

Submission to the

**State Budget
Consultative Process
2005-06**

October 2004

ANGLICARE
TASMANIA

CONTENTS

1. Executive Summary and Recommendations	3
2. Profile of Anglicare Tasmania	7
3. Introduction	8
4. Mental illness	11
5. Access to oral health care.....	16
6. State Concessions	29
7. Affordable housing	35
8. The No Interest Loans Scheme (NILS) Network of Tasmania.....	40
9. References	42
10. Appendix	44

1.1 EXECUTIVE SUMMARY

During 2004 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 for whom increased activity in the housing market has resulted in homelessness and for whom the new opportunities in the labour market are inaccessible because of their health status, homelessness, or at times because of significant dental decay.

Thirty six per cent of Tasmanians rely on Commonwealth Government pensions and benefits as their main source of income. This figure vastly exceeds the national average of 28 per cent (ABS, 2003). Many low income families live in communities in which their social and family networks have very restricted access to financial resources. This submission outlines a number of initiatives to help address this socio-economic disadvantage.

People living with serious and disabling mental illness are among the most disadvantaged members of our community. Due to the chronic and episodic nature of their illness, this group is highly vulnerable to the cluster of factors of social disadvantage, such as living in poverty, family breakdown, social isolation, poor general health and dental health status, a high risk of homelessness or inappropriate and insecure accommodation and unemployment. Anglicare argues that it is essential to meet the fundamental needs of this group to ensure their good health, stability, financial security and optimal social functioning in the community. This submission recommends a substantial investment by Government to develop an integrated and coordinated support system for people with serious mental illness.

The extremely poor oral health of many low income Tasmanians waiting for service from the public dental system is explored in this submission. Per-capita investment by the Tasmanian Government in the oral health of Tasmanians remains well below that of other states. The personal and social consequences of this attrition of the Public Dental Service are profound. It is clear that further investment is desperately required to make the Public Dental Service viable.

The concessions system is an important way for the State Government to assist low income Tasmanians to achieve a decent standard of living. In its response to the 2003-04 Budget, Anglicare welcomed the extension of the electricity concession to Health Care Card holders for the two winter quarters. In the full year since the extension of the concession take-up of this concession has been significantly lower than the Budget estimate. Anglicare recommends that this concession now be extended to all quarters for Health Care Card holders.

The Tasmanian No Interest Loans Scheme (NILS) Network was established 3 years ago through a philanthropic grant. It has demonstrated that it is an effective and appropriate way

for people on the lowest incomes to get access to affordable credit. The Network has attracted significant community and corporate support but needs the support of Government to continue its work for the next three years. Anglicare recommends that Government allocate funds to cover the administration costs of the NILS Network for the next three years.

Anglicare's examination of the State Government's fiscal capacity reveals that it can easily provide these critical services. Current estimates suggest that the 2003-04 Fiscal Surplus will be \$333 million. Anglicare is concerned that a determination to retire General Government State Debt at the earliest opportunity is leading to an overly conservative approach and limit expenditure in areas of great social need.

Further, the State Government receives an increased share of GST and Health Care Grants from the Commonwealth because of the relative disadvantage of its population and yet fails to meet even national average expenditures in critical service areas. There is an inarguable obligation to raise expenditure in these areas.

1.2 Recommendations

Recommendation 1:

That the State Government commit to a sustained growth in funding to Mental Health Services by funding the recommendations of *Bridging the Gap: Review of Mental Health Services Tasmania*. In particular by addressing the following areas:

- **staff shortages by adopting the NSW benchmarked levels of community specialist resources;**
- **the scarcity of community-based mental health resources and support services by**
 - **better funding and resourcing community mental health teams;**
 - **establishing a range of supported accommodation services with an accompanying range of recovery and support programs in each region;**
 - **developing consumer, family and carer advocacy services; and**
 - **establishing in-patient facilities for children and adolescents, mothers with babies, and elderly people with mental illness.**

Anglicare recommends that an investment of no less than \$13.7m in additional recurrent funding is allocated to Mental Health Services.

Recommendation 2:

That the State Government ensures that 14% of total mental health services expenditure is allocated to non-government organisations to deliver a range of support, respite and recovery-based services for people with serious mental illness

and their carers. The figure should be the baseline for future funding increases to this sector.

Recommendation 3:

That the State Government commit to increasing funding to the Public Trustee to cover the fees and charges imposed on Community Service Obligation clients who have assets of less than \$100,000.

Recommendation 4:

That the State Government allocate an additional recurrent \$10.4 million into Oral Health Services. This comprises an expenditure of \$5.6 million on adult dental services, representing \$80 per adult card holder, and \$4.8 million on children's dental services.

Recommendation 5:

That the State Government abolish the \$25 co-payment fee for public dental care. At a cost of \$360,000 to the Government, the removal of this fee would significantly decrease the barriers to access for emergency dental care for low income Tasmanians.

Recommendation 6:

That the State Government allocates the increased recurrent funding for Children's Dental Services to Oral Health Services and the Education Department for the provision of transport, oral health treatment and education to school age children.

Recommendation 7:

That the State Government allocate funds for a working group of dentists and dental professionals, community sector representatives and consumers to develop and implement strategies to improve access to public dental health care.

Recommendation 8:

That the State 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.

Recommendation 9:

That the State 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.

Recommendation 10:

That the State Government allocate an additional \$15 million recurrent funding to the Housing Tasmania budget to ensure the ongoing provision of public housing to meet the continuing need for this form of housing tenure for low income Tasmanians.

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That the State Government allocate an additional \$15 million recurrent funding to the Housing Tasmania budget to ensure the ongoing provision of public housing to meet the continuing need for this form of housing tenure for low income Tasmanians.

Recommendation 12:

That the State Government incorporate the Commonwealth State Housing Agreement debt into General Government Debt.

Recommendation 13:

That the State Government commits \$870,000 for the immediate establishment and administration of an Office of Rental Bonds in 2005-06 with the appropriate and diminishing allocation each subsequent year until the Office is self-funding.

Recommendation 14:

That the State Government allocates \$270,000 to be spent over the three years to June 2008 to cover the administration costs of the No Interest Loans Scheme Network of Tasmania.

2. PROFILE OF ANGLICARE TASMANIA

Anglicare Tasmania works for a socially just Tasmanian community through prevention, 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, mental health services, acquired injury support services, alcohol and other drug services and parenting support programmes and outreach services to rural areas.

In operation since 1983, Anglicare employs over 400 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 the direct experience and Anglicare's community service work.

