



Submission to

**Tasmanian Government
State Budget Community Consultation Process
2010-11 Budget**

November 2009

Contents

1.	Introduction and list of recommendations	3
2.	Affordable housing	7
3.	Responding to consumers of mental health services	13
4.	Gambling	17
5.	Social inclusion	20
6.	Fuel poverty and climate change	26
7.	State Government taxation policy	31
8.	References	32

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1. Introduction and list of recommendations

Anglicare Tasmania welcomes the opportunity to have input into the State Budget community consultation process for 2010 - 2011. Our submission focuses on a range of areas and is based on research and policy development work undertaken over the last 12 months, as well as drawing on earlier research and relevant literature from other sources where appropriate. It also draws on the knowledge and experience of Anglicare workers engaged in direct service delivery.

Anglicare Tasmania is the largest community service organisation in Tasmania, with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie, and a range of outreach programs in rural areas. Anglicare's services include emergency relief and crisis services, accommodation support, employment services, mental health services, acquired injury, disability and aged care services and alcohol and other drug services. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on the needs and concerns of Tasmanians on low incomes.

This submission focuses on a number of areas of social policy, including affordable housing, the development of a mental health consumer movement, gambling, social inclusion, fuel poverty and climate change and State Government taxation. Specifically, Anglicare makes the following recommendations.

Recommendations

Anglicare recommends

1. That the Tasmanian Government retains the public housing system as a core government service, with appropriate investment to allow it to charge affordable rents, continue to offer security of tenure, operate sustainably, increase supply and improve support services for tenants.
Lead agency: Department of Health and Human Services (Housing Tasmania).
Estimated cost: At least \$32 million per annum recurrent.¹
2. That the Tasmanian Government commits to a policy of ensuring that rents in public and community housing remain affordable to tenants (which might mean further rent freezes and rent reductions), with any revenue shortfall created by this policy to be met on a recurrent basis by the Tasmanian Government.
Lead agency: Department of Health and Human Services (Housing Tasmania).
Estimated cost: See Recommendation 1.
3. That the Tasmanian Government allocates funds to establish a Housing and Homelessness Advisory Body, to include representation from the community sector and from housing

¹ In Tasmania's public housing system, the average weekly subsidy per rebated household in 2008 was \$66.10 (SCRGSP 2009, table 16A.11) and the number of households paying less than market rent was 9148 (SCRGSP 2009, table 16A.1). This adds up to a total subsidy of \$31.4 million per annum across the system. It is important to note that for some tenants, the current subsidy may not deliver affordability and that the figure of \$32 million is a minimum figure. It is also worth noting that according to the Steering Committee for the Review of Government Service Provision, Tasmania's average weekly subsidy is the lowest in the country.

consumers, to provide advice to the Government on the implementation and integration of current and future funding initiatives and other relevant areas.

Lead agency: Department of Health and Human Services (Housing Tasmania & Housing Innovations Unit)

Estimated cost: \$10,000.

4. That the Tasmanian Government allocates funds to establish an ongoing consumer engagement mechanism on housing and homelessness. This strategy should particularly target low income and disadvantaged housing consumers, including homeless Tasmanians, public housing tenants and private renters.
Lead agency: Department of Health and Human Services (Housing Tasmania & Housing Innovations Unit) & Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: \$50,000.
5. That the Tasmanian Government allocates funds for the implementation of the outcomes of the review of the *Residential Tenancy Act 1997*, including funding to operate any additional services (such as alternative dispute resolution) and funding to enforce the provisions of the legislation across the state.
Lead agency: Department of Justice (Consumer Affairs and Fair Trading)
Estimated cost: Not costed as dependent upon the outcomes of the review.
6. That the Tasmanian Government fully endorses the recommendations of the consumer and carer participation review and adequately resources their implementation.
Lead agency: Department of Health and Human Services
Estimated cost: Not costed.
7. That the Tasmanian Government fund the development of a consumer workforce in Tasmania in collaboration with mental health consumers.
Lead agency: Department of Health and Human Services (Mental Health Services)
Estimated cost: Not costed.
8. That the Tasmanian Government use funding already allocated through the *Bridging the Gap* report to immediately recruit three regional consumer liaison workers to oversee the implementation of participation mechanisms and to build the capacity of consumers and carers to participate, and of mental health service providers to facilitate participation.
Lead agency: Department of Health and Human Services (Mental Health Services)
Estimated cost: \$225,000
9. That the Tasmanian Government funds a social marketing strategy to address stigma and discrimination associated with mental illness in the Tasmanian community.
Lead agency: Department of Health and Human Services (Mental Health Services)
Estimated cost: \$600,000.
10. That the Tasmanian Government allocate funds to restructure the Tasmanian Gaming Commission as an independent regulatory body with staff and administrative support that is independent of Government.
Lead agency: Department of Treasury and Finance (Revenue, Gaming and Licensing Division)
Estimated cost: \$400,000 per annum recurrent
11. That the Tasmanian Government adjust forward estimates to prepare for a reduction in state revenue from gambling.
Lead agency: Department of Treasury and Finance (Revenue, Gaming and Licensing Division)
Estimated cost: Not costed as economic modelling required beyond the scope of this submission.

12. That the Tasmanian Government allocate funds to the new Tasmanian Food Security Council to allow it to have a strategic and representative role.
Lead agency: Department of Health and Human Services (Population Health)
Estimated cost: \$100,000 recurrent (in addition to the \$1 million Food Security Trust Fund to be held by the Council)
13. That the Tasmanian Government fund modelling of what constitutes ‘affordability’ for low income households, including households with special needs, and that this modelling be undertaken with reference to the capacity of households to attain a basic acceptable standard of living.
Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch) and the Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: \$150,000.
14. That the Tasmanian Government
- ensure that ‘affordability’ for low income households, as defined by the modelling discussed in Recommendation 13, is included as a core community service obligation of corporatised essential services; and
 - review the funding levels of all community service obligations or like funding arrangements to ensure that they provide entities with adequate resources to deliver effectively their additional service obligations, including the obligation to deliver affordable prices to low income households.
- Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch) and the Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: Not costed as dependent on findings of review.
15. That the Tasmanian Government provide all essential services with community service obligation or activity funding to ensure that they are able to provide all customers with a ‘lifeline’ tariff – a basic component of usage that is free to the user – so that no one need be disconnected from the supply of any essential services due to inability to pay.
Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch)
Estimated cost: Not costed as economic modelling required is beyond the scope of this submission.
16. That the Tasmanian Government fund a review of all customer service standards of corporatised essential services with particular reference to their capacity to meet the requirements of low income earners and households with special needs.
Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch)
Estimated cost: \$70,000.
17. That the Tasmanian Government provides funds for research into whether disadvantaged Tasmanian households are achieving the World Health Organisation definition of ‘sufficient warmth’.
Lead Agency: Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: \$100,000.
18. That the Tasmanian Government allocate funding to address the challenge of fuel poverty and climate change for the tenants of public housing dwellings.
Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office) and Department of Health and Human Services (Housing Tasmania)

Estimated cost: \$10 million over four years. This funding would provide 265 complete retro-fits, or 1785 basic energy efficiency upgrades.²

19. That the Tasmanian Government allocate funds to establish a Low Income Household Refit Program aimed at assisting low income homeowners and low income renters to make their homes energy efficient.

Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office)

Estimated cost: \$65,000.

20. That the Tasmanian Government allocate funds to conduct energy audits of all community service organisation owned or occupied buildings.

Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office) and Department of Health and Human Services

Estimated cost: \$65,000.

21. That the Tasmanian Government undertakes no changes to state taxation which reduce state tax revenue.

Lead Agency: Department of Treasury and Finance (Budget and Finance Division).

Estimated cost: Nil.

