget Consultative Process

2006-07

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1. Executive Summary and Recommendations

1.1 Executive Summary

During 2005 Tasmania has continued to experience strong growth in the economy. While many Tasmanians are feeling the benefits of this improving situation, there are many others who are missing out. For those living on low incomes increased activity in the housing market has resulted in extreme difficulties in affording a home, and the rising cost of living means barriers to accessing the basic essentials of life including the ability to participate in the life of the community.

Thirty seven per cent of Tasmanians rely on Commonwealth Government pensions and benefits as their main source of income. This is significantly more than the national average of 26.6% (ABS 2005). This means that the impact of the proposed reforms to the welfare system being introduced in July 2006 will be profound in Tasmania and cut the household incomes of at least 9,000 of the poorest members of the community. The responsibility for the reforms and their impact lies primarily with the Commonwealth Government. However the State Government is able to soften some of this impact by improving the access that low income earners have to services and by providing a range of subsidies to improve their financial circumstances. This submission outlines a number of initiatives which the State can instigate to help address the socio-economic disadvantages faced by those affected by welfare reforms and many other Tasmanians.

The oral health of low income Tasmanians has long been a concern within Anglicare and previous submissions have argued for a substantial investment in the Public Dental Service in order to remove access barriers.

The concessions system is also an important way for the State Government to assist low income Tasmanians achieve more financial security and a higher standard of living. This submission proposes an extension of the full year electricity concession to Health Care Card holders, mechanisms for improving take-up rates and the removal of inequities in access to concessions between Health Care and Pension Concession Card holders.

Ensuring a supply of affordable housing remains a key issue and is dependant on an extension of the Affordable Housing Strategy and more funds to increase supply and maintain the safety net afforded by public housing. In addition the position of vulnerable tenants living in the private rental market would be enhanced by better access to the Public Trustee Administration Service and by the establishment of a Rental Deposit Authority in Tasmania.

Lastly this submission proposes the introduction of a Gambling Consumers Advocate to increase consumer protection for those with gambling problems.

1.2 Prioritisation of Recommendations

Priority 1: The Public Dental Service

That the Government establish a community advisory committee to provide advice on the development of oral health policy.

*That the Government cover the cost of co-payments for public dental treatment.
Estimated cost: \$1.01 million*

That the Government expand funding to Oral Health Services. Estimated cost: \$5.3m over 4 years

Lead Agency: Department of Health and Human Services

Priority 2: Affordable Housing

That the State Government make a commitment to Stage 2 of the Affordable Housing Strategy and allocate at least \$43 million to fund its activities in 2006/2007.

That the State Government should incorporate the CSHA debt into the General Government Debt in order to release \$17 million per annum for public housing.

Lead Agency: Department of Health and Human Services

Priority 3: State Concessions

That the Government review the concessions system to equalise eligibility for concessions between Pension and Health Care Card holders.

That the Government allocate \$700,000 recurrent funding to extend the electricity concession of 48.4 cents per day to Health Care Card holders for the two summer quarters.

That the Government allocate \$21,000 for an extension of the public information campaign about electricity concessions available to Health Care Card holders in order to improve take up rates. This would cover \$15,000 for a TV campaign and a further \$6,000 for a concessions leaflet in pre-winter Aurora quarterly bills.

That the Government extend vehicle registration concessions, the licence discount and private bus concessions to all Health Care Card holders and the private bus concessions to all Pension Concession Card holders.

Lead Agency: Department of Health and Human Services

Priority 4: The Public Trustee

That the State Government meet The Public Trustee's costs of providing services to Represented Persons who have assets of less than \$10,000. Estimated cost: \$104,000.

Lead Agency: Department of Justice and Industrial Relations

Priority 5: The Rental Deposit Authority

That the State Government allocate \$264,000 to establish a Rental Deposit Authority in Tasmania.

That surplus funds generated by a Rental Deposit Authority be transferred to Housing Tasmania and dedicated to the provision of affordable housing for low income and disadvantaged Tasmanians.

Lead Agency: Department of Justice and Industrial Relations

Priority 6: Reducing Gambling Problems

That the State Government establish a Gambling Consumers' Advocate to work with government, industry and community members to enhance and encourage consumer protection for all forms of gambling in Tasmania with the goal of reducing and alleviating gambling problems.

Lead Agency: Department of Justice

That a comprehensive social and economic impact study into the effects of gambling in Tasmania on individuals, families and communities is conducted to provide advice for policy development aimed at reducing the negative impacts of gambling problems.

Lead Agency: Department of Health and Human Services

2. **Anglicare Tasmania's role and functions**

Anglicare Tasmania would like to thank the Department of Treasury and Finance for the opportunity to provide comment on the development of State Budget priorities for 2006-07.

Anglicare Tasmania works for a socially just Tasmanian community through prevention and early, crisis, transitional and long term intervention. Anglicare is the largest state-wide community service organisation in Tasmania. Anglicare has offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie and provides a range of community services throughout Tasmania including emergency relief, accommodation, counselling, employment and mental health services, acquired injury support services, alcohol and other drug services, parenting support programmes and outreach services to rural areas.

In operation since 1983, Anglicare employs over 500 staff and has developed strong networks and relationships with peak bodies, ministerial advisory committees, local inter-agency networks, other community service agencies, Commonwealth and State governments and the broader community.

In 1995 Anglicare established a Social Action and Research Centre (SARC) which engages in research and policy development. SARC's role is to engage in social action, policy development, advocacy and public debate based on appropriate research. Its focus is Tasmanians living in poverty. SARC exists to support Anglicare's mission to achieve social justice and provide the opportunity for people who are experiencing disadvantage to raise their concerns in the public debate. SARC's work is informed by direct experience and Anglicare's community service work.

Background: the Anglicare community survey

The Tasmanian Community Survey was conducted by Anglicare's Social Action and Research Centre in Autumn 2005. Surveys were sent to 3800 Tasmanian adults who were randomly selected from the Tasmanian Electoral Roll and 2106 completed survey forms were returned, a response rate of 55%. Post stratification weighting was conducted to ensure that the final sample reflected the actual Tasmanian population on key variables including gender, region of residence and receipt of the major Centrelink benefits. This allows statements to be made about the whole Tasmanian community rather than just those people who responded to the survey. This

submission includes findings from the survey. Releases on preliminary findings will be made public in September – October 2005. The complete findings on health and wellbeing data will be released in November 2005. The findings on employment will be released in February 2006.

3. Introduction

This year is a significant one for low income earners in Tasmania for two reasons. Firstly the State Government's fiscal position is looking healthy. The announcement of a surplus of \$233 million for 2004-2005 (Dept of Treasury & Finance, 2005), the elimination of net state debt and predicted surpluses over the next four years presents an opportunity to tackle some of the State's longer term problems. The surplus has been committed to funding new projects including additional funding for the Royal Hobart Hospital, improved roads, the Community Health and Wellbeing Fund and the TT-Line (Dept of Treasury & Finance, 2005). There is also additional funding for initiatives and capital projects in three key priority areas - health, education and law and order.

Secondly 2005 also marks the Federal Government's announcement of major changes to Australia's welfare system to encourage more people off Centrelink benefits and into jobs. The measures will take effect from 1st July 2006 and target people with disabilities, single parents and the long term unemployed. They are likely to be felt particularly keenly in Tasmania where more than one third (37.6%) of Tasmanian households rely on government pensions or benefits to survive. This compares to 26.6% nationally (ABS, 2005). The State also has the highest proportion of long term job seekers, disability pensioners and single supporting parents in Australia. The Federal Government is yet to provide detailed public estimates of the number of people who will be negatively affected by the changes but it has been calculated that approximately 2,550 people with disabilities and 1,900 single parents in Tasmania will find themselves in a worse financial position over the next three years¹. These figures of course exclude those indirectly affected including at least 4,450 or more children and other dependants. At a minimum this means that approaching 9,000 low income Tasmanians will be negatively affected by the changes.

3.1 Welfare Reform and its Impact on Tasmania

The changes proposed by the Federal Government will have a profound impact on many low income Tasmanians. They will mean that:

¹ Calculations undertaken by Australian Council of Social Services (ACOSS) for State/Territories. September 2005.