For further information about this submission please contact:

Rev Chris Jones

Anglicare Tasmania

GPO Box 1620

Hobart Tasmania 7001

Ph: 62 34 3510

Fax: 62 31 6480

Email: c.jones@anglicare-tas.org.au

3. INTRODUCTION

2004 was the year in which the Tasmanian Government celebrated the lowest unemployment rate since 1981. It was the year in which Tasmania was visited by a record number of tourists and house prices continued to be at all-time high levels. 2004 was also the year in which Janine appeared in the Hobart Supreme Court having caused brain injury to her baby after shaking him. Their tragedy had unfolded when she and her two babies were trying to live in a tent in a Tasmanian caravan park, having been unable to find anywhere to live after she had fled a situation of domestic violence. 2004 was the year one of Harry's last teeth shattered. He spent 5 months of 2004 on the Public Dental waiting list, most of it in pain from abscessing gums. It was the second year Russell¹ tried to cope with chronic depression while living in a shed behind a house in one of Hobart's suburbs, 'waiting for Housing, trying to be patient'. Anglicare's submission to the State Government budget process draws on the experiences of Tasmanians who have not benefited from the housing boom or the encouraging employment figures but who have the right to lives that are not about pain, anxiety and despair. All Tasmanians have the potential and the right to live a life that is abundant, joyful and astonishing.

Anglicare Tasmania began making submissions to the State Budget consultation process separate to those of the community sector peak bodies in 1999. The decision to make independent submissions was made on the basis of Anglicare's unique position as the sole provider of an independent, non-Government research and policy centre in Tasmania. Anglicare's budget submissions deliberately do not address the requirements of this agency, or the broader community services sector. They are focussed on the needs of low income and disadvantaged Tasmanians, identified through research. The recommendations developed by Anglicare are based on this research and the agency's experience in the mechanics of providing a broad range of services in the community. When Anglicare's budget submission prioritises housing or electricity costs as a major area of concern for low income Tasmanians, the Government can be confident that these priorities reflect the concerns of that 36% of its constituency that are dependent on Commonwealth pensions and benefits as their main source of income (ABS, 2003).

Anglicare's submission to the 2005-06 State Budget consultation development process draws on a number of themes on which this agency has lobbied this Labor Government over the past five years and which have repeatedly been identified by Tasmanians participating in our research as problem areas. These are the disadvantages faced by Health Care Card holders in the State Concessions system, the need for a sustained investment in affordable housing, specifically public housing, and the needs of low income Tasmanians experiencing poor oral or mental health. In this submission Anglicare is also requesting support for an important and

¹ Real names are not used in this submission

successful initiative pioneered by a business-community partnership to facilitate disadvantaged Tasmanians' access to affordable credit.

3.1 State Government Fiscal Capacity

There can be no question that the State Government has the capacity to provide these critical services to low income Tasmanians. After five years of unprecedented economic growth there has been a very significant increase in revenue to the State Government. This provides the opportunity to inject funds into those areas which are identified as priorities for the Government. Anglicare would hope that the needs of low income Tasmanians would be one of the highest priorities for a Labor Government in its third term.

Anglicare is particularly concerned that funding to mental health services and adult oral health services are well below the national average. Although Tasmania was allocated a slightly lower share of revenue by the Commonwealth Grants Commission (CGC) in 2004 than under the previous distribution formula, the State continues to receive well above its per capita share of GST and Health Care Grants (HCG). This higher than per capita share of revenue is provided because Tasmania has a below average capacity to raise revenue and an above average costs of providing services. The CGC specifically notes that part of the reason for their assessment that Tasmania has above average costs of providing services is due to the high number of people with low incomes, Indigenous people and people who hold pension or health care concession cards. Essentially, Tasmania is being given a higher than average proportion of GST and HCG funds partially due to the high proportion of low income and disadvantaged people who live in the State, yet the Government is failing to meet even national average expenditures for mental and adult dental health services.

Anglicare believes the 2005-06 State Budget should have a very strong social focus and should commit to significant recurrent funding across a range of areas. General Government Debt is entirely under control and while Anglicare supports the repayment of this debt by June 2008, as set out in the Fiscal Strategy, it would not support the diversion of funds in order to repay this debt any sooner.

Anglicare is particularly concerned at the increasing inaccuracy of Budget taxation receipt estimates by the Department of Treasury and the false constraints that these are placing on budgeted expenditure. Over the past five years estimates of state tax receipts, one of the key performance indicators for the Department of Treasury, have gone from being modestly conservative estimates with actual receipts about 1% or 2% above the Budget estimate to receipts 4.5% above estimate in 2000-01, 9.2% above in 2001-02, 14.7% above in 2002-03 and, based on the preliminary outcome, about 19% above estimate in 2003-04. The 2003-04 result represents a \$102 million underestimation of state taxation receipts. In overall terms

the Preliminary Outcomes Report (Department of Treasury and Finance, 2004) indicates that the 2003-04 Fiscal Surplus will be \$333 million which is \$326 million or almost 50 times more than the \$7 million surplus predicted by Treasury. The decline in accuracy in Treasury estimates can be partially explained by the stronger than expected economic growth in Tasmania but may also reflect an overly conservative approach and has the effect of falsely restricting budget allocations for expenditure items. That Treasury's estimates have gone from being the most accurate of any jurisdiction in 2000-01 to the least accurate in 2002-03 is major cause for concern. The State Government should closely question future estimates to ensure that the funds raised through taxation and grants are being put to work in the interests of the Tasmanian people through the provision of services rather than being hoarded away.

Anglicare hopes that the 2005-06 State Budget announcement will be the time when we can truly celebrate a program which shares the rewards of Tasmania's recent economic prosperity.

4. MENTAL ILLNESS

4.1 Introduction

In 2004 Anglicare released research into the experiences of people with serious mental illness. The report *Thin Ice: Living with serious mental illness and poverty in Tasmania* identifies the ways in which mental illness and poverty are inextricably linked for a significant group of people (Cameron & Flanagan, 2004).

The research details the experiences of Tasmanians with psychotic disorders such as schizophrenia, affective disorders such as bi-polar disorder and depression, and severe and disabling anxiety disorders. It also describes the experiences of the carers of people with these illnesses. The research reveals the failure of successive governments to fund the range and supply of support services to assist people with serious mental illness to live in the community and to support their families in their role as carers. It found that existing services are overwhelmed by heavy demand and unable to provide the level of care and support required to assist recovery. This lack of support options dramatically increases the hardships faced by people who have a mental illness and their families. Anglicare's research reached the damning conclusion that it is a failure of systems which is exacerbating people's symptoms and forcing them into the costly acute care sector.