² Cost of complete retrofits and energy efficiency upgrades based on the average cost of these works for a three-bedroom Housing Tasmania home (\$37,630 and \$5600 respectively) (Tasmania, House of Assembly 2009, p. 100).

2. Affordable housing

2.1. Tasmania Together

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

- Indicator 1.1.1 - the proportion of income taken up by a 'basket' of essential items. The '2010 target is unlikely to be achieved'.
- Indicator 1.1.4 - the proportion of Tasmanian low income earners experiencing housing stress, is now over 29%. The 2010 target of 15% is unlikely to be achieved.
- Indicator 1.1.5 - the house price to income ratio. The '2010 target is unlikely to be achieved'.
- Indicator 1.1.6 - the waiting times for priority applicants to public housing. The 2010 target is unlikely to be met.

2.2. Public housing

Background

The future of Tasmania's public housing system is currently the subject of considerable speculation. In 2008, the Government contracted KPMG to conduct a review of affordable housing in Tasmania, and the initial report from the review presented three alternatives: a housing association model, a state-owned company and a state-owned company with public benevolent institution (PBI) status (Department of Health and Human Services 2008). The initial report was sharply criticised by the community sector for its many inaccuracies and assumptions that were inconsistent with the research evidence and for the lack of clarification provided about many important issues (Shelter Tasmania et al. 2008). At the time of writing, the outcome of the KPMG review is not known.

Recommendation 1

That the Tasmanian Government retains the public housing system as a core government service, with appropriate investment to allow it to charge affordable rents, continue to offer security of tenure, operate sustainably, increase supply and improve support services for tenants.

Lead agency: Department of Health and Human Services (Housing Tasmania).

Estimated cost: At least \$32 million per annum recurrent.³

Recommendation 2

That the Tasmanian Government commit to a policy of ensuring that rents in public and community housing remain affordable to tenants (which might mean further rent freezes and rent reductions), with any revenue shortfall created by this policy to be met on a recurrent basis by the Tasmanian Government.

Lead agency: Department of Health and Human Services (Housing Tasmania).

Estimated cost: See Recommendation 1.

³ In Tasmania's public housing system, the average weekly subsidy per rebated household in 2008 was \$66.10 (SCRGSP 2009, table 16A.11) and the number of households paying less than market rent was 9148 (SCRGSP 2009, table 16A.1). This adds up to a total subsidy of \$31.4 million per annum across the system. It is important to note that for some tenants, the current subsidy may not deliver affordability and that the figure of \$32 million is a minimum figure. It is also worth noting that according to the Steering Committee for the Review of Government Service Provision, Tasmania's average weekly subsidy is the lowest in the country.

Rationale

The extensive research literature on the public housing system is clear about the source of its well-documented problems. The two critical factors are the decision to target public housing to those 'in greatest need' without recognising that this would involve a decline in rental revenue and an increase in tenant support costs, and the decision to reduce the base funding provided under the Commonwealth State Housing Agreement (e.g. Hall & Berry 2007; Atkinson & Jacobs 2008). Changing Housing Tasmania's governance structure will do nothing to change this situation. What are needed are a significant increase in funding and an increase in supply to allow Housing Tasmania the capacity to diversify the income base of its tenants without compromising the requirement to house those 'in greatest need'. Alterations to the governance structure are at best a distraction and at worst will prove destructive and damaging for the tenants, for whom the public housing system was established (Flanagan, K 2008a, 2008b).

Rents: Anglicare wishes to clearly state that it does not support any changes to rental policy that will reduce affordability for tenants, a position also advocated by the Tenants' Union.

'Affordability' refers to the capacity of tenants to afford a basic acceptable standard of living –that after paying their rent, tenants have sufficient income left to afford the cost of other essential items, such as food, clothing, electricity, water and sewerage, telephones, transport and community participation. If rental policy undermines this capacity to afford a basic acceptable standard of living, then it undermines social inclusion. Under this definition of affordability, some tenants currently living in public housing are paying rents that are unaffordable. For example, research by Burke and Ralston (2003, pp. 20-2) used such a definition and found that 65% of households in public housing did not have sufficient income to attain even a 'frugal' standard of living, despite their 'affordable' rents.

A policy of affordable rents will mean rent reductions for some tenants and rent freezes for others.

Anglicare believes that the financial viability of the social housing system is the responsibility of Government, not of tenants. Therefore Governments should be required to meet any shortfall in revenue created as a result of a decision to keep rents affordable.

The State Government has already set a precedent in this regard. It has extended on an indefinite basis the policy of quarantining the recent pension increase from inclusion in assessable income for the purpose of determining public housing rents (Thorp 2009).

Tenure: Tasmania's public housing system offers 'security of tenure' – that is, provided a tenant complies with the conditions of their tenancy agreement, they are permitted to remain in their public housing property for as long as they choose, even if they no longer meet the eligibility criteria for public housing.⁴ This policy fits with the research evidence that security of tenure results in better health and wellbeing, more supportive relationships and networks within the community, improved family stability, improvements in children's educational performance and greater community participation (summarised in Lewis 2006). Security of tenure also reduces workforce participation disincentives; research has found that fixed term tenancies risk increasing welfare dependency among tenants (Dockery et al. 2008, pp. 118, 128).

⁴ In practice, very few tenants are in this category: as of February 2007, just 435 households were on incomes that would exclude them from eligibility, and only 196 by amounts greater than \$50 a week (Housing Tasmania 2007, p. 3).

However, there are signs that support for security of tenure is waning. Successive Commonwealth-State Housing Agreements have emphasised the concept of providing housing assistance only for the duration of need and the National Building and Jobs Plan agreement requires states to promote the 'transition' of tenants from social housing to the private market (COAG 2009, p. 14).

Ending security of tenure reduces the incentive to increase supply, which may be attractive to Governments on constrained budgets. But such a policy, flying in the face of the research evidence, would have negative consequences for tenant well-being and community stability, and would provide a significant incentive for tenants to remain on income support benefits rather than seeking employment. It would be a mistake.

Supply: Anglicare has researched alternative models (Flanagan, K 2008a, 2008b) and believes that public housing is the model which best meets the needs of the most vulnerable, disadvantaged and socially excluded tenants.

However, Anglicare also notes the work of Atkinson and Jacobs (2008) which argues that the benefit of public housing for low income earners is undermined by the stigmatisation of public housing tenants, which arises from restrictive eligibility policies and the targeting of properties to those assessed as 'most in need'. Governments' preferred method of managing this problem is to increase the tenure mix within the area by selling public housing stock to home-buyers and investors. The research base that suggests that increased social and income mix on its own will promote a renewal of disadvantaged areas is weak (see Arthurson 2002), but the research does suggest that a key factor undermining such projects is continued targeting - what public housing remains in an urban renewal site remains targeted to those most in need (Palmer et al. 2004; Arthurson 2005). Where once a suburb was stigmatised, now a street, or a group of houses, is stigmatised instead. For this reason, Anglicare supports an expansion in the supply of public housing to allow eligibility to be widened beyond the current client group of 'people on low incomes with complex or multiple needs who require assistance to gain entry to, and maintain, affordable housing' (Department of Health and Human Services 2009, p. 46).

Governance: Should the State Government choose to privatise the public housing system by transferring stock to a non-government provider, it must ensure that Government retains overall responsibility and accountability for the provision of social housing. It must also ensure that funding agreements require providers to keep rents affordable, with reference to the definition discussed above, and that adequate subsidies are provided to allow this to happen without compromise in other areas of housing management and service delivery. Based on our research (Flanagan, K 2008a, pp. 20, 26), Anglicare believes that Commonwealth Rent Assistance will not provide sufficient revenue to ensure provider viability or deliver affordability for tenants.