- adults with disabilities who would currently receive Disability Support Pension (DSP) will instead be put on Newstart Allowance from July 2006 if they are assessed to be able to work 15 hours or more per week;
- single parents who would currently be eligible for the Parenting Payment Single (PPS) will, when their youngest child reaches six years, be eligible for only Newstart or AusStudy and consequently face a substantial drop in income; and
- unemployed people who have been out of work for two years or more will face an extension of the work-for-the-dole program and expected to complete a minimum of 25 hours work for the dole per week in order to receive unemployment benefits.

There are positive measures as part of the package to assist people back into the workforce.

These include:

- increased investment in childcare - an extra 2,000 childcare places in Tasmania;
- increased investment in employment assistance; and
- changes to the taper rate for those able to get paid work. This will mean an easing of the Newstart income test by reducing the taper rate from 70% to 60%.

However the changes will also create hardship for vulnerable Tasmanians in receipt of

Government benefits. They will mean:

- a substantial and immediate drop in income for single parents when their child reaches 6 years and for people with disabilities assessed as capable of a minimum of 15 hours work per week. Losses range from 10-20% of weekly income at a time when living costs in Tasmania are rising. This will push people already under pressure into financial hardship and poverty. Some of the largest losses will be experienced by those who work part time or study.

Table 1: Difference in Returns from Work for a Person with a Disability			
Hours work per week	Current amount on disability pension	Future amount on Newstart	Difference per week
None	\$290	\$252	-\$38
5	\$353	\$294	-\$59
10	\$392	\$317	-\$76
15	\$424	\$331	-\$93
20	\$453	\$350	-\$103
25	\$478	\$372	-\$106

Source: Brotherhood of St Lawrence, 2005. Calculations are based on a single person over 21 with no children paying \$120 per week in private rent and earning a minimum wage of \$13 per hour. Figures include rent assistance,

pharmaceutical allowance, Family Tax Benefit A and B and Medicare levy. Tax rates are those which apply from 1st July 2006 onwards.

Table 2: Difference in Returns from Work for a Single Mother with Two Children			
Hours work per week	Current amount on parenting payment (after tax)	Future amount on Newstart (after tax)	Difference per week
None	\$496	\$457	-\$22
5	\$561	\$516	-\$44
10	\$607	\$538	-\$69
15	\$636	\$550	-\$86
20	\$661	\$570	-\$92
25	\$683	\$592	-\$92

Source: Brotherhood of St Lawrence, 2005. Calculations are based on a single parent over 21 with 2 primary school aged children, no childcare, paying \$150 per week in private rent and earning a minimum wage of \$13 per hour. Figures also include rent assistance, pharmaceutical allowance, Family Tax Benefit A and B non-taxable and Medicare levy. Tax rates are those which apply from 1st July 2006 onwards.

- penalties for those who come on and off pensions in order to work or as their circumstances change. Single parents who return to their former partners or acquire a new partner for more than 12 weeks and then break up will be put on unemployment benefits leaving them worse off. The ability of people with an episodic disability, for instance psychiatric illness, to work may vary from day to day. If they leave DSP to take up a job and subsequently lose it they face going onto Newstart with the additional pressure of meeting mutual obligation requirements. These pressures will act as a disincentive to take up work opportunities by fuelling anxieties that work will jeopardise levels of benefit in the future.
- a new compliance system based on suspension of payment for eight weeks if people do not meet activity requirements. Recent amendments have softened the suspension regime and offered exemptions from the new requirements to look for work to single parents who are distance educators, home schoolers, foster carers or recent victims of domestic violence or who have large families. However they will still be moved to the lower Newstart payments and it will still mean that disadvantaged Tasmanians face losing their income for up to 8 weeks. This would have serious consequences for many households including running the risk of homelessness through inability to pay the rent.
- a less generous income test and harsher income tax treatment for allowees with a taper rate of 60% rather than the 40% for those on PPS and DSP. This will result in losses in take-home income as high as \$100 per week for a single parent with one child. Adding in

the cost of childcare and the extra costs associated with having a disability will mean that they keep even less from their earnings. These higher effective marginal tax rates (EMTRs - or the percentage of an increase in earnings that is lost to income tax and income tests on government payments) will reduce the attractiveness of paid work and discourage people from undertaking part time or casual work.

- potential 'knock-on' effects to other income-tested programs; for example loss of eligibility for a Health Care Card which entitles the holder to a range of concessions.

There are also concerns about the process of accurately assessing work capacity, particularly for those with episodic disability and the adequacy of employment support and assistance including adequate access to childcare.

As Tables 1 and 2 demonstrate Tasmanian pensioners subject to the welfare reforms will experience substantial drops in the disposable income available to support themselves and their households after undertaking paid work. At the same time a failure to gain employment will be seen as a personal not a structural failure. The punitive nature of the proposed reforms are highlighted by recent evidence which indicates a doubling in the number of sole parents and people with disabilities moving into jobs in the past 12 months (Minister for Workforce Participation, 2005). This suggests that people want to work given the right supports, opportunities and rewards and casts doubt on an approach where substantial reductions in income will make it harder rather than easier for them to move into employment.

The proposals as they currently stand will reduce the living standards and income security of low income Tasmanians without necessarily assisting them into secure employment.

3.2 Using the State Government's Fiscal Capacity

Tasmania's economic performance has improved significantly over the past few years and some of the gaps between this State and the mainland on key indicators like unemployment and household income have narrowed. However it is still too early to be confident that these improvements are sustainable in the longer term and there remain some sections of the community who have derived little benefit from the improvement in the State's economy. This

will be accentuated by the severity of the financial losses faced by many Tasmanians after the implementation of welfare reform.

The State Government's current fiscal position provides a capacity to tackle the issues facing low income earners as they are documented in this submission. This entails using Government fiscal capacity and powers to both lessen the impact of welfare reform on vulnerable households in the State and remove the barriers – financial and structural – to accessing the range of other services including employment, oral health, affordable housing and consumer protection for problem gambling.

A response is required that will ensure that all Tasmanians benefit from increased economic prosperity. Anglicare calls for the needs of low income earners and the most vulnerable members of our community to be one of the highest priorities in the 2006-07 Budget.

4. The Public Dental Service

Recommendations

That the Government establish a community advisory committee to provide advice on the development of oral health policy.

That the Government cover the cost of co-payments for public dental treatment.

Estimated cost: \$1.01 million

That the Government expand funding to Oral Health Services. Estimated cost: \$5.3m over 4 years

Lead Agency: Department of Health and Human Services

4.1 Rationale

Oral health is an essential part of general health and wellbeing, yet it tends to be overlooked as a health budget priority. While the State Government has made some investments in Oral Health Services, the extra \$2.9 million in the 2005-06 Budget primarily met indexation costs and commitments to workforce development strategies. This submission outlines the general poor status of Tasmanian's oral health and argues for increased funds for Oral Health Services to meet the needs of the eligible client group, to better manage people in the acute sector who need to be admitted to hospital for medically necessary dentistry and to cover the co-payments currently being charged to adult concession card holders.

The lack of priority given to oral health in the health budget has particular consequences for low income earners and disadvantaged groups. In Australia today, oral health status, particularly missing teeth, is increasingly recognised as the most significant marker of disadvantage. The poor dental and oral health of low income Tasmanians has been well documented. Anglicare has previously used both national and local research data to highlight the fact that adult Tasmanians have the worst dental health status in the nation (Anglicare Tasmania, 2002, 2003, 2004; Cameron, 2002). Anglicare has also highlighted the particular and severe oral health problems experienced by people living with serious mental illness (Anglicare Tasmania, 2003; Cameron & Flanagan, 2004).

The factors which determine poor dental health are:

- low income, particularly eligibility for health care and pensioner concession cards;
- reliance on the public dental service;
- living in a rural, remote or regional area; and
- the experience of chronic illnesses such as diabetes or serious mental illness.

The most recent National Dental Telephone Interview Survey 2002 has revealed that Tasmanians are more likely than people in other states to have:

- lost all their teeth, with a rate of 14.3% compared to the national average of 8.3%, across all age groups;
- missing teeth, at 5.8 compared to the national average of 5.1;
- dentures, with 19% of Tasmanians wearing dentures compared to a national average of 15.8%; and
- not seen a dentist for more than 5 years, with 15.4% of Tasmanians compared to the national average of 10% (Carter and Stewart, 2003).

That Tasmania experiences the greatest disadvantage across all these factors compared to the other states should come as no surprise. It has the highest proportion of low income households; the highest proportion of people eligible for public funded dental care and the highest percentage of the population living in regional areas (Carter & Stewart, 2003: 14).