Subsequent to the release of *Thin Ice*, Anglicare has participated in the state-wide Review of Mental Health Services Tasmania, through its role in the state-wide reference group to the Review team. Anglicare supports the draft recommendations of that review. The final draft of the report was not available at the time of writing this submission.

Submissions to the Review repeatedly emphasised the major issues faced by Tasmanian Mental Health Services – widespread staff shortages, a demand for community based mental health care which exceeds the capacity of current services, shortages of supported accommodation, inadequate community follow up after discharge, fragmentation in existing services, marked regional differences in access to services, and specific service gaps, particularly in child and adolescent services and psycho-geriatric services.

4.2 Community-based mental health resources and support services

Anglicare's research found powerful evidence of the critical importance of non-clinical community-based services in providing support and assistance for people with serious mental illness and their carers. The lack of these services and the limited range of services available was a key finding of the research.

The draft report of the Review Team acknowledged these issues and commented on the “scarcity of community-based mental health resources and support services” (p4). It emphasised the need to establish a range of supported accommodation services, and the need to provide a full range of recovery and support programmes in each region.

Anglicare welcomes the recommendation of the draft report that a community-focused model of service delivery be developed in this State, providing early access to treatment and more effective treatment options. This will require the development of a comprehensive range of integrated services. Anglicare also supports the finding of the Review that a developmental approach over a number of years needs to be taken to support the required expansion of the sector, recognising that this will require a sustained commitment by Government to the growth of community-based mental health services.

The recommendations of the Review document are most detailed when proposing clinical recommendations, reflecting the expertise of the review team. While not underestimating the importance of the range of recommendations, Anglicare would like to emphasise the critical importance of investment in community services by Government, particularly to:

- Address pressing staff shortages by
 - adopting the NSW benchmarked levels of community specialist resources;
- Address the scarcity of community-based mental health resources and support services by
 - better funding and resourcing community mental health teams;
 - establishing a range of supported accommodation services with an accompanying range of recovery and support programs in each region;
 - developing consumer, family and carer advocacy services; and
 - establishing in-patient facilities for children and adolescents, mothers with babies, and elderly people with mental illness.

Further to the recommendations of the review, Anglicare would recommend that a target be established for funding allocations to non-Government organisations to deliver a range of non-clinical community-based mental health services. Currently non-government organisations in Tasmania receive 3.8% of the mental health services budget. Anglicare recommends that a target of 14% of the mental health services expenditure be established as a benchmark for funding of non-Government organisation mental health services.

4.2.1 Tasmania *Together* Targets

The key finding of Anglicare’s research, which has been acknowledged in the report of the Mental Health Services Review, is the strong link between mental illness and social disadvantage. The first broad goal identified by Tasmania *Together* to “ensure all Tasmanians

have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services” is critical for this specific group because of the multiple disadvantages they experience due to low income, lack of appropriate housing options with adequate support, limited access to rehabilitation and recovery services, and discrimination.

Goal 5 addresses the issues of health and wellbeing. It is particularly pertinent to the issues identified by people living with serious mental illness. Two of the indicators against which this goal is benchmarked measure social participation: Indicator 5.2.1 (to increase the proportion of Tasmanians who feel part of the community) and more specifically, Indicator 5.2.2 (to increase the level of acceptance and understanding of mental health in the community)². Essential to the social participation of people with serious mental illness is the provision resources to address a scarcity of community-based mental health resources and support services.

Clearly a substantial investment of funds is required from the State Government and a commitment to a sustained increase in the Mental Health Services budget. Therefore Anglicare recommends that:

Recommendation 1:

That the State Government commit to a sustained growth in funding to Mental Health Services by funding the recommendations of *Bridging the Gap: Review of Mental Health Services Tasmania*. In particular by addressing the following areas:

- **staff shortages by adopting the NSW benchmarked levels of community specialist resources;**
- **the scarcity of community-based mental health resources and support services by**
 - **better funding and resourcing community mental health teams;**
 - **establishing a range of supported accommodation services with an accompanying range of recovery and support programs in each region;**
 - **developing consumer, family and carer advocacy services; and**
 - **establishing in-patient facilities for children and adolescents, mothers with babies, and elderly people with mental illness.**

Anglicare recommends that an investment of no less than \$13.7m in additional recurrent funding be allocated to Mental Health Services.

² These indicators were included in the original Tasmania *Together* document (2001) but have been omitted from subsequent reports because targets have not been established. Nonetheless inclusion in the original document is indicative of the importance of these issues to the Tasmanian community.

Recommendation 2:

That the State Government ensures that 14% of total mental health services expenditure is allocated to non-government organisations to deliver a range of support, respite and recovery-based services for people with serious mental illness and their carers. The figure should be the baseline for future funding increases to this sector.

4.4 The Public Trustee

Anglicare's research into the experiences of people with serious mental illness also revealed significant cost barriers stopping people in need of assistance with financial management from using the Public Trustee service. The research determined that the level of the fees and charges imposed by the Public Trustee is acting as a significant disincentive for people who might otherwise seek the services of an Administrator or for family members or service providers who believe Administration would be in the best interests of a person with a disability. Further, Anglicare found that the prohibitive costs of the Public Trustee Administration service have led to a range of other more informal arrangements for clients who are willing to have service providers manage their finances, resulting in substantial cost-shifting to community-based mental health service providers (Cameron & Flanagan, 2004). The high level of these fees and charges for CSO clients has long been an area of concern to the community.

The Public Trustee receives State Government funds to handle the finances and property of people who are assessed by the Guardianship and Administration Board as unable to make reasonable judgments about these matters because of their disability, who have no other person who is able or willing to take on this role, and who have assets to the value of less than \$100,000. These clients are called Community Service Obligation (CSO) clients. In addition to State Government funding, the Public Trustee covers its costs through the imposition of client fees and charges.

Currently the fees and charges imposed by the Tasmanian Public Trustees on CSO clients who are pensioners without any other income or assets and who are under financial administration are the highest of any Public Trustee in Australia by a large margin [see Appendix A for a survey of charges]. Clients are charged 6.6% of their pension as an administration fee plus a monthly account fee plus charges for any cheques, bank drafts or direct credit they are supplied with. In addition, apparently uniquely within Australia, the costs of the reporting requirements of the Public Trustee to the Guardianship Board are passed directly onto the client. A review by the Public Trustee of the financial records of 20 CSO Administration clients with assets of less than \$10,000 completed over a 12 month period found that the monthly cost to clients was \$76 including \$55 in income commission and \$21 in

other fees. The ongoing fees therefore represent about 8.5% of income for a single person relying on the Disability Support Pension (DSP) as their sole source of income. Where the client has debts accrued prior to the Administration order to be paid off, as is often the case, the combined impact of debt repayments and Public Trustee fees can leave the client with much diminished income for their living expenses.