Conclusion: The public housing system has had a decade of underinvestment and the resulting problems have been well canvassed by researchers, policy-makers, politicians and the media. Additional investment to provide operational funding, an increase in supply and improved services is required. But this investment should not be obtained through rent increases. The decisions to reduce funding, restrict access and sell stock were not the decisions of tenants and they should not be made responsible for the financial consequences.

2.3. Consultation and engagement

Background

The housing and homelessness sector is currently the subject of a range of funding initiatives, including National Partnership Agreements on housing and on homelessness, a federal White Paper on homelessness, funds for social housing maintenance, purchase and construction under the National Economic Stimulus Nation Building and Jobs Plan and the State Government's Housing Affordability Fund. Many of the funding allocations are linked to reform processes which potentially include radical policy change for the social housing sector.

Recommendation 3

That the Tasmanian Government allocate funds to establish a Housing and Homelessness Advisory Body, to include representation from the community sector and from housing consumers, to provide advice to the Government on the implementation and integration of current and future funding initiatives and other relevant areas.

Lead agency: Department of Health and Human Services (Housing Tasmania & Housing Innovations Unit)

Estimated cost: \$10,000.

Rationale

The recent roll out of funding and reform initiatives in the housing and homelessness sector has occurred very quickly. The stimulus package funds in particular were the subject of extremely tight deadlines which meant decisions needed to be made very quickly and with little public consultation. While Housing Tasmania and the Housing Innovations Unit have tried to keep stakeholders informed (for example, the Housing Innovations Unit issues a regular email update), there has been a lot of confusion within the sector about the likely outcomes of many of the initiatives. A particular concern is the apparent separation in focus between the initiatives targeting housing supply and the initiatives targeting homelessness; these two areas should be integrated as the issues are inextricably linked.

Establishing an advisory body of stakeholders from the community sector as well as other relevant organisations and groups would lead to a number of benefits. These include better and more coordinated information flows, both from government to the sector and industry and from the sector and industry to government; earlier identification of problems, duplication of effort and new community-based initiatives; a more integrated approach to housing and homelessness issues, particularly in an environment where an increasing amount of service delivery is being conducted by the non-government sector; and opportunities for policy development and the canvassing of new and innovative ideas and solutions.

In addition to representatives from community and industry groups, it will be critical for the advisory body to include consumer representatives.

Recommendation 4

That the Tasmanian Government allocate funds to establish an ongoing consumer engagement mechanism on housing and homelessness. This strategy should particularly target low income and disadvantaged housing consumers, including homeless Tasmanians, public housing tenants and private renters.

Lead agency: Department of Health and Human Services (Housing Tasmania & Housing Innovations Unit) & Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: \$50,000.

Rationale

Low income tenants in the public and private rental market are among some of the most disadvantaged and socially excluded Tasmanians. Yet despite the centrality of 'home' to our capacity to settle in and engage with our community, their voices are generally not heard in the making of housing policy. The KPMG review is an example of a wide-ranging reform process that has made little effort to explicitly engage with low income tenants, despite considering issues such as who will be their future landlord, what rents they will pay, whether they can afford them, and whether they will continue to have secure tenure within their homes.

Consultation with community service organisations can provide some insight into the views of tenants and other low income people, but in many cases community service organisations know as little as the consulting government department about tenants' real views on a particular issue, unless they have conducted their own direct consultation or research about the particular subject. The voices of consumers are distinct from those of community service organisations, particularly in situations where organisations are delivering services to those clients.

The Department of Health and Human Services has released a position paper on consumer and community engagement which includes a list of principles of engagement. According to these principles, successful engagement depends on flexible approaches, additional effort in engaging 'hard-to-reach' populations, including those who are socially or economically disadvantaged, early involvement by including people from the outset and 'a strong commitment to [building] productive working relationships with consumers and the community' (Department of Health and Human Services 2009, p. 13). A genuinely flexible, inclusive process aimed at building an ongoing working relationship is not a cost-neutral exercise, particularly when seeking to engage the 'hard-to-reach' sections of the community. As the final principle in the Department's position paper notes, it is important to 'value, support *and resource* consumer and community engagement *so it is meaningful for all*' (Department of Health and Human Services 2009, p. 13, emphasis added).

2.3. The private rental market

Background

The Tasmanian Government recently announced a review of the *Residential Tenancy Act 1997*, to canvas issues such as access to appeal for unreasonable rent increases, timeliness of responses to maintenance and repairs requests, residential tenancy databases, accommodation standards and rent bidding (Singh 2009a). Since that announcement, Anglicare and other community service organisations have met with Consumer Affairs and Fair Trading (CAFT) to discuss the issues in the lead up to the release of a discussion paper towards the end of the year.

Recommendation 5

That the Tasmanian Government allocate funds for the implementation of the outcomes of the review of the *Residential Tenancy Act 1997*, including funding to operate any additional services (such as alternative dispute resolution) and funding to enforce the provisions of the legislation across the state.

Lead agency: Department of Justice (Consumer Affairs and Fair Trading)

Estimated cost: Not costed as dependent upon the outcomes of the review.

Rationale

Anglicare, like other community service organisations, has two sets of concerns with the current residential tenancy legislation. Firstly, there are matters which are currently not covered by legislation and should be, such as rent bidding, privacy issues and minimum standards for accommodation. Secondly, there is widespread lack of compliance with many basic provisions of the existing legislation including failure to complete condition reports, intolerable delays around rent and maintenance and inappropriate retention of bonds. Attention to both of these issues will require additional work by CAFT, yet our advice is that CAFT lacks the resources necessary to do more than reactive enforcement (C. Batt [Consumer Affairs and Fair Trading] 2009, pers. comm., 11 October).

There is little point in a legislative review if the outcomes of that review cannot be realised because there is no funding for implementation. Anglicare is also concerned about CAFT's limited capacity for enforcement given the abuses that occur, particularly at the low-cost end of the rental market. Anglicare has previously argued for more proactive enforcement by CAFT, including greater use of 'strategic litigation' (Anglicare Tasmania 2008). While the review is in progress is not possible to quantify the amount of funding required, some of the areas of possible reform where additional demands on the State Budget might result include:

- the development of minimum standards for rental accommodation, which would require some form of monitoring and compliance process;
- the establishment of an alternative dispute resolution process so that tenants do not have to go to court to assert their rights under the legislation, perhaps through extending the role of the Residential Tenancy Commissioner; and
- improved capacity for proactive enforcement and strategic litigation.

3. Responding to consumers of mental health services

3.1 Tasmania Together

Goal 4: “active, healthy Tasmanians with access to quality and affordable health care services”

- Indicator 4.4.3 - increasing the proportion of persons with a serious mental illness whose needs are being met by Mental Health Services The 2010 goal is 60%. The data trend is negative and that the proportion of persons whose needs are being met has steadily declined from 2006 and now stands at 35%.

3.2 Background

Nationally the mental health consumer movement has been successful in promoting recovery orientated mental health services as the cornerstone of mental health policy and pushing for the incorporation of consumer participation as a routine part of service delivery, evaluation, policy and planning. Across Australia mental health services are now required to promote the participation of consumers at all levels. However despite having active and influential mental health consumers there have been low levels of consumer activity in Tasmania and the state now lags behind other jurisdictions in both the range and level of consumer activity that it supports. Tasmania’s small and dispersed population and a lack of financial and other resources have militated against state wide consumer activity and involvement and raised concerns about the sustainability of consumer- run initiatives.

In order to progress consumer and carer activity a Consumer and Carer Participation Framework was formulated by the Department of Health and Human Services in 2006 (Department of Health and Human Services 2006). It aimed to set the direction for participation in mental health services and bring together a number of processes and mechanisms into one coordinated system of participation, provide clarity about what participation means and offer a roadmap as to how it should occur. However the Framework has not been implemented and this has contributed towards an on-going debate about how best to promote the consumer voice so that it informs policy, planning and service delivery.