The Tasmanian Public Dental Service provides oral health treatment to all Tasmanian children under the age of 18 and to those Tasmanian adults who hold Pension Concession Cards and Health Care Cards. In its service delivery to adults it is therefore the only taxpayer funded health service which is targeted directly at low income people. Low income earners differ markedly from people on higher incomes in their experience of dental treatment. Concession card holders:

- are more likely to delay treatment until a problem arises;
- are more likely to have teeth extracted as a 'solution' to an oral health problem and are less likely to have a filling;
- are twice as likely to have had all their teeth extracted and those who have retained natural teeth have far fewer teeth;
- are more likely than other Australians to be avoiding foods and to be embarrassed by their appearance because of dental problems; and

- in nursing homes have significantly worse oral health than non-concession card holding residents (SA Dental Service, 2004).

The State Budget of 2005-06 will see the final allocation of the 4-year \$5.3 million Social Infrastructure Fund Dental Health Package. This money was allocated to develop some key strategies such as extending services by dental therapists, buying services in the private sector, information management with the goal of creating sustainable models of delivery. While some of these strategies, such as the dental therapists initiative have stalled, access to emergency, general, preventative treatment, access to treatment within acute care settings, and access to health promotions strategies, as outlined in the National Oral Health Plan, remain pressing issues. It is important that the Government reinvest in the Dental Health Package to ensure the sustainability of service which was one of its main priorities.

4.2 Access to emergency, general and preventative treatment

There are significant issues around access to the Public Dental Service for its adult target population. The foremost of these is the waiting list. In June 2005 there were 10,650 people on the waiting list state-wide (Budget Estimates Hearings). The regional breakdown of this figure provided to the Budget Estimates Hearing reveals that significant regional inequities in accessing the service also exist.

North-West	North	South
37 % of waiting list (3970)	37% of waiting list (3964)	26% of waiting list (2716)
24% of Tasmanian Concession Card holders	29% of Tasmanian Concession Card holders	48% of Tasmanian Concession Card holders

*Number of concession card holders estimated from major Centrelink payments

The overwhelming demand for the Public Dental Service keeps both clients and the service largely focused on emergency treatments limiting the service's capacity to conduct community education work focused on preventing oral health problems. The National Oral Health Plan emphasizes a population health approach, with a strong focus on promoting health and the prevention and early identification of oral disease. The Tasmanian system requires funds to enable health promotion work and ensure prevention of oral health problems.

4.3 Acute sector patients with oral health needs

Anglicare is concerned about the needs of Tasmanians in the acute sector who are dependent on the public health system and who require medically necessary dentistry. These include cardiac patients, oncology patients, patients requiring transplants, and people with intellectual disabilities or mental health problems who require general anesthetics in order to get dental treatment. Patients requiring emergency dental treatment in an acute setting do not appear in the data because it is not their primary diagnosis but Anglicare is aware of instances of chronically ill patients moved out of sterile hospital settings to receive dental treatment in community settings due to the absence of dental chairs in the general hospitals and instances of patients unable to proceed to surgery because of untreated oral health problems.

Clearly investment is required in Oral Health Services to enable it to install dental chairs in the major public hospitals and to begin to develop growth funds to meet the needs of its client group.

4.4 Co-payments: User pays in the Public Dental Service

The current Australian Government policy is to shift health care financing to the private sector and household income through user-fees such as co-payments. This move away from taxation-based to private insurance and user-fees hurts the less well-off and benefits the wealthy both in costs and access. (Schrader, 2004)

If the toothache is just before payday (Parenting Payment Single payment week) or in small pay week (Family Tax Benefit payment week) you have to survive without going to the dentist. (Melissa, aged 31)

In 1996 the Federal Government abolished the Commonwealth Dental Health Program (CDHP) and in its place introduced subsidies for those choosing to take out private insurance. The lack of public health cover for dental services has been defended by the argument that dental services are separate and distinct from the medical profession; however research has shown a strong link between illness, disability and socio-economic disadvantage. Oral health care is an often neglected component of total health care. Poor oral health can significantly impact on a person's quality of life, causing considerable psychological distress. The inclusion of oral health care in Medicare is a Commonwealth issue, but State Governments have reacted differently to the

funding crisis in oral health. Like some other States, the Tasmanian State Government seeks partial cost recovery from low income people in the form of co-payments for service. Neither Queensland nor New South Wales have co-payments for service.

Co-payments are defended by some policy makers on the basis of arguments for 'user pays'. It is deemed that payment of even partial costs increases the clients appreciation of a service and ensures that services are not used inappropriately. However, research into the introduction of co-payments suggests that their impact has been to act as a major disincentive for people on low incomes to access dental care. Whatever their original policy rationale, they appear to have become a tool for managing politically sensitive waiting lists. Nationally, the introduction of co-payments saw a one-third reduction in the demand for non-emergency treatment in public dental care (Dooland 2000; Spencer 2001). National research indicates that more than one quarter of adult Australians avoid or delay visiting a dentist because of cost and that this figure is far higher among people who are eligible for concession cards (AIHW DSRU, 2001a). Anglicare's community survey, conducted in 2005 (Madden, forthcoming) found that 60% of Health Care Card holders and 70% of Pension Concession Card holders had not visited the dentist in the previous year – figures higher than those of the general population (58%). This survey confirmed the national research in finding that cost was a major reason why concession card holders are not seeking dental treatment.

Internationally, health economists are recommending the lowering of co-payments and user fees as one of three major strategies to improve access to dental care. The other two are increasing the public supply of dental care accompanied by an efficient recall system (see for example Nguyen & Hakkinen, 2005).

The imposition of fees has a similar effect to the waiting list in stopping access to the dental service. In many cases it results in low income earners using dental services only for emergency treatment, rather than for preventative or restorative procedures. Research has found that one of the negative outcomes of this fee schedule or co-payment policy is the net increase in the total cost of dental care by increasing the number of more expensive emergency treatments (Ziguras and Moore, 2001). Anglicare's examination of DHHS data on public patients in public hospitals for two categories of dental procedures (the removal and restoration of teeth and other operations on teeth, gums and alveoli) over the period 1994 – 1999 showed a slight decrease in hospital dental procedures from 1994 to 1997 and then a significant increase in the period 1997-99. The

increase coincides with the loss of the Commonwealth Dental Health Programme funds and the introduction of co-payment charges at public dental clinics. Again, the suggested explanation for the increase in surgical procedures is the declining access to general dental care and an escalation of oral health problems to the point where a surgical procedure was required (Cameron, 2002)

Anglicare's community survey has found that some people on low incomes are giving up on the public system and are resorting to more expensive service options. It found that of those concession card holders who had visited a dentist in the past year, 69% of Health Care Card Holders and 74% of Pension Concession Card Holders had used private dentists. (Madden, forthcoming).

The attrition of clients from the public to the private sector is not an acceptable policy option for Government, as such a trend reinforces poor oral health outcomes and ultimately more expensive emergency treatment options: people avoid or delay attendance at the dentist, attend only in situations of extremity and pursue 'solutions' such as tooth extraction for oral health problems.

Anglicare estimates that the revenue raised from co-payments is 1.01 million. This is calculated on the Budget Papers projection of 22,500 occasions of service (adults), of which 6222 are for general treatment. Anglicare's calculations are based on the assumptions: 16246 emergency treatments at \$25/visit and 6222 general treatments at \$100/visit (capped at \$220/visit).

4.5 Anglicare's oral health photos: 3 case studies 12 months on

In September 2005 Anglicare re-contacted the Tasmanians on the waiting list for public dental services whose photographs appeared in our submission to the 2005 - 2006 State Budget Consultation process.

Twelve months ago, intra-oral photographs revealed significant oral health problems for these Tasmanians. The case studies accompanying the photographs highlighted a number of barriers to accessing dental care including the cost of the co-payment (now \$25 for emergency treatment); the inappropriate waiting times for dentures; the inadequacy of a service which only treats one emergency at a time (i.e. extract or fill one tooth at each appointment) and the lack of access to general dental care.

Three case studies are presented to demonstrate the ongoing issues for low income Tasmanians.

Melissa



Twelve months ago, an oral health specialist in private practice made the following assessment of Melissa's oral health.