The 2003-04 State Budget increased the allocation to the Public Trustee to meet the costs of administration of represented persons with assets of less than \$100,000. This has resulted in the removal of the \$550 Establishment Fee previously imposed. This move by Government is welcomed, however, the ongoing issue of the high rate of fees and charges faced by CSO clients also needs to be addressed.

4.4.1 Tasmania Together

Goal 1 of Tasmania *Together* is to ensure all Tasmanians have reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services. Financial Administration is not a 'service choice', it is an absolute necessity for a small number of severely disadvantaged Tasmanians. The problems associated with imposing high costs on those people on very low incomes with the highest need for support is clear.

Anglicare urges the State Government to meet the full costs of providing these services to low income clients through its CSO allocation to the Public Trustee and abolish Financial Administration fees and charges for this group. Anglicare therefore recommends

Recommendation 3:

That the State Government commit to increasing funding to the Public Trustee to cover the fees and charges imposed on Community Service Obligation clients who have assets of less than \$100,000.

5. ACCESS TO ORAL HEALTH CARE

5.1 Introduction

“The indigent and socially disadvantaged in Australia today are not determined by their state of dress or even where they live, but by their poor oral health, exemplified by lack of teeth” (Schifter, 2004)

Oral health status is increasingly recognised as the most significant marker of disadvantage in Australia and this is nowhere more true than in Tasmania. 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, 2001; Cameron, 2002). In 2003, Anglicare highlighted the particular and severe oral health problems experienced by people living with serious mental illness (Anglicare Tasmania, 2003; Cameron & Flanagan, 2004).

Generally, 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 and living in a rural, remote or regional area. These factors are exacerbated by the experience of chronic illnesses such as diabetes and serious mental illness. Tasmania experiences the greatest disadvantage across all these factors compared to the other states. 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).

It is therefore not surprising that the most recent National Dental Telephone Interview Survey 2002 again reveals Tasmanians lead the nation with the highest level of edentulism (missing all teeth), the highest average number of missing teeth and the greatest denture use (Carter and Stewart, 2003).

In a national comparison 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;
- the highest number of 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%.

5.2 Tasmania Together Targets – Oral health waiting lists

Tasmania *Together* addresses oral health in the community through Goal 6 which is 'to improve the health and wellbeing of the Tasmanian community through the delivery of co-ordinated services'. 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. *The 2004 Progress Report* shows that the number of Tasmanians waiting for full dentures has decreased from 1145 in December 2001, to 761 in December 2003. The general dental services waiting list has also decreased from 13,576 in 2001 to 9,070 in 2003. However the June 2004 figures indicate a slight increase to 9,743. There are currently 705 adults across the State waiting for dentures. However it is extremely unlikely that the 2005 targets for oral health can be met without significant Government investment.

Unfortunately none of the Tasmania *Together* Progress Reports have reported on Indicator 5.1.5 which measures the number of fillings and missing and decayed teeth in the population. This is an indicator for Goal 5 which is 'to improve Tasmanians' health through the promotion of a comprehensive approach to a healthy lifestyle' and clearly demonstrates the critical link between good oral health and general health. As the snapshot of Tasmanian oral health from the National Survey reveals, this is a vital issue for the health and wellbeing of the Tasmanian community.

5.3 Translating the statistics into people's lives

In August 2004, Anglicare asked a number of Tasmanians living on low incomes about the problems they experienced with their teeth and the impact this has on their lives. All the participants were eligible for public dental services, and all are on the public dental waiting lists. In addition to the pain and physical hardship suffered, the experiences described here highlight 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 (ie. extract or fill one tooth at each appointment) and the lack of access to general dental care.

Anglicare asked an oral health specialist in private practice to examine and assess the oral health status of the participants in our project and to provide an estimated cost of the treatment they require. The cost of dental treatment in private practice is approximately three times the fees charged on the Commonwealth Government fee schedule for the Department of Veterans' Affairs, which is equivalent to the costs of these treatments through the public dental service. Photos of four of the participants' teeth are included in this submission. Anglicare advises that these pictures are quite shocking but they have been included to

emphasise the fact that prolonged under-funding of the Tasmanian Public Dental Scheme has appalling consequences in the lives of many low income Tasmanians.

Bob is 47, unemployed and living on the Newstart Allowance. He describes the severe problems and chronic pain he lives with:

Well, I have numerous broken teeth, continually breaking, gum problems; holes up through my gums, abscessing quite regularly. I have virtually continuous pain; eating problems, not being able to chew; that's pretty much it - a mouth full of trouble. I started having problems about four years ago now. Up until then I was employed and I was seeing a dentist regularly then, like twelve monthly, getting teeth rebuilt and that. But it just got to the stage when I became unemployed that I just couldn't afford it and my teeth just gradually fell to bits, leaving great holes up into the gum and a lot of pain. And I am 47 now, and I feel that I really shouldn't be going through this, you know, shouldn't be putting up with it.

Well your dignity takes a dive - your self-esteem and that. It is hard being out there in the public when you are going for a job and that. People wonder why you don't smile and that because you are too scared to open your mouth. It's gets to the stage where it is rather embarrassing. Then you've got the sleepless nights, with the pain and that. It's upsetting on the rest of the family too. It puts a big burden on the family life.

You can't really eat a lot of hard foods. Even apples I am a bit scared of biting into apples because I am too scared that my teeth are just going to fall out with the apple. Biscuits, stuff like that, anything hard or crunchy I am just too scared to bite into it. It's virtually got to be puree for me or very soft. Meat is a problem for me to chew, a real problem.

And again it comes back to the situation where if you are fortunate enough to get in on that day, nine times out of ten you haven't got the money. They ask for it then and there and the twenty-five dollars or whatever might as well be a thousand because what you get paid on the dole is pretty well gone.



An oral health specialist made the following assessment of Bob's dental problems:

"Bob suffers from a medical condition which causes severe joint pain. As a result of this and the pain he experiences from his dental problems, Bob is prescribed regular doses of Panadeine Forte. Bob has massive dental caries and extensive decay; gum inflammation and tooth abscesses. To address Bob's immediate problems the treatment option is a full clearance of his upper teeth which requires the extraction of 10 -12 teeth and fitting an upper denture. In a private dental practice this treatment would cost approximately \$3,000. Additionally, Bob requires extractions and repairs on his low teeth to maintain as many teeth as possible".