In response to this debate Anglicare, in partnership with the Tasmanian Mental Health Consumer Network, undertook research to explore the experiences of the mental health consumer movement across Australia in order to inform the development of consumer activities in Tasmania (Hinton 2009). Using information collated from a literature review and one-to-one interviews with over 70 consumers and other stakeholders the research mapped consumer activities, described the key themes and issues mental health consumers face in becoming involved and presented some options for Tasmania.

In parallel with this work the Department of Health and Human Services commissioned a review of consumer and carer participation in Tasmania (DHHS 2009b) which aimed to identify an optimum model for mental health consumer and carer participation and inform the implementation of Tasmania’s Consumer and Carer Participation Framework. The review sought

to ensure that participation becomes an integral part of practice for all services in the state and to identify mechanisms and organisational models that would support that.

Findings from the Anglicare research and from the Department of Health and Human Services review were consistent in identifying a need for investment in building a stronger mental health consumer movement in the state. Importantly, it identified that the consumer movement requires financial and organisational support if its contribution to mental health reform is to be fully developed and utilised.

The report concluded that in order to progress the consumer movement in Tasmania four elements should be in place. These are:

- the development of an independent consumer run organisation providing systemic advocacy which is adequately resourced and supported;
- the development of a consumer workforce which can contribute towards the recovery focus of services, operate as vehicles for hope and cultural change and promote employment opportunities for people with mental health problems;
- capacity building to ensure firm foundations for consumer participation and empowerment. This means setting up mechanisms to ensure involvement at all levels in treatment services and planning, assisting the development of consumer support groups and providing training for both consumers and providers to understand and benefit from the consumer experience;
- developing oversight, monitoring and evaluation mechanisms to ensure a systematic approach towards promoting consumer participation and empowerment and to assess progress and outcomes across mental health services provision.

Anglicare has recently welcomed the publication of the Department of Health and Human Services review and its recommendations which support many of the findings of the Anglicare research. The review's recommended model of consumer participation is the establishment of a new state wide consumer organisation properly constituted and adequately resourced which would seek to undertake advocacy, provide advisory services, training and support, facilitate the consumer representative process and establish consumer networks. This would be progressed through the establishment of a reference group of consumers, carers, Mental Health Services and the community sector to support the development of a new consumer and carer participation model, implement the Consumer and Carer Participation Framework and support related strategies. In addition the Review highlighted the importance of strategies to benchmark, evaluate and monitor implementation of the model and framework, to develop policies and procedures relating to participation and to develop a staff development program for Mental Health Services and community sector organisations which could promote awareness of the benefits of consumer participation and the cultural shift required to fully implement it.

The Review recommends that the future development of the model and implementation of the framework includes transition plans and timeframes for both the development of appropriate consumer and carer workforce positions and peer support models. Anglicare particularly welcomes these recommendations.

Recommendation 6

That the Tasmanian Government fully endorses the recommendations of the consumer and carer participation review and adequately resources their implementation.

Lead agency: Department of Health and Human Services

Estimated cost: Not costed.

Rationale

Both the Anglicare research and the findings from the Department of Health and Human Services Consumer and Carer Participation Review are in agreement that the way forward for the development of the mental health consumer voice in Tasmania is to establish an adequately resourced state wide consumer organisation which can engage in systemic advocacy and advisory work and provide and support consumer representation services. In addition the Department of Health and Human Services review and Anglicare research point to the need to provide a range of opportunities and approaches towards involvements. This includes the development of a consumer workforce and peer support models as well as the capacity development required to ensure that these developments are built on solid foundations. This entails

- supporting the development of consumer support groups;
- providing training for consumers and providers; and
- ensuring a robust framework for monitoring; and
- evaluation of the implementation of the consumer and carer framework.

Achieving these developments will require adequate resourcing and mechanisms to promote a cultural shift in the way in which services are currently provided.

Recommendation 7

That the Tasmanian Government fund the development of a consumer workforce in Tasmania in collaboration with mental health consumers.

Lead agency: Department of Health and Human Services (Mental Health Services)

Estimated cost: Not costed.

Rationale

In Australia and internationally the value of consumer roles in mental health services has been widely accepted. Consumer workers are seen as mechanisms for the transformation of services towards a recovery orientation, as vehicles for cultural change and for inspiring hope. They can facilitate consumer participation activities and provide general support and mentoring to other consumers. Ideally consumer workers should be integrated into mental health services at several levels: as peer support workers in clinical and non-clinical environments, as consumer consultants, advisors or advocates, as consumer educators and in management positions to develop co-ordinate consumer participation mechanisms at a regional or state-wide level.

Recommendation 8

That the Tasmanian Government use funding already allocated through the *Bridging the Gap* report to immediately recruit three regional consumer liaison workers to oversee the implementation of participation mechanisms and to build the capacity of consumers and carers to participate, and of mental health service providers to facilitate participation.

Lead agency: Department of Health and Human Services (Mental Health Services)

Estimated cost: \$225,000

Rationale

In 2004 the *Bridging the Gap* report (Department of Health and Human Services 2004) made funding available for four consumer and family/carer advisory positions – a senior consumer and carer consultant and three regional posts. In 2009 the regional posts remain unfilled. Anglicare recommends recruiting to these posts as soon as possible to create ‘consumer/carer liaison positions’. These positions would ensure engagement systems are in place and operational,

organise consultation mechanisms, provide consumers with information about their rights and foster the development of consumer support groups. This would be carried out in collaboration with the new consumer-run organisation recommended in the *Mental Health Services Consumer and Carer Participation Review* (Department of Health and Human Services 2009). Given the difficulties consumer workers have experienced in other jurisdictions (see Hinton 2009) these posts need to be accompanied by an appropriate supporting infrastructure.

Recommendation 9

That the Tasmanian Government funds a social marketing strategy to address stigma and discrimination associated with mental illness in the Tasmanian community.

Lead agency: Department of Health and Human Services (Mental Health Services)

Estimated cost: \$600,000.

Rationale

The Mental Health Council of Tasmania (MHCT) has long advocated for a consistent approach to reducing the stigma and discrimination that people with mental health problems face, particularly in the workforce and asked for investment in an anti-discrimination campaign. Anglicare would like to add its voice to that of TasCOSS in supporting the MHCT recommendation and to emphasise that promoting the involvement of mental health consumers in the planning and delivery of services is one way of beginning to tackle this discrimination both in the provision of services and in entry to the workforce. Successful social marketing strategies have been conducted in Scotland (the 'See Me' anti-discrimination campaign) and in New Zealand (the "Like Minds, Like Mine" campaign). The New Zealand campaign has been running for 11 years, with a Ministry of Health funded budget of \$NZ5m per annum. The campaign involves a national public education program, conferences, research and work with regional providers of community education and anti-discrimination support (many of which are consumer-run agencies). In Scotland the campaign was joined with an agreement with the media not to portray people with mental illness in a negative light. Such initiatives require resourcing.

4. Gambling

4.1. Tasmania Together

Goal 4: “active, healthy Tasmanians with access to quality and affordable health care services”.

- Indicator 4.3.1 - to reduce the prevalence of problem gambling. A lack of research into problem gambling prevalence and a change in measurement methods means that data is only available from 2005 under the current measures. However, in the short term (2005-2007) there seems to have been a reduction in the number of people with gambling problems in Tasmania. In 2007 it was estimated that 1.4% of the population were problem gamblers or were at risk of becoming problem gamblers. Caution must be exercised in concluding that this suggests a positive trend. As the Productivity Commission reports, ‘it is hard to precisely measure the prevalence of relatively uncommon conditions, so that estimates will fluctuate from year to year because of sampling error’ (Productivity Commission 2009, p. xxiii).