Melissa is in her fifth pregnancy; she is anorexic, suffers from asthma and is anaemic. She is taking an antidepressant, high doses of diazepam and Panadeine Forte, all of which cause mouth dryness. She has chronic abscesses, gum inflammation, missing teeth and root decalcification as a result of mouth dryness. Because of her pregnancy, Melissa needs urgent medical and dental reviews. Her immediate dental needs include temporary treatment for her front teeth and a preventative programme of up to three visits to a dentist prior to the birth of her child. Treatment could not commence while Melissa is pregnant and therefore the initial care would be aimed at keeping her pain-free until the baby is born.

Twelve months later, the specialist made the following assessment of Melissa's oral health problems.

Extractions have occurred in the back areas and the continuation of the decay process is further destroying natural tooth substance. That makes restorations more extensive and expensive.

In the past 12 months, Melissa has had two emergency appointments with the Public Dental Service to treat abscesses. She has also had two teeth extracted in emergency appointments. Her baby was born 4 ½ weeks premature and below the 5th Weight For Age percentile in birth weight.

This case study highlights the following issues:

- the potential for poor infant health outcomes from poor maternal oral health;
- the particular, and unmet, oral health problems of people on medications for mental health problems; and
- the high rate of extractions as opposed to preventative or general treatment for people on low incomes.

Penny



Twelve months ago, an oral health specialist in private practice made the following assessment of Penny's health. Penny has osteoporosis, is allergic to the penicillins and is Hepatitis C positive. She also has some impairment in liver function.

Prior to the commencement of a program of intensive preventive dentistry which she requires, Penny would need to undertake an antiviral drug therapy programme which may take up to 12 months. Penny has generalised gum inflammation and persistent end of tooth abscesses on her front teeth. Her front teeth have been poorly restored resulting in a poor aesthetic appearance. She needs intensive gum care and a decay prevention programme as well full restorations of both her front teeth.

Twelve months later, the same oral health specialist made the following assessment of Penny's teeth.

Considerable further colour change in anterior teeth with consistent need for nerve canal treatments and bleaching of badly discoloured front teeth.

Penny has not been able to get any dental care in the past 12 months. She was recently offered an emergency appointment with the Public Dental Service because of the level of pain she was experiencing in her two front teeth. However, she did not accept the appointment as she did not have the \$25 co-payment and her understanding was that there would be 12-18 months waiting period for dentures. The co-payment represented a significant barrier to her as she is on Newstart Allowance and currently in acute financial crisis, paying 89% of her income on rent. She was also unwilling to be without front teeth for a significant period. Penny has qualified in a TAFE course which would enable her to get work in aged care but states that she is unable to get work because of the appearance of her teeth.

This case study highlights the following issues:

- the barrier to treatment caused by co-payments;
- the particular, and unmet, oral health needs of people with complex health conditions;
and
- the barrier to social participation and employment which poor cosmetic appearance causes.

Mary



Twelve months ago, an oral health specialist made the following assessment of Mary's dental health problems:

Mary has significant abnormalities in the bite relationship requiring complex dental care planning. Due to the recent loss of teeth in the back Mary's bite has completely collapsed. This altered bite or excessive overbite presents major problems for oral health professionals. It is difficult to accurately cost this treatment because of the complexity of the problem and the time required to do the necessary work. The treatment would need to be constantly reassessed and adapted to the restoration process. Failure to implement an overall treatment plan will ensure further tooth loss and potential jaw joint dysfunction. If all the teeth were lost, denture construction would require extensive surgery without which denture construction would be unstable. In private practice this would require monthly dental visits over an 18 month to 2 year period at a cost of thousands of dollars.

Twelve months later, the specialist made the following assessment of Mary's dental health problems.

While there is no obvious progression of active tooth decay, the collapse of the bite with persistent damage to the palate and lower gum continues.

In the past 12 months, Mary came to the top of the waiting list for the Public Dental Service. She cancelled and re-scheduled two appointments with the service; in the first instance because she did not have the money for the co-payment and in the second because of inflexible casual work commitments. She attended the third and has received a quote for extractions, examination and dentures which totals \$750. This represents 5% of her income for the next year. At the time of writing she has not decided whether or not she can afford to proceed with treatment.

This case study highlights the following issues

- the barrier to treatment caused by co-payments; and
- that people on low incomes delay treatment because of issues of affordability, leading to more complex and expensive treatment requirements.

4.6 Tasmania Together Targets

Goal 6: 'To improve the health and wellbeing of the Tasmanian community through the delivery of co-ordinated services'.

Tasmania has not met the targets it set for oral health in the development of the Tasmania Together plan, and will not meet those for 2010 without significant investment by the State Government.

Indicator 6.1.1 specifically addresses the number of people on waiting lists for full or partial dentures for more than six months. This indicator also includes a measure for the number of people waiting for general dental services. Unreleased data collected by the Tasmania *Together* Progress Board reveals that in 2005 the number of Tasmanians waiting for full dentures continues to drop, from 1145 in December 2001, to 761 in December 2003 and 692 in December 2004. However, the general dental services waiting list in December 2004 is 10,460. While this is a

decrease from 13,576 in 2001, it represents an increase from 9,070 in 2003. (Tasmania *Together* Progress Board, unpublished data).

There are significant limitations with these indicators. The Tasmania *Together* Progress Board has not reported on Indicator 5.1.5 which measures the number of fillings and missing and decayed teeth in the population as this data is not collected. The indicators collected also do not measure length of wait.

5. Affordable Housing

Recommendations

That the State Government make a commitment to Stage 2 of the Affordable Housing Strategy and allocate at least \$43 million to fund its activities in 2006/2007.

That the State Government should incorporate the CSHA debt into the General Government Debt in order to release \$17 million per annum for public housing.

Lead Agency: Department of Health and Human Services

5.1 Rationale

Access to affordable housing with security of tenure is a critical factor in ensuring the health and social well being of the community. Yet the housing boom has had a significant impact on the accessibility of affordable housing for low income earners in Tasmania. Higher house prices have decreased their chances of home ownership, increased rental costs in the private sector and added to the numbers experiencing housing stress (NATSEM, 2004). Vacancy rates have fallen as rentals are occupied by people who can no longer afford home ownership and this has placed further upward pressure on rental prices. At the same time there has been a reduction in public housing stock fuelled by encouragement to buy. This has resulted in long waiting lists and access being increasingly restricted to those deemed in most need.

Anglicare is pleased that the State Government has recognised these concerns by committing resources to the Affordable Housing Strategy (AHS) 2004-2008. This provides an additional \$45 million to develop a range of affordable housing options for people in housing stress across public housing, private rental, community housing and home ownership in two stages; Stage 1 until December 2005 and Stage 2 until December 2007. An internal review of the AHS (Housing Tasmania, June 2005) has concluded that the strategy had assisted more than 2,000 households into affordable housing options, maintained public housing and increased access to the private rental market. This has been achieved against a background of decreasing housing affordability and softened the impact of a worsening housing environment.

5.2 Housing Affordability

The indications are that there are considerable numbers of low income Tasmanians facing increasing housing stress. A snapshot survey of those seeking assistance from Emergency Relief services in 2003 (Madden, 2004) found that almost 40% of private renters reported an increase in their rent in the previous year – on average by \$30 per fortnight. The survey also indicated that rental costs are a major cause of financial crisis particularly in the private rental sector. Anglicare's Community Survey (Madden, forthcoming) found that 61% of renters would prefer to buy but could not afford to do so. Eleven per cent of renters also said that they were unable to pay their rent due to a shortage of money.

An examination of the experiences of those accessing Anglicare's Private Rental Support Service (PRSS) over a six year period to the end of 2004 highlights the increasing difficulties faced by low income private renters in the North and North West of Tasmania (Wilson, 2005). On average those using PRSS in the second half of 2004 were spending 39% of their household's income on rent. This compares to 34% in the first half of 2002. The report shows that for some groups in particular the burden of housing stress has grown considerably. In the second half of 2004 those households accessing PRSS where Youth Allowance was the main source of income spent an average of 60% of their income on rent.

Although housing affordability is expected to stabilise in the next two years (Macquarie Property, 2005) estimates of the numbers of low income households currently in housing stress range from 20,000 (Auditor General, 2005) to 21,300 (Gabriel, 2004). Housing stress leads to difficulties in meeting non housing costs and is a major predictor of homelessness, overcrowding, family breakdown, health problems, low levels of educational attainment and increased crime. These factors mean that potentially housing stress has a big impact on the State's socio-economic performance.