The cost of this treatment represents almost 30% of Bob's annual income on Newstart Allowance. In the Tasmanian Public Dental Service, Bob will be waiting between 3 – 12 months for his denture.

The impact on the State Budget of the Public Dental Service not treating Bob:

- Poor nutrition and general health will result in increased use on public health services with health costs increasing over time; and
- The cosmetic aspect of poor oral health makes it difficult to gain employment; access housing in the private rental market and creates barrier to general social participation. This produces increased reliance on community support services, and need for public housing.

Harry is 37, a Disability Support Pensioner, married with two children. He has a serious mental illness.

The teeth sort of shatter, it's all gone away, there's only the root left. And when I try to chew on this side, its that one there its playing up and if I press on the back it's just the flat tooth, the root is there but no tooth, its just flat. The other side is all ripped out. I've got one down here that's completely flat with just the root left. This one's been a problem for about a year and a half and that one about six months. I take Panadol and sometimes I get a bad headache and have a sleepless night, I get a really sharp pain in my head like a migraine but that only lasts about 20 minutes.

Yeah well when I chew on this side, I probably chew my food in a kind of gritty, grinding sort of thing and it chips away even more tooth. Now that one up there is doing the same thing because I'm chewing on it that long it's starting to crumble.

[They said I have to wait for dentures for] a couple of years. I'm already on the waiting list, it's been 5 months. So, I can wait a couple of years and gum my food or I can keep some teeth, have some pain but at least be able to chew it. They want to take all of them out but I didn't want to because I'd have nothing to eat my food with, like my cornflakes, like my chips, I couldn't eat any of that if I had no teeth. I need full dentures, top and bottom. I will have to have them all out eventually; I just don't want to do it now because I wouldn't be able to eat my food.

Yeah, even when I'm going into a normal shop and I have to ask for something, I feel like I'm not like anyone else, like a second class citizen.



An oral health specialist made the following assessment of Harry's dental problems:

“The medication Harry takes for his schizophrenia causes severe mouth dryness. He also takes Panadol for pain and headaches caused by his dental problems. He has had all the teeth removed on the left side leaving 4 lower front teeth and 4 upper front teeth. Harry was advised to return to have all the right side teeth out but on being told he would have to wait 12 months for dentures, he decided not to have the last teeth removed. In private dentistry, when a person has all their teeth removed a denture is constructed and inserted on the day of the final extractions. Over time the healing jaw shrinks and usually a reline and a new denture is made 3 - 6 months later. The Tasmanian Dental Service traditionally saves costs by extracting hopeless teeth and making people wait for 3 months or more before full dentures are made. This reduces the costs of either relining the dentures or making a new denture. The cost of providing Harry immediately with a full upper denture, including the extraction of 4 teeth and a reline and new denture would be approximately \$4,200 in a private dental practice”.

This cost saving means that many Tasmanians go without teeth, suffering the pain, embarrassment and malnutrition that is associated that decision. Harry has no option but to wait for months, in pain and unable to eat properly, until his name comes up on the waiting list.

The impact on the State Budget of the Public Dental Service not treating Harry:

- Pain and stress caused by poor oral health is likely to aggravate symptoms of schizophrenia resulting in increased need for intensive support from mental health services, including acute care services and community support services; and
- Poor nutrition and general health will result in increased costs on the public health services.

Melissa is 30. She has four children and is pregnant with her fifth.

A picture is worth a thousand words. What can I say? They look like shit. I don't smile. I am missing heaps of teeth. I had overcrowding as a kid so I had heaps pulled out and then I had a drug problem so I lost some. Then I had a violent husband and he knocked the rest out. Now I need about four and half thousand dollars worth of work done and I was on private health cover and now I am on my own I can't afford that. Yeah, and everyone you see has got these shiny white teeth, everyone on TV, everyone in the street, everywhere. They have got all these veneers and all these new fandangle things that they are doing and I checked into that and I just can't afford it.

I've had these problems as long as I can remember. I had all these teeth pulled out and then I had fangs and that stuff as a teenager. Just recently since I had my last two children my teeth just fell out. And then I'll go into the clinic and this dentist says to me I am going to put a different coloured temporary tooth in so that you have to come back. But it is not as easy as that. And I end up with no front teeth. And then you have to be in absolute agony to get served otherwise it's a twenty year waiting list or something.

I am a vain person and I would like to have a lovely set of teeth. I hate looking like this. I am very conscious of it. I talk like this (hand over mouth) or else I give a big grin and then I realise 'oh shit I'm grinning'.



An oral health specialist made the following assessment of Melissa's dental problems:

“Melissa is in her fifth pregnancy; she is anorexic, suffers from asthma and is possibly anaemic. She is taking an antidepressant, high doses of diazepam and Panadeine Forte, all

of which cause mouth dryness. Melissa has a history of dental decay. 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 preventative programme of up to three visits to a dentist prior to the birth of her child. The cost of treatment for her front teeth, including nerve canal treatments and new fillings is estimated at approximately \$5,400 in a private dental practice. An ongoing preventive program of four dental visits a year costs \$1,455.”

The costs described here make these treatment options completely prohibitive for Melissa.

The impact on the State Budget of the Public Dental Service not treating Melissa:

- Cosmetic issues resulting poor oral health make it difficult for people to find employment, access, housing in the private rental market and participate in a range of social activities, increased the need for public housing and a range of social support services;
- Poor maternal health is predictive of poor infant health. The State will be more likely to face an increased health burden for the infants of people with poor oral health; and
- Poor health and low self-esteem increases reliance on community and public health services over the longer term.

Peter is 40, unemployed and living on the Newstart Allowance. He is single but has a daughter he cares for part-time.

[I have] general soreness and no bite, these ones are only hanging in by a thread, there's not much left now. It's more the gumming your food. I'd be a lot happier if I had dentures. People say 'oh no' but jeez I can't wait till the rest of them go now because then I'd actually be able to eat a bit of meat or something you know. You have troubles eating. And I reckon in turn that makes you unhealthy too because you're not actually getting your dietary requirements if you, you're only eating what you can eat.

[I can't eat] meat just because it hurts the teeth too much, getting caught in them. Anything that's hard, say even if you don't leave the milk in the rice bubbles for long enough and you hit the nerve. Like a rice bubble doesn't seem very hard but it is if you hit the nerve, so you've got to wait, not puree your food but you know. And then what happens is you start chewing on the other side and you find that as soon as this side starts to fix up you start to chew on that side again the other side goes because you've over-used it. It's like a lame leg, you overuse the other one and it transfers all the way through your mouth.