4.2. Regulation

Background

Anglicare’s concern is for people for whom gambling causes significant harm, and our policy concern is focussed on the ‘riskier forms’ of gambling most strongly associated with problem gambling – particularly poker machines. The Productivity Commission estimates that poker machines account for around 75-80% of ‘problem gamblers’ nationally (Productivity Commission 2009, p. xxiii). This trend was confirmed by the Social and Economic Impact Study into Gambling in Tasmania (SACES 2008, p. viii). People with gambling problems have reported that where they do have problems with other forms of gambling, they also have problems with poker machines (Law 2005)..

The draft report of the Productivity Commission into gambling (released in October 2009) has pointed out that ‘the significant social costs associated with problem gambling mean that even policy measures with modest efficacy will often be worthwhile’, with significant financial savings to the community. The report also points out that the numbers of people who have ever experienced problems with their gambling (‘lifetime’ prevalence figures) are considerably higher than annual prevalence rates, that there are significant social costs associated with problem gambling (estimated at between \$1.8 billion and \$5.6 billion nationally) and five to ten people are adversely affected for every one problem gambler (Productivity Commission 2009, pp. xiv, xxi). In Tasmania this ripple effect translates into between 35,000 and 70,000 people.⁵

The Productivity Commission notes efforts made by state governments to reduce harm to consumers of gambling but also points out that ‘significant governance flaws remain in most jurisdictions – including insufficient transparency, regulatory independence and coordination’.

⁵ The 1.4% of Tasmanians with a gambling problem equates to 7025 people; Tasmania’s population at the end of the 2009 March quarter was 501,800 (Australian Bureau of Statistics 2009). If a further five to ten people are affected, then this equates to 35,126–70,252 people.

The draft report calls for a more coherent and effective policy approach with ‘a particular need for targeted harm minimisation policies that can effectively address the high rate of problem gambling among regular gaming machine players’ (Productivity Commission 2009, p. xiv).

Part of this will be ensuring that the concentration of poker machines in disadvantaged areas, and the correlation between this and the spatial determinants associated with problem gamblers is addressed. The licensing application process in Tasmania does not require a social or community impact assessment as part of the licence application, as is the case in some other jurisdictions. The Social and Economic Impact study notes that, Tasmania’s monopoly structure, with the Federal Hotels Group holding exclusive rights to operate table gaming, poker machines and keno throughout the state, means that this business is ‘the sole commercial decision maker as to whether a licensed venue operator is provided with EGMs [poker machines]’. The report adds ‘the situation in Tasmania is that the gaming operator has considerable market power to shape the industry’ (Productivity Commission 2009, p. iv). Regulations which positively impact on the disbursement of poker machines in disadvantaged areas will impact on the level of revenue raised from problem gamblers and therefore on state revenue.

Recommendation 10

Anglicare recommends that the State Government allocate funds to restructure the Tasmanian Gaming Commission as an independent regulatory body with staff and administrative support that is independent of Government.

Lead agency: Department of Treasury and Finance (Revenue, Gaming and Licensing Division)

Estimated cost: \$400,000 per annum recurrent

Rationale

Anglicare welcomes the proposed amendment to the Gaming Control Act which will make explicit in the Act that a function of the Tasmanian Gaming Commission is to foster responsible gambling and minimise harm (*Gaming Control Amendment (No 2) Bill 2009*, s. 38). However, monitoring the policy and regulation of gambling in the state requires an organisation independent of government which will research, implement and monitor the protection of consumers. This could be the Tasmanian Gaming Commission (TGC) if it were restructured to be independent of Government. Independence would be ensured by direct accountability to Parliament and the resources to employ its own staff and ensure its accountability and transparency to the community, independent of Government departments. The regulatory body should also have the resources to provide information and policy advice, to monitor the probity of new licence application processes and to ensure that consumer protection measures are implemented across all forms of gambling. Currently the TGC is housed within Treasury with no independent staff, or even website. It is invisible to the general community and it is even difficult to find or contact for those aware of its existence.

4.3. Revenue implications

Background

Currently the betting limit per spin on poker machines in Tasmania is \$10, allowing losses of up to \$1200 per hour (120 bets/hour at current spin speed). In March, the Treasurer announced a new code of conduct for gambling venues which would impose bet limits of \$5 (Killick 2009). While this is a significant improvement, it still means losses of up to \$600 per hour. The Productivity Commission draft report on gambling recommends that the bet limit be lowered to \$1 per button

push (Productivity Commission 2009, p. xiv). This would equate to losses of around \$120 per hour at current spin speed (Productivity Commission 2009, p. xiv). The Productivity Commission also recommends much lower limits on how much cash can be fed into machines at any one time.

Effective harm minimization policies such as these will result in reduced Government revenue from gambling, recently estimated at 11.5% of state own source revenue (\$86 million in 2006-07) (SACES 2008, p. viii). Anglicare does not have the data required to do the economic modelling of what this reduction will be, but recommends that forward estimates be adjusted to reflect this lessening of state revenue from gambling.

Recommendation 11

That the Tasmanian Government adjust forward estimates to prepare for a reduction in state revenue from gambling.

Lead agency: Department of Treasury and Finance (Revenue, Gaming and Licensing Division)

Estimated cost: Not costed as economic modelling required beyond the scope of this submission.

5. Social inclusion

5.1. Tasmania Together

The Tasmania *Together* plan incorporates a number of goals related to the multi-dimensional problems of poverty and social disadvantage and a number of its indicators target groups at risk of social exclusion.

- Indicator 1.1.1: the cost of food, electricity, housing, transport and health as a percentage of income for low-income earners. Although there was improvement on this indicator last year, the longer term trend against this indicator has worsened since the benchmark was set. A couple on New Start Allowance (no children) now spend 74.7% of their income on essentials (72.0% in 2001), while a couple on New Start Allowance with two children now spend 93.5% of their income on essentials (73.0% in 2001) (Tasmania *Together* 2009). A positive trend in 2008 was due to dramatic reductions in interest rates as a consequence of the global financial crisis and a drop in fuel prices. These dramatic price decreases counteracted increasing costs in food, transport, electricity, groceries and health and medication.

Background

This section of Anglicare's budget submission is based on the findings of a recent survey by Anglicare of emergency relief and financial counselling clients in Tasmania (Flanagan, K in press). Four hundred and eleven clients from across the state were asked about the causes of financial crisis for their household. The information they provided paints a disturbing picture of high levels of hardship and difficulty across a wide range of ordinary household expenses, such as food, electricity, telephones, transport and healthcare.

5.2. Food security

Background

Anglicare's survey of emergency relief and financial counselling clients highlights the difficulties Tasmanians are experiencing with the cost of food. Almost all (93%) the participants said that the cost of food was a problem for their household; half (50%) said food costs were a big problem. When asked how often the statement 'I worry about whether the amount of food I can afford to buy for my household will be enough' was true, 49% of the participants said it was always true and a further 28% said it was mostly true. And three quarters (75%) of the participants had missed meals in the previous year due to a shortage of money.

Recommendation 12

That the Tasmanian Government allocate funds to the new Tasmanian Food Security Council to allow it to have a strategic and representative role.

Lead agency: Department of Health and Human Services (Population Health)

Estimated cost: \$100,000 recurrent (in addition to the \$1 million Food Security Trust Fund to be held by the Council)

Rationale

The Tasmanian Social Inclusion Commissioner's recent report on social inclusion in Tasmania recommended the establishment of a food security council with a legislated mandate to oversee

the planning and delivery of a food security strategy (Adams 2009, pp. 30-1). The recommendation has been accepted by the Tasmanian Government (Social Inclusion Unit 2009, p. 11). The model that has been put forward would be responsible for a food security trust fund and for 'ensuring a more connected state-wide supply system' (Adams 2009, p. 30). However, it will also be responsible for direct service delivery, with a focus on state-wide school-based provision of fresh food (such as free school milk and school breakfast programs), state-wide food preparation programs and nutrition education and community garden enterprises (Adams 2009, pp. 30-1; Stedman 2009; Social Inclusion Unit 2009, p. 11). The food security trust fund will be worth \$1 million (Social Inclusion Unit 2009, p. 11).