5.3 Maintaining Public Housing

Under the AHS, Tasmania has made a commitment to maintain a safety net of public rental properties. It is important that this safety net should represent 6% of total housing capacity in the State. According to the AHS Review (Housing Tasmania 2005) Stage 1 funding has to date

bought an additional 161 properties with another 160 under contract. Maintaining the safety net entails replacing properties lost to home ownership.

Home ownership is one of the most effective ways to reduce the likelihood of poverty and there is a commitment to a sales program of 150 publicly owned homes per annum to low income earners. Assistance is offered to would-be purchasers through:

- Home Start initiative allowing home purchase at \$130,000 or under;
- Home Ownership Assistance Program (HOAP) providing home loans; and
- Streets Ahead Incentive Program (SAIP) which provides a flat rate deposit of \$6,000 for home purchase for those who meet other income and asset criteria.

However increased house prices have meant fewer than anticipated sales, a contraction of opportunities for home ownership and difficulties in meeting sales targets. Only 89 households have purchased their home since the introduction of the sales program. This puts an increasing pressure on Housing Tasmania to find alternative ways to provide appropriate and affordable housing to low income Tasmanians. The Auditor General's report (Auditor General, 2005) examining the public housing system has highlighted the upward trend on the waiting list during the housing boom. In April 2005 there were 3,324 applicants on the list. This represents a rise of over one hundred applicants waiting for public housing from June 2004 (Budget Estimates Committee A, Legislative Council, June 2004). The report notes the reduced numbers of category one applicants which suggests some success in providing for households with higher needs but there remains a level of demand falling well short of the supply.

In order to address this the report recommends encouraging long term public housing tenants who are already paying market rents to move into the private rental market and targeting public housing directly to those Tasmanians who cannot afford private rents and/or who have particular needs that cannot be provided for in the private rental market. This would maintain public housing as a safety net for those most in need and replace the security of tenure principle with terms allowing greater operational flexibility.

Anglicare expresses concerns about this approach. The shift away from targeting public housing at low income applicants to those with high and special needs runs the risk of creating a concentration of tenants with the lowest incomes and suffering the greatest difficulties. This

increasing concentration of deprivation within public housing raises anxieties about replicating the problems of social exclusion.

5.4 Costing Stage 2 of the AHS

Anglicare would welcome a housing program which incorporates a range of models to provide affordable housing to low income earners and demonstrates a long-term commitment to meeting their needs. The program would include:

- \$52.5 million per annum to retain current stock levels of social housing and allowing for their growth above 6% of total housing capacity in the State. This is essential to provide for those with high and complex needs and requires a commitment to the replacement of public housing stock in line with the current sale program.
- \$3.5 million per annum to upgrade properties in line with a growth in stock levels.
- \$3.75 million to cover reimbursement on a shared equity program covering half the stock lost to sales each year. A shared equity approach will reduce the risks involved for low income purchasers taking on the responsibilities of home ownership and assist them into owning their own home.
- continuing support for private rental support programs
- exploring new models which maintain a ‘whole of system’ approach and increase viability by fostering a mix of tenants and tenures without requiring stricter targeting. The recent announcement of \$3 million per annum over four years to establish a Public Housing Community Trust administered by non-government agencies is to be welcomed in this regard. This level of funding will allow for the addition of 350 properties per annum. Tenancy support will also be required at the rate of one tenancy support worker per 100 properties at a cost of \$200,000 per annum.
- restructuring the Commonwealth State Housing Agreement (CSHA) debt which currently stands at \$260 million with interest and repayment costs to Housing Tasmania of \$17 million per annum. This represents over three quarters (or 77%) of the \$22 million received from the Commonwealth for public housing. It also means that low income

Tasmanians are effectively carrying the burden of debt. Its eradication through a transfer to a general debt pool would enable Housing Tasmania to better meet the need for public housing and assist sustainable tenancies in the private rental sector.

The total cost of the program is estimated at \$43 million in 2006-2007. This incorporates the \$17 per annum gained from restructuring the CSHA debt repayment.

5.5 Tasmania Together

The Tasmania *Together* Progress Board has developed two new housing benchmarks in response to community and Government recognition of housing affordability issues. They are:

- 1.1.6: Housing stress experienced by low income earners in Tasmania within the private rental market measured by the proportion of people receiving Commonwealth Rent Assistance (CRA) and spending more than 30% of their income on housing costs. This figure has increased by 2.1% from November 2002 when it stood at 20.6% to March 2004 when it stood at 22.7%. With these trends the target of only 15% experiencing housing stress by 2010 is unlikely to be reached.
- 1.1.7: Tasmanian house price to income ratio. Median house prices in Tasmania for 2002-03 rose to 4.2 times median household income levels. This has increased from 3.4 times in 2000-01. This is consistent with a 44% increase in house prices from \$99,573 in 2000 to \$143,517 in 2003 (Real Estate Institute of Tasmania)

Parliamentary approval for the formal inclusion of these benchmarks will be sought at the completion of the Board's Five Year Review of Tasmania *Together* in 2006.

6. State Concessions

Recommendations

That the State Government review the concessions system to equalise eligibility for concessions between Pension and Health Care Card holders.

That the State Government should allocate \$700,000 recurrent funding to extend the electricity concession of 48.4 cents per day to Health Care Card holders for the two summer quarters.

That the State Government should allocate \$21,000 for an extension of the public information campaign about electricity concessions available to Health Care Card holders in order to improve take up rates. This would cover \$15,000 for a TV campaign and a further \$6,000 for a concessions leaflet in pre-winter Aurora quarterly bills.

That the State Government should extend vehicle registration concessions, the licence discount and private bus concessions to all Health Care Card holders and the private bus concessions to all Pension Concession Card holders.

Lead Agency: Department of Health and Human Services

6.1 Rationale

The State concessions system is an area of government policy with the potential to have a significant positive impact on low income earners by lowering the cost of some of the essentials required for a reasonable standard of living. The current system provides more than \$228 million to fund over 40 concessions across six departments. It also provides the State with a key mechanism for making measurable progress towards the Tasmania *Together* targets. The concessions system and the possibilities it offers have featured in all recent Anglicare budget submissions.

6.2 Background to Concession Cards

The Commonwealth social security system has two main concession cards – the Pension Concession Card and the Health Care Card. As shown in Table 4 income support payments by the Commonwealth to people holding Pension Concession Cards are higher than for comparable individuals holding Health Care Cards. All pensioners including part-pensioners (who may be receiving only a very small pension to supplement their retirement income) are eligible for a Pension Concession Card. Health Care Cards have much tighter income qualification criteria with an income qualification cut-off almost half that applicable to Pension Concession Card holders. This makes Health Care Card holders the most financially disadvantaged group in Tasmania and hence in greatest need of assistance through the concession system.

	Pension Concession Card	Health Care Card
Major groups holding card	Aged Pensioners; Disability Support Pensioners; Single Parents	Newstart Allowees; Youth Allowees; Sickness Benefit recipients
Annual income (single adult no children) with no other income as at October 2004	\$ 12,383 (Aged Pension)	\$10,381 (Newstart)
Annual maximum allowable income to qualify for card (single adult no children)	\$34,560	\$18,044

Source: Centrelink, 2005

However, the major concessions – rates remission, motor vehicle registration and full year electricity concessions – are only available to Pension Concession Card holders not Health Care Card Holders. This is based on outdated assumptions that, whereas pensioners will be on restricted incomes for long periods, unemployment is a short term problem. In fact the most recent figures (ABS, 2005) demonstrate that 19% of unemployment benefit recipients are unemployed for more than 12 months and 55% of this group are unemployed for over two years.

The disadvantages that Health Care Card holders face in the State concessions system have been repeatedly identified as a problem and these difficulties were finally recognised in part in the 2003-04 Budget with the welcome extension of electricity concessions for the two winter quarters to Health Care Card holders.

6.3 The Impact of Welfare Reform

The changes which have been announced to Australia's welfare system to push more people off Centrelink benefits and into jobs will target people with disabilities, single parents and the long term unemployed. It is anticipated that the transfer from pensions to unemployment benefits will result in substantial cuts to weekly incomes for over 9,000 Tasmanians. Not only will these groups experience a drop in income but the proposed reforms also have implications for access to the State concessions system.