It's been like this for a few years now, quite a few years. I reckon four, five years easily. I pulled a wisdom tooth out there last year myself because I couldn't get into the dentist. I kept it in a jar. It's about that big.

I'm not going to get anything [a job] until I can get my teeth fixed because no one wants you in the public eye. No matter how good a talker or how well presented you are as soon as you open your mouth to smile at someone and they see your teeth... Sure they mightn't be worried about it but you are, so that affects your confidence for a start and I also reckon an employer looks at you and thinks from the look of you, is this guy going to be crook six months down the track, you know. They don't necessarily know the reasons for things themselves either and they might surmise for themselves that it reflects on you as to your laziness or something like that when it might be something else entirely.

You look at it from the Newstart point of view too; I think if my teeth were fixed I'd have a much better chance of getting a job. And therefore, I'm employed over the next 10 years and the Government haven't got that cost. I'm happy because I'm working and the Government is happy because I'm working. I'm happy because my teeth are fixed too and I'm eating properly, there's not a drain on the system. I've been put in the too hard bin. Maybe if the waiting list was shorter the unemployment list would be shorter. That's from a Newstart perspective, they are on my back to get a job but my job counsellor says I can't get you a job with teeth like that.



An oral health specialist made the following assessment of Peter's dental problems:

“Peter has a history of facial fractures, suffers from double vision, epilepsy and fainting spells. He experiences chest pain on exertion and has depression, anxiety and sleep disorders. Peter has generalised gum inflammation, persistent apical (end of tooth) abscesses on his front teeth resulting in pain and a very poor aesthetic appearance. In addition to the immediate restoration of his front teeth, Peter requires a decay preventive programme and long-term recall and maintenance. The cost of repairing and restoring Peter's two front teeth, which includes nerve canal treatments and two fillings, is approximately \$1500. The alternative of providing him with a partial upper denture is approximately \$540 but this is unlikely to be successful due to the poor state of Peter's mouth”.

The impact on the State Budget of the Public Dental Service through not treating Peter:

- The cosmetic issues caused through poor oral health make it difficult for people to get employment or housing in the private rental market, increasing the need for public housing; and
- Social isolation, low self-esteem and poor general health increase the need the support for community and public health services over the longer term.

Bob, Harry, Melissa and Peter are all on currently on the public dental system waiting list, along with 9,739 other low income Tasmanians.

5.4 Children's Oral Health Services

The very poor oral health of people living on low incomes extends to the oral health status of their children. The Australian Institute of Health and Welfare (2003) found that children of concession card holders have over 50 percent more decayed teeth than the dependants of non-cardholders. Australia-wide there has been a four-fold increase in caries in young people between the ages of 12 and 21 years. Significantly, young people aged 18 - 24 who are public dental patients had an average of 5 teeth with untreated decay.

There is widespread recognition that the fundamental key to good oral health is early intervention and in the pre-natal, infant and early childhood years. This includes regular check-ups and timely, preventative oral health care for all children and adolescents, which establishes healthy primary teeth and develops preventative oral health care practices for adult life. The National Oral Health Plan highlights the importance of school-based oral health care as an important mechanism for ensuring timely, appropriate and affordable oral health care for all school aged children. The Plan notes that there is evidence that this is threatened by "depreciating capital infrastructure, diminishing financial resources and decreasing availability" (Spencer 2001 cited in the National Advisory Committee on Oral Health, 2004:xxxvi).

It is therefore of some concern that in 1998 the Tasmanian School Dental Service was replaced by the Child Dental Service which is provided through dental clinics based in community centres. Rather than the preventative approach of universal assessment and dental care that was previously provided through the schools program, the Child Dental Service is appointment based. Adopting a philosophy of 'parental responsibility', the system now relies on parents to initiate contact with the services. Anglicare is concerned a consequence of this change is the service is less likely to be used for general dental check-ups and, like the adult service, is more an emergency service. The most profound impact of this falls on the most disadvantaged Tasmanian families, who are less likely to have developed preventative dental practices themselves due to lack of resources, transport and

communication costs as well as the barriers to general dental care through the public dental services . This system effectively reinforces the current situation in which the poor oral health of children from low income and disadvantaged families is carried into adult life.

Savings costs by downgrading of the School Dental Services is a false economy. Poor teeth in childhood are directly related to poor oral and dental health in adulthood, poor general health, including greater risk of heart disease, and social and economic hardship. As the current situation in Tasmania so clearly demonstrates, all of these factors place a heavy financial burden on the community, not to mention the pain and social exclusion experienced by those who have to live with these problems.

The Children's Dental Service is available to all Tasmanian children aged from 0 - 18. It provides free examinations for all children and free general treatment for children covered by a Health Care Card. It is not possible to obtain precise data for the number of children accessing the Children's Dental Service, however the performance output for 2002 - 03 was 72,000 occasions of service for children. This would cover approximately 58% of Tasmanian children aged 0 - 18 visiting the dental clinic, based on the very conservative assumption that each occasion of service represents a new individual visit. This remains below the target of 84,447 occasions of service set out in the State Budget Papers for 2004 - 05.

Anglicare argues that the State Government should act to ensure that all Tasmanian children have an annual dental visit and that it should provide the additional resources to the dental services and schools to ensure that this occurs. This is consistent with the *National Oral Health Plan 2004 – 2013* Action Area Two, that States 'ensure the continuation and/or expansion of school dental services to provide regular and timely check-ups and preventatively focused oral health care for children and adolescents".

5.5 Tasmanian Dental Workforce

The State Government has pointed to dental health workforce issues as the fundamental cause of problems in the public dental service, in particular the lack of dentists in the State. Tasmania has the lowest practising rate for dentists in the nation with 25.3 dentists per 100,000 people compared to the national average of 45 (Teusner & Spencer, 2003). In June 2004, there were 13.87 dentists working in the public dental services (Llewellyn, 2004). This represents a practising rate of 8.7 dentists per 100,000 eligible adults or one dentist for 11,495 Tasmanian adults who are eligible for public dental care.

The State Government has been working to address the dental workforce issues for a number of years. Legislative changes encompassed in the *Dental Practitioners Registration Act 2001*, designed to increase the number of registered dental practitioners including dental therapists

and dental hygienists have not produced the desired effect. The number of dental therapists has remained relatively stable. There are currently 59 dental therapists in the State, with 47 of those working in the Children's Dental Service. Since 2002 the age group on which dental therapists in Tasmania have been permitted to work was increased from 16 to 18 years. This provision is currently under review. The 2002-03 Budget allocated an additional \$5.3 million to be spent over four years for the development of a dental care plan to address the significant problems in the provision of public dental care, predominantly focusing on recruitment and training. However, a national shortage of dentists, combined with the lack of a Dental School or training institutions for dental therapists, hygienists and prosthetists means that the barriers to recruitment are significant.