A food security council is one of the interventions discussed by Rychetnik et al. (2003) in their 'menu of options' for tackling food insecurity, although they use the term 'food policy coalition'. Such coalitions or councils typically focus on some or all of the following activities: examining community food security and assessing the local food supply; identifying, reporting and publicising problems with the food supply and advocating for change; working with key stakeholders to develop and reform policies; overseeing the implementation of these developed or reformed policies; evaluating the effect of policies and actions; seeking funding and resources to support their activities and sustain improvements; and acting as a catalyst for food security projects led by other groups. The 'distinguishing features' of such councils are 'their strong focus on developing and implementing policies, and their diverse, broadly representative membership'. They tend to be more effective when they have ongoing rather than one-off project funding and are funded by 'mainstream sources that are widely recognised and perceived as credible'. The authors argue that such councils are 'potentially one of the most powerful interventions to improve a local food supply', but they can be 'challenging to establish and maintain, and should be undertaken as a long-term initiative (at least five years, but preferably 10-20 years)'. Their sustainability requires 'rigorous maintenance of the working group; attention to democratic processes – particularly when developing policy; accommodating the political nature of inter-sectoral action; and finding ways to overcome the political, organisational and structural barriers to change' (Rychetnik et al. 2003, pp. 24-5).

It is Anglicare's view that the research evidence calls for Tasmania's food security council to focus on strategy take a more strategic role rather than becoming involved in direct service delivery. It also requires a diverse membership that includes people from within government with the authority to ensure that action is taken and funding is allocated within departmental budgets in ways that support and promote food security rather than undermining it. It will also be important to include representation not just from the food and agricultural industry, health and human services and community service organisations, but also representatives with expertise and authority in infrastructure, urban planning, economic policy and transport. A legislative mandate (Adams 2009, p. 30) will assist in ensuring that the council has the authority and capacity to make a genuine difference. However, given the existence of a Community Nutrition Unit within the Department of Health and Human Services and the Tasmanian Food and Nutrition Policy which includes an explicit focus on food security, it will also be important to avoid duplication of effort and wastage of expertise. The State Government's response notes that the council's food security strategy will need to be consistent with the Tasmanian Food and Nutrition Policy (Social Inclusion Unit 2009, p. 11). This is a promising start although it will be important to guard against the risk of prioritising 'easier' strategies such as the development of nutrition education programs over more difficult structural approaches such as ensuring local government takes food security into account when making decisions on urban planning and transport.

Anglicare therefore recommends that funding be provided to the Food Security Council to allow realisation of the following elements:

- a legislative mandate providing it with clear authority and capacity to effect change;
- clear and transparent targets and performance indicators;
- a responsive and democratic approach that incorporates not only consultation with key stakeholders but also with communities, particularly people who are food insecure;
- a representative membership incorporating all key stakeholders from across the continuum of food production, distribution and consumption;
- a focus on strategic and structural issues rather than direct service delivery;
- long-term, recurrent operational funding;
- secretariat support, with sufficient resourcing, from within the Community Nutrition Unit;
- lines of reporting into key government departments that enable the council's work to translate directly into government policy and action; and
- the financial capacity to support direct service delivery by other groups where there is needed (already provided through the \$1 million Food Security Trust Fund).

These are the essential elements of any food policy council in Tasmania. Not all have budgetary implications, but all are included because the resources supplied to the council must allow for all these elements to be realised. It will be particularly important to ensure that there is sufficient funding provided to allow for comprehensive secretarial support to ensure that actions are followed through promptly and not delayed due to lack of resources and that consultation mechanisms are adequately supported by appropriate funding levels, particularly when consulting with people who are food insecure or otherwise disadvantaged.

5.3. Essential services

Background

Many of the participants in the emergency relief and financial counselling client survey experienced problems with the cost of essential services. In relation to electricity, 30% of the participants said that the cost of electricity was a big problem for their household and 18% were seeking assistance specifically because of electricity bills. Nearly a third had an overdue electricity bill. Well over half (57%) had been unable to heat their home in the previous year due to a shortage of money and 28% had had their electricity supply disconnected in the previous year due to a shortage of money. The proportion experiencing problems with heating and disconnections was higher among Aurora Pay As You Go customers.

While only 14% of the participants said that the cost of water was a big problem for their household, it is important to note that the survey was conducted at the end of April 2009, well before the introduction of the State Government's water and sewerage reforms. Of these households, 80% lived in municipalities where water usage is charged for on a metered basis.

Finally, transport costs were also an issue for many participants: 34% said the cost of car registration was a big problem and 13% said the cost of 'other' transport, including public transport, was a big problem. Unemployed and younger participants were the most likely to report problems with other transport costs.

These services are delivered by corporatised government businesses: Aurora Energy, the Motor Accidents Insurance Board, Metro Tasmania and the new water and sewerage corporations, Southern Water, Ben Lomond Water and Cradle Mountain Water, which are owned by local government. Their prices are (or will be in the case of water and sewerage) independently regulated. The responsibility for social outcomes, such as ensuring that low income Tasmanians have access to affordable essential services, rests with the Tasmanian Government, which funds various concession arrangements via community service obligation or activity agreements.

Recommendation 13

That the Tasmanian Government fund modelling of what constitutes ‘affordability’ for low income households, including households with special needs, and that this modelling be undertaken with reference to the capacity of households to attain a basic acceptable standard of living.

Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch) and the Department of Premier and Cabinet (Social Inclusion Unit)

Estimated cost: \$150,000.

Recommendation 14

That the Tasmanian Government

- **ensure that ‘affordability’ for low income households, as defined by the modelling discussed in Recommendation 13, is included as a core community service obligation of corporatised essential services; and**
- **review the funding levels of all community service obligations or like funding arrangements to ensure that they provide entities with adequate resources to deliver effectively their additional service obligations, including the obligation to deliver affordable prices to low income households.**

Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch) and the Department of Premier and Cabinet (Social Inclusion Unit)

Estimated cost: Not costed as dependent on findings of review.

Recommendation 15

That the Tasmanian Government provide all essential services with community service obligation or activity funding to ensure that they are able to provide all customers with a ‘lifeline’ tariff – a basic component of usage that is free to the user – so that no one need be disconnected from the supply of any essential services due to inability to pay.

Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch)

Estimated cost: Not costed as economic modelling required is beyond the scope of this submission.

Recommendation 16

That the Tasmanian Government fund a review of all customer service standards of corporatised essential services with particular reference to their capacity to meet the requirements of low income earners and households with special needs.

Lead agency: Department of Treasury and Finance (Shareholder Policy and Markets Branch)

Estimated cost: \$70,000.

Rationale

Affordability: Many of the recommendations in this submission centre around the affordability of essential products, services and other items. But what is ‘affordability’? Section 2.2 of this submission considers a possible definition of ‘affordability’ in relation to housing, pointing out

that even public housing rents, widely considered to be 'affordable' because they are generally set below the 'housing stress' benchmark of 30% of income, do not in fact allow tenants to attain a basic acceptable standard of living after paying their rent.

What this illustrates is that it can be a mistake to assume that the amount people are paying at present, whether it be for rent, transport, food, energy or other utilities, constitutes 'affordable' and that any increase on present prices would be 'unaffordable'. The affordability or otherwise of a particular item must be considered in the context of all the demands on a household budget and the standard of living the household is able to achieve.