The Department of Employment and Workplace Relations (DEWR) has stated that from July 2006 Newstart Allowance claimants who are primary carer single parents with a dependent child under 16 but over 6 years of age will still be entitled to a Pension Concession Card. People with disabilities who have a capacity-to-work assessment that identifies that they are able to work between 15 and 29 hours a week will also retain entitlement to a Pension Concession Card. However calculations undertaken by NATSEM (Harding, 2005) indicate that eligibility for Newstart Allowance for sole parents will cease at a much lower level of private income than eligibility for Parenting Payment Single. As a result there is a wide range of private income of almost \$300 a week over which those sole parents who would formerly have qualified for the Pension Concession Card will apparently not qualify under the new rules.

This will create further inequity within the concessions system by ensuring that not only are Newstart allowees differentiated by whether they fit the criteria for Pension Concession Cards or Health Care Cards but eligibility for the more generous concessions available through the Pension Concession Card is further reduced. Health Care Card holders are not entitled to:

- the full year electricity concession but instead receive 48.4 cents per day during the two winter quarters - a loss of \$90 per year
- heating allowance of \$56.00 per annum (if assets are less than \$1,750 for a single person and \$2,750 for couples)
- motor vehicle registration fee concession – worth \$29.75
- drivers license fee concession of \$39.80 for a five year licence
- pensioner rates remission – a 30% remission of local government rates and charges (up to a maximum of \$333 per annum) for home owners.

The loss of the full year electricity concession and the heating allowance could reduce disposable incomes by up to \$3 per week. For home owners who would lose access to the pensioner rates remission, this could result in a loss of up to \$9 per week.

Altogether, the impact of the welfare reforms fuels a greater urgency to equalise eligibility for concessions between Pension and Health Care Card holders.

6.4 Electricity Concession

Anglicare continues to believe that the electricity concession is the State's most effective tool for delivering financial relief to low income earners and moving towards Tasmania *Together* targets. A combination of cool climate and high costs mean that Tasmanians in the lowest two income quintiles pay around 15% more for household fuel and power than the national average for this income group (ABS, 2005). Electricity bills are a key cause of financial difficulty and there is a strong link between electricity bills and the ability to purchase enough food.

Anglicare's Community Survey (Madden, forthcoming) found that one in ten Health Care Card holders had been unable to heat their home in the last 12 months due to a shortage of money. In addition 11% had gone without meals because of shortage of money over the same period. Health Care Card holders consistently fared worse than Pension Concession Card holders.

Table 5: Concession Card Holders' Ability to Meet Fuel Costs		
Indicator – in last 12 months	Pension Concession Card Holders	Health Care Card Holders
Unable to heat home	6.9 %	10.0 %
Gone without meals	6.9 %	11.2%

Source: Anglicare's Community Survey, 2005

Electricity concessions provide an effective tool for delivering financial relief. The assistance provided by the Pensioner Electricity Concession of approximately \$180 per annum is significant as the reduction in consumption which would be required to make similar financial savings is very large. The winter electricity concession for Health Care Card holders worth approximately \$90 per annum is positive but should be extended to the full year concession so that low income Tasmanians can afford the electricity they need. This would be a major step towards a more equitable system and, as very few households are without electricity, it would go to almost all low income families

The take up of the extension of winter electricity concessions by Health Care Card holders has been considerably lower than the original budget estimate of 65%. For the past three years it has averaged a take up rate of approximately 15% (Centrelink/Aurora, 2005). This is due to:

- the number of households with both a Pension Concession Card holder and a Health Care Card holder
- the number of households where the electricity account is not in the name of the Health Care Card holder – for example a dependent student living with their parents
- a lack of awareness that the concession exists.

Lack of awareness has been a particularly significant contributor to the low take up rates for the winter concession. Anglicare's Community Survey demonstrated that for well over one third (38%) of Health Care Card holders in the survey the reason they were not receiving the electricity concession was because they were unaware that it existed.

The State Government has the opportunity to extend the concession to Health Care Card holders for the full year. The current cost of the winter concession is approximately \$530,600. This figure would be doubled if the full year concession was provided but would still be well within the \$2.8 million allocated in the 2003-04 State Budget. In addition, efforts should be made to improve take up rates by devoting resources to a comprehensive advertising campaign. Data from Anglicare's Community Survey indicates that WIN and Southern Cross are the most frequently used media outlets for concession card holders in Tasmania. They would therefore be prime targets for advertising the winter electricity concessions. A leaflet about the concession could also be inserted in pre-winter quarterly Aurora bills.

6.5 Transport Concessions

Assistance in reducing transport costs is another area of government policy which can support low income earners and there are a range of concessions offered in Tasmania for those using private and public transport. They include:

- the driver license discount available to anyone aged over 65 regardless of their income while other pensioners (such as people with disabilities or single parents) receive a lesser discount and Health Care Card holders receive no discount;

- two types of motor vehicle registration concessions, one available to all Pension Concession holders and Transport Access Scheme members² but not Health Care Card holders while the other is available to Pension Concession holders, Transport Access Scheme members, people on Newstart Allowance and Widows Allowance but not to other Health Care Card holders (such as people on Youth or Sickness Allowance); and
- concessional bus fares available to all Pension Concession, Health Care and Seniors Card holders as well as non-tertiary students and war widows who use buses in the areas serviced by Merseylink and Metro; for those living outside the Metro/Merseylink service areas only those concession card holders who are aged pensioners, unemployed or receiving a widows allowance receive a concession. A range of other concession card holders including Disability Support Pensioners and single parents are not eligible for the concession on private buses.

Anglicare's Community Survey found that one in five Health Care Card holders stated that they had been unable to pay the car registration or insurance on time due to a shortage of money.

Transport concessions are less equitable than electricity concessions as the pre-requisite for much of the assistance is vehicle ownership. This means that those who are unable to afford a vehicle do not benefit. However in order to ameliorate the impact of the new welfare reforms and establish a more equitable system transport concessions should be fully extended to all Health Care Card holders. As an additional step private bus concessions should also be extended to all Pension Concession Card holders to ensure that low income earners are not doubly disadvantaged by geography and cost.

It is difficult to accurately cost the extension of these concessions. The potential costs of extending the driver's licence and vehicle registration concessions could be estimated by Service Tasmania staff monitoring the proportion of currently ineligible Health Care Card holders renewing licenses and vehicle registrations over a one or two month period.

² The Transport Access Scheme is available to Pension Concession Card holders with permanent and severe disabilities and people with permanent and severe disabilities who are wheelchair reliant.

The cost of extending the private bus concessions is more difficult. However those people currently eligible for the private bus concession represent about half of all concession card holders in the State. If this is used as a broad guide, it could be anticipated that extending the private bus concession would approximately double the cost from \$1 million to \$2 million.

6.6 Tasmania Together

2005 marks the beginning of the five year review of *Tasmania Together* due for completion in 2007. Almost half of the benchmarks originally set have targets due to be reached by 2005. Unfortunately none of those intending to ensure that Tasmanians have a reasonable standard of living have been achieved and in addition little progress has been made towards them. Two important indicators which will not reach their targets are:

- **Standard 1 Indicator 1.1.** This states that the cost of food, electricity, housing, transport and health as a percentage of income for low income earners (i.e. those in the two lowest income quintiles) should be 65% by 2005. In 2004 it was 73% for couples and families. By 2005 this has risen to 74.6% for couples and 73.5% for families.
- **Standard 1 Indicator 1.5.** This states that by 2005 the proportion of households who report that they are unable to buy enough food for the household should drop from 10% in 2001 to 0% in 2005. Anglicare's Community Survey found that almost one quarter (23.8%) of adults in the State had times when they worried about whether the food they could afford would be enough for the household. For 5% of adults this was mostly or always true. Rates of concern were doubled among concession card holders (see Table 5)

The concessions system can offer a mechanism for moving towards these targets but has not as yet been fully exploited to this end.

7. The Public Trustee

Recommendation

That the State Government meet The Public Trustee's costs of providing services to Represented Persons who have assets of less than \$10,000. Estimated cost: \$104,000.

Lead Agency: Department of Justice and Industrial Relations

7.1 Rationale

Anglicare is concerned about the level of fees paid by clients of the Public Trustee Financial Administration Service who are dependent on the Disability Support Pension and have assets of less than \$10,000. This concern has emerged from our research into the experiences of people with serious mental illness and poverty.

The Public Trustee advises that as at 30 March 2005 they act for 97 Represented Persons with assets of less than \$10,000. These clients are collectively charged \$104,000 for this service. This translates to around \$1,070 per annum per client. For a single adult living independently on the Disability Support Pension whose annual income is \$14,066, this represents 8% of their income.