Anglicare acknowledges the work in this area being undertaken by the Oral Health Workforce Education Reference Group through the Partners in Health Project. Currently membership of the group is dominated by dental health professionals and policy specialists. Anglicare believes that there is the potential to utilise the perspective and experience of the community sector to increase the opportunity for innovative approaches to this issue. It therefore recommends that the State Government broaden the membership of the existing group or convene a new working group comprising of dental health professionals, community sector representatives and consumers to develop and implement strategies to improve access to public dental health care. Some of the options which may be examined could include:

- expanding the Southern Emergency Pilot scheme throughout the State;
- increasing pay incentives to dentists in the public dental system;
- improving efficiency levels of the public dental system;
- paying private dentists to provide a work roster in the private dental clinics; and
- training dental therapists to upgrade their skills to work on adults.

5.6 State Government Funding

It is well documented that dental services nationally are one of the least subsidised areas of health (National Advisory Committee on Oral Health 2004). In a submission to the Tasmanian State Budget Consultative Process 2002-03, Anglicare demonstrated that funding for the public dental service was significantly below the national average expenditure per adult card holder. Table 5.1 illustrates again that, based on the most current available national figures, Tasmania continues to spend well below the national average and has the lowest expenditure per capita for eligible adults of any Australian state.

The funding allocation for Oral Health Services in the 2004-05 Budget was \$13.3 million (Parliament of Tasmania, Operations of Government Departments 2004-05 Budget Paper No 2, Vol 1: 135). Approximately 53.6% of the total budget is spent on adult services (\$7.07 million) and 46.4% on children's services (\$6.17 million). From these figures, it is estimated

that Tasmania is currently spending \$44.45 per adult cardholder. While this does represent a gradual increase of expenditure over the period from 2000-01, the funding increase by the Tasmanian Government has not been sufficient for the state to reach even the national average expenditure in 2001-02. It represents only half the expenditure of Queensland's 2001-02 per capita expenditure.

Table 5.1 National Public Dental Expenditure on adult card holders

	<i>Expenditure per adult cardholder</i>		
	2000 – 01	2001 – 02	2004 - 05
NSW	\$35.10	\$44.22	
VIC	\$34.50	\$39.59	
QLD	\$73.40	\$77.14	
WA	\$49.20	\$39.59	
SA	\$49.90	\$55.76	
NT	\$105.00	\$90.46	
ACT	\$43.70	\$78.02	
TAS	\$28.90	\$35.34	\$44.45
AUSTRALIA	\$44.80	\$53.55	

This submission has clearly demonstrated that, despite the recent increased funding, the public dental service in this State is failing to meet the needs of the people who are reliant on it. A significant investment of resources into Oral Health Services is essential to ensure that the service is able to provide emergency and general oral health care for adults and a fully effective preventative general oral health services for children.

Rather than continue to trail behind the other States in public dental health funding, Anglicare argues that the State Government is currently in a strong fiscal position to make a substantial investment into the public dental system which would make it one of the leading states, and provide the necessary funds to enable Oral Health Services to address the critical workforce and structural problems it has laboured under for so long. Therefore Anglicare makes the following recommendations:

Recommendation 4:

That the State Government allocate an additional recurrent \$10.4 million into Oral Health Services. This comprises an expenditure of \$5.6 million on adult dental services, representing \$80 per adult card holder, and \$4.8 million on children's dental services.

Recommendation 5:

That the State Government abolish the \$25 co-payment fee for public dental care. At a cost of \$360,000 to the Government, the removal of this fee would significantly decrease the barriers to access for emergency dental care for low income Tasmanians.

Recommendation 6:

That the State Government allocates the increased recurrent funding for Children's Dental Services to Oral Health Services and the Education Department for the provision of transport, oral health treatment and education to school age children.

Recommendation 7:

That the State Government allocate funds for a working group of dentists and dental professionals, community sector representatives and consumers to develop and implement strategies to improve access to public dental health care.

6. STATE CONCESSIONS

6.1 Introduction

Ensuring that all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services is the first goal of Tasmania *Together*. Unfortunately, there has been no significant movement towards the targets set for 2005 on the indicators which are used to measure progress towards this goal. None of these targets for 2005 are even close to being met. The concessions system provides the State Government with a key mechanism for making measurable progress towards the Tasmania *Together* targets for this goal by providing assistance to the most disadvantaged Tasmanians.

The current concession system is poorly targeted and inequitable and fails to provide significant benefits to the poorest Tasmanians. Instead the current concessions system reflects outdated assumptions by focussing on Pension Concession Card (PCC) rather than Health Care Card (HCC) holders. This focus reflects historical assumptions that pensioners were likely to remain on restricted incomes for long periods of time while other welfare payments were a short-term safety net. These assumptions are no longer valid with, for example, almost 57% of people receiving unemployment benefits having been on Newstart for more than 12 months (Centrelink, 2004). The State Government has made a first step towards a fairer and more equitable concessions system by extending the 48.4 cents a day electricity concession to Health Care Card holders for the two winter quarters. However, there is much more to be done to make the state concessions system more efficient and equitable.

6.2 Background to Concession Cards

There are two main concession cards provided under the Commonwealth social security system, the Pension Concession Card and the Health Care Card. As shown in Table 6.1 income support payments by the Commonwealth to people holding Pension Concession Cards are higher than those to 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. In fact, single Pension Concession Card holders can be on incomes just over \$34,000 and still qualify for a Pension Concession Card while the income qualification cut-off for Health Care Cards is almost half that amount at about \$17,800. Health Care Card holders are the most financially disadvantaged Tasmanians and Anglicare believes that reform of the State Concession system is needed to ensure that this group receives the same level of assistance as Pension Concession Card holders.

Table 6.1 Comparison of Pensions Concession and Health Care Card holders

	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	\$12,238 (Aged Pension)	\$10,260 (Newstart)
Annual maximum allowable income to qualify for card (single adult no children)	\$34,145	\$17,836

Source: Centrelink, 2004

Although Anglicare believes a major overhaul of the State concessions system is justified there are two areas which should be prioritized in the 2004/05 Budget - electricity and transport. Anglicare considers these to be the two areas which would provide the greatest benefit to low income Tasmanians and could also provide models for more widespread reform.