Anglicare is calling for research into the notion of 'affordability' in Tasmania for two reasons. Firstly, Tasmania's circumstances mean that any national research into this area may not be directly applicable. Tasmania's regionally dispersed population, lower incomes, colder climate and higher levels of socio-economic disadvantage mean that this issue may play out differently in the Tasmanian context. Secondly, such research would assist greatly in informing government policy and service delivery, particularly in a social inclusion framework that stresses access to the basics (Social Inclusion Unit 2009, p. 9).

Community service obligations and lifeline tariffs: A review by Anglicare of the corporatisation of government services (Flanagan, K 2008a) found that there are serious concerns about the appropriateness of a commercial model when services or products are to be delivered to disadvantaged people. These concerns include the fact that meeting the needs of disadvantaged clients requires robust community service obligations, which have not generally been provided in Tasmania. The review also identified two risks: that commercial objectives will be prioritised over social and community objectives, to the detriment of the most vulnerable, and that the use of commercial models for services which are essentially non-commercial and unviable without generous government subsidies can compromise the long-term sustainability and viability of the business (Flanagan, K 2008a). Indeed, it has been argued that the main change which corporatisation has brought 'is the abandonment of the idea that government business enterprises should pursue a social welfare objective. Like private sector managers, the managers of a corporatised public enterprise have a fiduciary obligation to maximise profits' (Quiggin 2001, p. 12). The Treasurer's Instruction on community service obligations requires that they be identified, justified, separately accounted for and funded out of the Consolidated Fund through the normal Budget process. Extraordinary interventions such as recent actions taken by the Government in relation to Aurora's APAYG tariff cannot be expected as a routine response to decisions that disadvantage low income earners.

A particular concern in relation to corporatised services is the question of affordability, especially when the community service obligation funding that is received by the government business is not enough to guarantee that charges to users are affordable (Flanagan, K 2008a). Anglicare's survey found that many essential services were essentially unaffordable for participants. Companies such as Aurora manage hardship among their customer base through hardship policies; Aurora's is a particularly generous example which extends beyond its obligations under the relevant regulations. However, low income customers should not have to depend on the safety net of hardship policies and emergency relief outlets to maintain access to services which are essential for health, wellbeing and quality of life.

Anglicare believes it is a legitimate role of government to support, through generous community service obligation subsidies, affordability and continued access to services for low income earners

and people in crisis. This can be done in two ways: through increasing community service obligation payments to ensure that prices charged are affordable to low income earners and through ensuring that all essential services are able to provide customers with a 'lifeline tariff', a basic component of usage that is free to the user and allows them to maintain connection to a service even at a time of financial difficulty.

Customer service standards: Customer service standards regulate the relationship between customers and government owned companies but they must be appropriate to the needs of all customers, including those on low incomes. For example, it is important that the relationship described in the standards takes into account such issues as literacy and numeracy problems, reluctance to engage with authorities due to previous negative experiences and very low fixed incomes which result in constant 'juggling' of bills and delayed payment as a budget management strategy.

Standards need to be flexible enough to cope with the varied circumstances of low income earners but also prescriptive enough to ensure that the 'minimums' that apply are appropriate to the needs of the most disadvantaged, not the most advantaged, customers. Anglicare is calling for the review of the customer service standards of essential services to ensure that they do in fact meet this test. Such a review should incorporate widespread consultation, not just with community service organisations, but with the customers of essential services as well, as they will be the best source of information about what kind of regulatory framework would meet their needs.

6. Fuel poverty and climate change

6.1. Tasmania Together

Goal 12: to achieve sustainable management of our natural resources.

- Indicator 12.4.1 - the level of green house gas emissions. Tasmania is failing to make progress towards this goal.
- Indicator 1.1.1, for this goal is the cost of food, electricity, housing, transport and health as a proportion of income for low income households. It is highly unlikely that the 2010 target will be achieved.

6.2. The impact of fuel poverty

Background

In 2009 Anglicare's annual international study Fellowship was devoted to an examination of fuel poverty and the impact of escalating energy costs on low income earners in the United Kingdom. The research was instigated by Anglicare's service experience of working with clients living in hard to heat properties who live through regular cycles of financial crisis associated with unaffordable electricity bills. Currently the only response to such crisis is the electricity concession for account holders on low incomes and some hardship funds distributed by Aurora through emergency relief outlets. No state-wide strategic or preventative response is currently being made to assist low income people to reduce their need for energy consumption and decrease expenditure on electricity and gas or to ensure that their concerns are being heard.

Anglicare's study looked at strategies for improvement in energy efficiency, sustainability, and strategies for leading community debate to ensure there are no disproportionately adverse impacts on low income people from climate change initiatives. The tour brought the Research Fellow into contact with a number of agencies in the UK that are leading innovation in promoting carbon efficiency among low income populations. This submission draws on those research findings.

Critically, Anglicare's research explored the concept of fuel poverty⁶ which is gaining greater currency in Australia. Fuel poverty is 'the inability to afford sufficient warmth for comfort, health and quality of life'. Specifically, the World Health Organisation has determined that 'sufficient warmth' is a temperature of 18 degrees Celsius or more for active individuals and 24 degrees Celsius or more for aged and less mobile individuals (including the very young) – temperatures below these are deemed to be too low for good health (cited in Mallett 2009, p. 4).

In his review of the literature on fuel poverty, or 'affordable warmth', Mallett (2009, p. 4) found that, 'Physiological changes in the body due to cold and damp homes include hypothermia, cardiovascular and respiratory disease, asthma and mould sensitivity, stress and depression, and even premature death'. Fuel poverty also has an important impact on the social exclusion of disadvantaged groups: '[q]uality of life is affected when individuals and families are isolated in the one heated zone of the house, or go to bed early, or become reluctant to invite friends over

⁶ The terminology comes from the United Kingdom, where 'fuel' is less associated with running a car and more associated with heating the home. The Consumer Utilities Advocacy Centre describes the term as 'useful as it is recognised internationally to encompass a range of broader policy objectives, including housing and appliance energy efficiency initiatives and tariff structures' (Consumer Utilities Advocacy Centre 2004, p. 7).

because of the temperature of their home'. It has also been found to be a determinant in educational disadvantage as educational outcomes for children can be compromised by the lack of a private warm study space.

Internationally, fuel poverty is understood to be the interaction of low income, high energy costs, poor building standards and expensive heating systems. An inability to heat the home is one indicator of fuel poverty (Richardson & Travers 2002, p. 20). Anglicare's recent survey of Tasmanians in financial crisis found that nearly three in five participants had been unable to heat their home in the previous year due to a shortage of money (Flanagan, K in press).

Until now the key response to this problem has been through budget management strategies. In an overall context of income poverty, this is an inadequate response. Currently standard tariff customers who are experiencing difficulty in paying their bills can arrange a payment plan with Aurora. About 350 such plans are established each month, but only about 10% are successfully completed (OTTER 2008, p. 133). Financial counsellors report that the reason for this is less to do with the amount of the repayment and more to do with the ongoing costs of usage. This is not due to profligacy with electricity. Research suggests that most electricity usage in low income households is non-discretionary and that households have very limited capacity to reduce their costs by reducing their consumption (Langmore & Dufty, cited in WACOSS 2009, p. 12). As Energy Action Scotland (2004, p. 8) has concluded, improving insulation and heating efficiency will help to reduce the overall cost of running a home, but 'the underlying problem of poverty meaning that households just cannot afford to pay for fuel is very real'.