Anglicare's research found that the fees and charges imposed by the Public Trustee are a significant disincentive to family members or service providers seeking this service, even where they believe Administration would be in the best interests of a family member or a client (Cameron & Flanagan, 2004).

The high level of fees and charges for Represented Persons has long been an area of concern to the community with repeated comment on this issue made by the former President of the Guardianship and Administration Board, John Blackwood, and the Public Guardian, Lisa Warner.

Anglicare's research has found that the costs of the Public Trustee Financial Administration Service have led to a range of other more informal arrangements for clients who agree to have service providers manage their finances, resulting in substantial cost-shifting to mental health service providers (Cameron & Flanagan, 2004). This shift in responsibility for financial

administration does not represent a deliberate choice of a less restrictive option for the client – it is a choice made by mental health services and is determined by the absence of family or friends willing to take on this role and the cost implications for the client of using the Public Trustee. The preferred option expressed by the service providers was that the client be assessed by the Guardianship Board and have a determination that this function be managed by the Public Trustee.

While removing client fees and charges from the Financial Administration service may potentially see some increase in client numbers this would never be large as clients must meet the criteria established by the Guardianship Board.

7.2 Policy tensions created by The Public Trustee fees

Represented Persons under financial administration have a range of disabilities including intellectual, psychiatric and psycho-geriatric disabilities, and live in a variety of accommodation options including residential nursing homes, supported accommodation, supported residential facilities, public housing or renting independently in the private rental market.

Anglicare is concerned that the high level of costs and charges imposed on these clients creates a significant policy tension for Government as it places their housing security in jeopardy and potentially results in more costly service responses.

The typical model for supported accommodation and supported residential facilities used by the Department of Health and Human Services requires residents to pay 85% of their income for rent and board. This charge covers rent, breakfast and main meal, electricity and in some services covers the cost of a support worker present on site. These charges typically leave clients with \$134 a fortnight to cover costs such as pharmaceuticals and other health costs, clothing, transport, and personal care products. For those residents using the Public Trustee service, this disposable income is reduced to \$93 a fortnight (see Table 6).

Some Represented Persons are also living independently, renting from Housing Tasmania or in the private rental market. Anglicare is particularly concerned about vulnerable tenants in the private rental market. People with serious mental illness such as schizophrenia, bipolar disorder and severe and disabling depression or anxiety disorders, are particularly vulnerable to

homelessness and insecure housing. One of the major factors which impacts on their ability to find and maintain housing is the issue of affordability of housing for people on very low incomes (Cameron & Flanagan 2004). Analysis of the data from Anglicare's Private Rental Support Service reveals the very high housing costs being faced by people on low incomes in the north and north-west of Tasmania. For example, data from this service shows that in December 2004, Disability Support Pensioners in Launceston were on average paying 41% of their income on rent (Wilson, 2005). Housing economists define a household as being in 'housing stress' if it is in the bottom 40% of the income distribution and spending more than 30 per cent of its disposable income on housing costs (NATSEM, 2004). Anglicare's research has found that all the Disability Support Pensioners using its Private Rental Support Service are in housing stress (Wilson, 2005). Table 6 shows the inadequate disposable income available to clients of The Public Trustee service who are living in the private rental market.

	Disability Support Pensioner living in a Supported Residential Facility	Disability Support Pensioner in the private rental market ¹
Income (including Commonwealth Rent Assistance)	\$541	\$541
Rent	\$407	\$222
Fuel/food ²	Nil	\$190
Public Trustee costs	\$41	\$41
Balance	\$93	\$88

¹ Rental costs based on average rentals paid by DSP clients using Anglicare's Private Rental Support Service in 2004

² Calculated from ABS Household Expenditure Survey (HES), average expenditure by Tasmanian households in lowest income quintile on domestic fuel and power, food and non-alcoholic beverages.

Many people coming under Financial Administration have accessed advance payments from Centrelink or have other outstanding debts. These advance payments allow clients to borrow \$500 which is deducted from their income at a rate of \$38 per fortnight over a six month period. It is Anglicare's experience that clients of the Public Trustee service who have outstanding debts face costs sufficiently high to potentially exclude them from taking up tenure in DHHS-funded supported accommodation developed specifically for clients with their needs. For an examination of the costs faced by clients with an outstanding Centrelink debt, see Table 7.

Table 7: Fortnightly income and essential expenditure, including Centrelink debt, for a Represented Person on the Disability Support Pension		
	Disability Support Pensioner living in a Supported Residential Facility	Disability Support Pensioner in the private rental market ¹
Income (including Commonwealth Rent Assistance)	\$541	\$541
Rent	\$407	\$222
Fuel/food ²	Nil	\$190
Public Trustee costs	\$41	\$41
Centrelink loan repayment	\$38	\$38
Balance	\$55	\$50

¹ Rental costs based on average rentals paid by DSP clients using Anglicare's Private Rental Support Service in 2004

² Calculated from ABS Household Expenditure Survey (HES), average expenditure by Tasmanian households in lowest income quintile on domestic fuel and power, food and non-alcoholic beverages.

Australian Bureau of Statistics Household Expenditure Survey data shows that Tasmanians in the lowest income quintiles on average spend \$200 a fortnight on the following essential goods and services: clothing, personal care products, health and transport. Even this modest level of expenditure is not affordable to the clients with the budgets outlined above.

7.3 'User pays' and The Public Trustee's Financial Administration Service

The imposition of fees and charges which do not approach a cost recovery model is sometimes put forward as a mechanism to ensure that clients 'appreciate' or 'value' a service and do not use it inappropriately. This model is an inappropriate one for funding The Public Trustee's Financial Administration Service. Represented Persons have no choice about service use – they are compelled to use this service by the Guardianship Board. Nor is the appropriateness or not of their usage of the service an issue since it is their difficulty in making informed or appropriate choices which has led to the legal removal of their right to make financial decisions. Other Australian jurisdictions have covered all costs for Financial Administration of Represented Persons with minimal assets.

7.4 The Government's position on the issue of fees and charges faced by Represented Persons with assets of less than \$10,000 who are clients of the Public Trustee's Financial Administration Service

In 2004, the Government considered the issue of the fees and charges levied from Represented Persons during the re-negotiations of its three-year CSO contract with the Public Trustee. The

decision made at that time was to focus on the fees and charges which the Government perceived to be causing the greatest concern to the Public Guardian, the President of the Guardianship and Administration Board and the range of community organisations which had lobbied on this issue. Additional funding was therefore provided to The Public Trustee to cover the cost of the Establishment Fee and the annual and triennial audit fees which had previously been levied upon individuals. It was the decision of the Attorney General that the other fees and charges 'were levied incrementally and therefore were of less dramatic impact'. In response to further representations on this issue, the Attorney General communicated to Anglicare her hope 'that additional relief may be able to be provided in the future' (Jackson, 2005).

While this issue currently only concerns 97 Tasmanians, they are Tasmanians who are deemed to be sufficiently incapacitated to have the right to manage their own affairs removed from them. They live on the lowest incomes in the community and have no family or friends who are willing or able to take on this role. They are among the most disadvantaged people in the community.

These are also clients with high and complex needs who, if placed in a financial situation which increases their difficulties, can require more complex and expensive support and/or treatment options.

7.5 Tasmania Together

Goal 1 of the *Tasmania Together* document is to ensure that all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services.

The Financial Administration Service provided by The Public Trustee is an absolute necessity for a small number of severely disadvantaged and vulnerable Tasmanians. However, even the very poorest clients pay ongoing costs of about \$1,070 per annum for this assistance. Clearly this has a significant impact on their standard of living, particularly as clients may also face considerable costs for rent, pharmaceuticals and other health care needs.

8. A Rental Deposit Authority for Tasmania

Recommendation

That the State Government allocate \$264,000 to establish a Rental Deposit Authority in Tasmania.

That surplus funds generated by a Rental Deposit Authority be transferred to Housing Tasmania and dedicated to the provision of affordable housing for low income and disadvantaged Tasmanians.

Lead Department: Department of Justice and Industrial Relations, Office of Consumer Affairs and Fair Trading

8.1 Rationale

Anglicare supports the recommendation made by the Office of Consumer Affairs and Fair Trading in its Regulatory Impact Statement *Proposed Rental Deposit Authority for Tasmania* that a Rental Deposit Authority be established in Tasmania. A recommendation regarding this will be sent to Cabinet in October. Anglicare urges Cabinet to support this proposal.