An inability to pay for usage can also result in a household rationing their electricity usage and can lead to 'unreasonable' and 'dangerous' budgeting decisions, such as 'heat or eat', or going without medical treatment and not taking prescription medicines or taking them at lower than prescribed dosages (FSC 2001, p. 3). This is particularly the case in households using pre-payment meters as the penalty for usage beyond ability to pay is summary disconnection. Research into pre-payment meters suggests widespread electricity rationing and compromise on other basic items to avoid going without electricity (Ofgem 1999, p. 21). A fifth of the respondents to a Tasmanian survey of APAYG customers said that they had put off paying for other essential household expenses to make sure they did not run out of electricity. These expenses included other bills such as water or gas, groceries and supplies, food, and rent and mortgage payments (Ross & Rintoul 2006, pp. 35-6).

Currently services and programs to assist those seeking affordable warmth and improvements in household energy efficiency are limited in number and scope (Mallett 2009, p. 4).

Anglicare's Research Fellow found that the UK had made inroads into fuel poverty through three key strategies: income maximisation, energy advocacy and home energy efficiency.

Anglicare's recommendations reflect this three-fold strategy by seeking funding to develop a better understanding of affordability for low income households, by seeking to improve the affordability of energy and other utilities and by calling for strategies to promote home energy efficiency in the community generally and community service organisations in particular.

Recommendation 17

That the Tasmanian Government provides funds for research into whether disadvantaged Tasmanian households are achieving the World Health Organisation definition of 'sufficient warmth'.

Lead Agency: Department of Premier and Cabinet (Social Inclusion Unit)
Estimated cost: \$100,000.

Rationale

Anglicare's previous research has raised concerns about the connections between damp and cold housing and health inequities for disadvantaged groups in Tasmania (e.g. Flanagan, J 2007). The economic implications of health inequities are well established, with quantified losses to welfare and economic development (World Health Organisation 2009). The establishment of key baseline data such as standards for sufficient warmth have enabled European policy frameworks to move towards the adaptation of the built environment and the development of policy and service initiatives to address the health and income poverty issues associated with fuel poverty and sustainable energy.

Recommendation 18

That the Tasmanian Government allocate funding to address the challenge of fuel poverty and climate change for the tenants of public housing dwellings.

Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office) and Department of Health and Human Services (Housing Tasmania)
Estimated cost: \$10 million over four years.⁷

Rationale

A recent statement issued the Tasmanian non-Government sector stated, 'there must be considerable investments made in energy innovation, but these must be targeted to achieve *low cost* as well as *low emission* solutions, thereby fostering economic growth and supporting social justice aims' (Tasmanian Council of Social Service, Environment Tasmania & Unions Tasmania 2009, p. 2, emphasis in original). Anglicare supports the call of the community sector for the Tasmanian Government to improve the energy efficiency of public housing to minimum standards, via a fully funded home-audit and retrofitting program; and install solar hot water systems and the use of the highest standard of energy efficient building design in all new social housing dwellings.

The Tasmanian community sector is also calling on the Tasmanian Government to address the concerns of low income earners in other housing tenures through the provision of targeted assistance to concession card holding owner-occupiers to conduct home energy audits and retrofitting and subsidies for the installation of renewable micro-generators in low income households. This submission focuses on public housing as an initial step towards a more comprehensive approach.

Recommendation 19

That the Tasmanian Government allocate funds to establish a Low Income Household Refit Program aimed at assisting low income homeowners and low income renters to make their homes energy efficient.

Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office)
Estimated cost: \$65,000.

⁷ . This funding would provide 265 complete retro-fits, or 1785 basic energy efficiency upgrades. Cost of complete retrofits and energy efficiency upgrades based on the average cost of these works for a three-bedroom Housing Tasmania home (\$37,630 and \$5600 respectively) (Tasmania, House of Assembly 2009, p. 100).

Rationale

Making Tasmania's existing housing stock low carbon as quickly as possible is a key part of future energy and climate change policy. Such a change will require a number of initiatives including updating building performance codes and standards. Models for assessing the energy efficiency of new and previously lived in homes exist in various jurisdictions, with such schemes extending to existing homes (as in the UK) in the ACT and to home alterations in South Australia.

A Tasmanian project aimed at assisting low income households has been funded by the Tasmanian Climate Change Office (Local Energy for Change). Delivered by Sustainable Living Tasmania, this project has seen households in Brighton and Kingborough offered home visits by trained assessors and then follow up assistance to make home minor home modifications to address energy and thermal efficiency. A similar NSW a pilot programme for concession card holders in the private rental market aimed to assist low income households to save money through promoting energy and thermal efficiency (the Low Income Household Refit Program). The Tasmanian pilot highlighted the importance of assistance with window treatments and insulation.

Opportunities exist to partnering with current initiatives. Australian Government Green Loans are now available to all eligible households. The Home Sustainability Assessment required for a Green Loan is free and households can then access a Green Loan in order to implement the recommendations outlined in the Assessment report. However, repaying even 'affordable credit' can cause enormous difficulty in low income households (Flanagan, K in press). Further work in Tasmania, building on the Local Energy for Change pilot could utilising the establishment of the network of Home Sustainability Assessors, and allowing households which had had an assessment through this system access to a Tasmanian Low Income Household Refit Scheme.

On completion of the project it is estimated that the original \$64,000 Local Energy for Change grant (allocated through the Climate Connect programme) will have assisted 200 households to reduce energy use and save money (Singh 2009b). Anglicare recommends that an equivalent sum be allocated to extending this programme.

6.3. Community service organisations and climate change

Background

Little research or policy work appears to currently exist on the particular needs of the community sector in relation to climate change. The resources currently available to support adaptive energy use practices, including government grants and rebates, focus on the needs of commercial businesses (and individual households which can meet additional costs). The needs, business framework, marketing requirements and culture of community sector organisations are quite different to those of commercially focussed businesses; in community service organisations a focus on the needs of clients drives planning and, within the resources available, expenditure. This means that the resource material on climate change adaptation currently available is not always directly applicable to community service organisations. In addition, the capacity of community sector to innovatively respond to the challenge of climate change is limited by time and funding restraints.

While community service organisations are not the biggest offenders in terms of emissions, they are reasonably large employers with offices and car fleets of commensurate size. Anglicare Tasmania currently employs 740 people and has a statewide management structure. This allows

for responsive management at a local level but also requires widespread travel by different levels of management. In addition, Anglicare operates a range of outreach services across the state. It is an active participant in national networks and encourages staff to pursue professional development and networks which may require extensive travel. Statewide, the organisation has 32 worksites, 740 employees (around 640 FTEs) and a fleet of over 100 cars.

Recommendation 20

That the Tasmanian Government allocate funds to conduct energy audits of all community service organisation owned or occupied buildings.

Lead Agency: Department of Premier and Cabinet (Tasmanian Climate Change Office) and Department of Health and Human Services

Estimated cost: \$65,000.

Rationale

Reducing the carbon footprint of community service organisations will require energy audits of CSO buildings. The audits will need to include information on energy use, materials use/waste and water use and advice will need to be provided on the development of action plans for staff to reduce the organisation's carbon output.

7. State Government taxation revenue

Background

In this submission, Anglicare has identified a number of areas of Government priority areas, including investment in early intervention services, affordable housing, full funding of the community service obligations of Government Business Enterprises.

Recommendation 21

That the Tasmanian Government undertakes no changes to state taxation which reduce state tax revenue.

Lead Agency: Department of Treasury and Finance (Budget and Finance Division).

Estimated cost: Nil.

Rationale

Significant investment is required in Tasmanian services and infrastructure. A commitment to a social inclusion agenda offers the opportunity for progressive taxation reform which builds on community good will towards investing in human capital and social infrastructure. At a state level this would mean protecting the income base the State Government needs for social investment. Currently the state's fiscal strategy commits to maintain a relatively low tax severity – the Government's goal is for Tasmania's average tax severity to be below the average of all states (as measured by the Commonwealth Grants Commission] and states that any reforms to state taxes will be revenue neutral (Department of Treasury and Finance 2007).

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