Anglicare has a long standing concern about the issues which impact on low income and disadvantaged people in their efforts to get affordable and appropriate housing. Current research suggests widespread housing stress among low income renters in the private rental market and continuing low vacancy rates, making management of rental deposits an issue of enormous concern for low income tenants. From the outset of the Affordable Housing Strategy, it was acknowledged by Government that some reform of the current system of bond collection and dispersal was required. A key objective outlined in the Affordable Housing Strategy papers was to “ensure the delivery of opportunities for low income Tasmanians to access an effective and responsive private rental market” and the strategy to achieve this was “to determine a method of increasing the level of security and appropriate return of tenant money held by private landlords, as well as capturing data about the private rental market for future planning” (Department of Health and Human Services, 2003; 12).

Subsequent work by the Affordable Housing Strategy Rental Bond Board Working Group, which included representatives of Housing Tasmania, the Real Estate Institute of Tasmania, the Tasmanian Council of Social Services, the Tenants Union, Shelter Tasmania, Anglicare Tasmania and the Office of Consumer Affairs and Fair Trading saw widespread support for the establishment of a central repository of security deposits.

8.2 Problems with the current system

Research into the Tasmanian private rental market (Cameron, 2002; Jacobs, 2002; Office of Consumer Affairs & Fair Trading, 2005) has established:

- a significant number of tenants experience difficulties having their bond money returned;
- instances of landlords using tenants' money to pay for routine maintenance and unwarranted professional cleaning;
- long delays in having bond money returned;
- difficulties tracing landlords to have bond monies returned;
- a lack of awareness of the provisions of the Residential Tenancies Act 1997; and
- an unwillingness to use the existing complaints procedures.

8.3 The advantages of a Rental Deposit Authority

The advantages of a Rental Deposit Authority (RDA) for the whole community are significant.

An RDA:

- provides a neutral, independent and regulated repository for bond monies;
- enforces the consistent application of rules for depositing and returning bonds, making for a more efficient and transparent system;
- provides the opportunity to provide experienced staff to assist all stakeholders - tenants, property owners, and real estate agents - with the process of collecting and returning bond monies and with the process of dispute resolution;
- acts as a channel for information to all stakeholders about their rights and obligations under the Residential Tenancies Act;
- increases confidence in, and awareness of, the dispute resolution process when deposits are in dispute;

- contributes to housing policy development by providing data on the private rental market.

The legislation proposed by the Office of Consumer Affairs and Fair Trading proposes that any funds surplus to operating requirements be returned to the Consolidated Fund. Anglicare submits that any surplus funds generated by the RDA be dedicated to the provision of affordable housing for low income and disadvantaged Tasmanians. Low income tenants constitute the bulk of the tenants whose money has generated the surplus, giving some right to a consideration of their particular needs in the dispersal of these funds. Given the State's continued need to commit to funding strategies to provide affordable housing for this same group, it is appropriate that surplus funds generated by tenants' security deposits be directed to Housing Tasmania to be additional funds for the Affordable Housing Strategy.

8.4 Costing

In 2003 Anglicare released a costing of an Office of Rental Bonds in Tasmania. Based on conservative estimates of the bond money pool and a similar model to that recommended by the Regulatory Impact Statement, Anglicare estimated that an RDA would cost \$264,000 to establish. It was projected that the allocation required from the State Budget would diminish markedly in the first five years after establishment until 2009 by which time the model would be cost neutral.

8.5 Tasmania Together

Goal 1: 'Ensure all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services.'

Goal 6: "To improve the health and wellbeing of the Tasmanian community through the delivery of coordinated services'.

9. Reducing Gambling Problems

Recommendations

That the State Government establish a Gambling Consumers' Advocate to work with government, industry and community members to enhance and encourage consumer protection for all forms of gambling in Tasmania with the goal of reducing and alleviating gambling problems.

Lead Department: Department of Justice

That a comprehensive social and economic impact study into the effects of gambling in Tasmania on individuals, families and communities is conducted to provide advice for policy development aimed at reducing the negative impacts of gambling problems.

Lead Department: Department of Health and Human Services

9.1 Rationale

In 2004-05, Anglicare undertook qualitative research to look at the experiences of people on low incomes who are affected by gambling problems, either their own or that of a family member.

Participants in Anglicare's research found that the 'patron care' offered to consumers varied, depending on the gambling form and that rather than protection from harm many participants identified that the 'patron care' they experienced was more focussed on keeping them in the venues (Law, 2005).

However, currently the voices of people who gamble, and in particular of those people who are experiencing a problem with their gambling, are lost. The Gaming Commission does conduct consultations with the community or consumers in the development of advice and policy and the framework for 'patron care' is developed and regulated by industry. The concerns of the community and even at times of the Gaming Commission are not necessarily reflected in the codes of practice. For example, although the Tasmanian Gaming Commission recommended in

1999 that cash access facilities should not be allowed in gaming venues, EFTPOS facilities continue to be offered within gambling venues, reflecting the gambling industry's position.

As an issue of public health importance, regulation of gambling needs to ensure that consumer protection measures are robust, effective and consistent. In spite of the Productivity Commission finding that the gaming industry should not self-regulate its codes of practice and serious public concerns being raised about the regulatory environment in Tasmania, the industry's 'patron care' has never been independently evaluated.

9.2 Gambling Consumers Advocate

Anglicare therefore recommends that the State Government establish a Gambling Consumers' Advocate to work with government, industry and community members to enhance and encourage consumer protection for all forms of gambling in Tasmania with the goal of reducing and alleviating gambling problems.

Although no other State currently has a Gambling Consumers Advocate, there are, or have been, agencies and regulators that carry out similar functions. For example, for approximately two years, Victoria had an Advocate for Responsible Gambling who was to oversee gambling research and make recommendations to the Government on the effectiveness of gambling regulation aimed at promoting responsible gambling. The regulators in South Australia (Independent Gambling Authority) and Queensland (Office of Gaming Regulation) each commission regular and comprehensive research into regulatory issues and a variety of consumer protection measures, including codes of practice for the industry, as well as consulting with the public regarding possible changes to these issues. Further, all reports are publicly available.

To ensure that the role is effective in reducing problem gambling, the Advocate should have the powers of an ombudsman: it should be a statutory appointment; have administrative resources and staff independent of government departments; report directly to Parliament; and make all reports publicly available. Anglicare proposes that the Advocate takes over those functions of the Gambling Support Bureau and Tasmanian Gaming Commission that relate to consumer protection while working in consultation with these two agencies.

The functions of the Advocate should include the following:

- conducting annual research to ascertain the level of problem gambling against the Tasmania *Together* benchmark and make recommendations to Parliament to ensure the benchmarks are reached;
- commission research into the effectiveness of existing and potential consumer protection measures to minimise social and economic harms and to provide recommendations, based on analysis of this research, to Parliament for improvements to consumer protection and gambling regulations;
- oversee a social and economic impact assessment procedure for all proposed changes to gambling legislation, technology, licenses and opportunities and provide analysis to Parliament;
- receive, investigate and resolve complaints relating to protection of consumers of the gambling industries in Tasmania and make recommendations to Parliament to reduce future problems;
- work with industry, service providers, local government and government agencies where appropriate to reduce the negative social and economic impacts of gambling; and
- to otherwise act in the public interest to minimise the social and economic harms caused by gambling problems.

This position should be funded directly from gambling-derived Government revenue, which would therefore impose no additional costs to Government. The cost of the position, one assistant and one office is estimated at approximately \$200,000 annually, only 0.2% of the revenue that Government receives from gambling.

9.3 Social and economic impact study

The development of appropriate policy responses to the expansion of gambling in Tasmania requires proper consultation and reliable and independent research. While improvements are being made to the study of gambling prevalence, the prevalence study does not provide analysis of the social and economic impacts of gambling problems on individuals, families and communities. In the absence of such research, public policy relating to gambling is limited in effectiveness.

9.4 Tasmania Together

Goal 5 of Tasmania *Together* is to “develop an approach to health and wellbeing that focuses on preventing poor health and encouraging healthy lifestyles”. Recognising that people with gambling problems negatively affect themselves, family and their community, a benchmark was set to reduce the prevalence of problem gambling from 0.9% in the year 2000 by 0.1% each year from 2005. Unfortunately, no prevalence study has been conducted since 2000 and there is currently no mechanism for measuring the prevalence of problem gambling on an annual basis so the tracking of this benchmark is not possible.

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