6.3 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 move towards the Tasmania *Together* target. A combination of cool climate and high electricity 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, 2000). Many low income families report trying to reduce electricity costs by turning off heating and other rationing measures. However, high fixed costs for residential electricity consumers mean that such attempts are not very effective in reducing overall bills. The relief provided by the Pensioner Electricity Concession (approximately \$180 per annum) is very significant in this context 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) announced in the 2003-04 Budget has been a positive initiative but should be extended to the full year concession to ensure that the most financially disadvantaged Tasmanians are able afford the electricity that they need.

6.4 Transport Concessions

A range of concessions are offered in Tasmania for low income earners using private and public transport. However, these concessions are inconsistent and inequitable. Table 6.2 shows the major concessions and discounts offered by the State Government and illustrates the inequity. For example:

- the driver licence discount is 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;
- there are two types of motor vehicle registration concessions, one available to all Pension Concession holders and Transport Access Scheme members 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 are 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 but 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.

Table 6.2 Key Transport Concessions

Concession Name	Assistance Provided	Geographic Scope	Eligibility
Motor Vehicle Registration Concession	\$29.05 discount for a vehicle up to 4.5 tonnes	Statewide	Pension Concession Card holders and Transport Access Scheme ³ members
Driver Licence Discount	Discount of approximately 50% (depending on number of years purchased) No licence fee except for small photo fee	Statewide	Pension Concession Card holders and members of Transport Access Scheme People aged over 65 years
Motor Vehicle Registration Compulsory Third Party Insurance Concession	\$65.00 discount on MAIB premium for vehicles up to 4.5 tonnes	Statewide	Pension Concession Card holders, members of the Transport Access Scheme, Newstart and Widows Allowees
Metro & Merseylink Concessions	Subsidised bus service and reduced fares	Main services in Wynyard, Burnie, Ulverstone, Devonport, Launceston, Hobart, Glenorchy, Brighton, Clarence with some services to surrounding towns	Pension Concession Card, Health Care Card, Seniors Card holders, War Widows and non tertiary students
Private Bus Concession	50% discount on the regular adult fare	Varies, generally covers main highway from Smithton to Kingston, and limited services from West Coast towns, some East Coast towns, Huon towns, Tasman and Sorell areas	Aged Pensioners and Health Care Card holders who are on the widow allowance or unemployed

³ 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.

Anglicare believes that the first step which must be taken to ensure that transport concessions assist the poorest members of the community is to fully extend transport concessions to all Health Care Card holders. As a second 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.

6.4 Tasmania Together

As noted above, there has been no significant progress towards the targets set to ensure that Tasmanians have a reasonable standard of living. This is despite the fact that the State Government has the capacity to directly improve at least one and possibly two indicators for this goal through more equitable provision of concessions.

Tasmania Together Standard 1 Indicator 1.1

This indicator states that the 2005 target for indicator 1.1 is that: The cost of food, electricity, housing, transport and health as a percentage of income for low income earners should be 65%. Unfortunately, over the past four years there has not been any movement towards this target and the *Tasmania Together* Report for 2004 states that the 2005 target is unlikely to be achieved. In 2004 the cost of these items was 73% of income for families and couples indicating that significant effort will be needed to achieve or move in the direction of the target.

Electricity costs and transport costs are two areas where the State Government can directly assist low income earners and ensure that there is movement towards the goal benchmark. The provision of the full year electricity concession would have a measurable positive effect on the indicator. Reduction of car registration and public bus fares would also help to move the indicator towards the target.

Tasmania Together Standard 1 Indicator 1.5

This indicator states that the proportion of households who report that they are unable to buy enough food for the household was 10% in 2001 and that this should drop to 0% by 2005. The extension of the electricity concession would be expected to have a significant impact on this indicator as electricity bills have been identified as a key cause of financial difficulties for low income families.

An Anglicare survey of Emergency Relief (ER) providers found that after food costs, electricity bills were ranked as the issue of greatest concern for people accessing ER services (Madden, 2004). Transport costs were also ranked as big or very big problem by almost one third of those seeking Emergency Relief. This was particularly prominent for people living in non-metropolitan areas of the State with 41% of non-metropolitan ER clients surveyed identifying transport costs as a big or very big problem (Madden, 2004). The extension of private bus

concessions to all HCC and PCC holders would be expected to assist these low income earners and have a positive impact on this indicator.

6.5 Costing a Full Year Electricity Concession

In the 2003-04 State Budget the Treasurer announced that \$2.8 million would be allocated to provide a winter electricity concession to Health Care Card holders. This figure was based on Treasury estimates of the expected take-up of the concession which were higher than those predicted by Anglicare. Treasury estimates predicted that more than 30,000 Health Care Card holders would take up the winter electricity concession. In fact, in the first year of operation only about 4600 people registered for the concession (DHHS, unpublished a). Additional advertising in the second year has increased this figure to about 7800 (DHHS unpublished b). The low level of take-up of this concession can be attributed to several factors including:

- the number of households with both a Pension Concession Card holder and a Health Care Card holder (who would already be accessing the more generous Pensioner Concession);
- the number of households with more than one 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); and
- the lack of awareness that the concession exists.

The lower than expected level of take-up on this concession provides the State Government with the opportunity to extend the concession to Health Care Card holders for the full year, while still only utilizing about half of the \$2.8 million allocated in 2003-04. The current cost of the winter concession is approximately \$702,000, this figure would be doubled if the full year concession was provided. Anglicare therefore recommends:

Recommendation 8:

That the State 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.

6.6 Costing Reforms in Transport Concessions

The inconsistency of the transport concessions makes it difficult to accurately cost the extension of these concessions. However, it would be relatively simple to gain a fair estimate of potential costs for the extension of driver's licence and vehicle registration concessions. This could be obtained by running a one or two month program during January/February where Service Tasmania staff could track the proportion of currently ineligible Health Care

Card holders who were renewing licences and vehicle registrations. Data collected could be used to estimate the approximate cost of providing the concession to those Health Care Card holders who are currently ineligible for the concessions.

Estimating 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 was used as a broad guide, it might be expected that extending the private bus concession would approximately double the cost from approximately \$1 million to \$2 million. Anglicare therefore recommends that:

Recommendation 9:

That the State 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.

7. ACCESS TO AFFORDABLE HOUSING

7.1 Introduction

The availability and accessibility of affordable housing for low income earners has become a critical problem throughout Australia in recent years. A range of socio-political factors impacting on the housing market has resulted in a national crisis in affordable housing. In Tasmania the increased house prices, reduction in public housing stock and increased rental costs in the private rental market have left many Tasmanians on low incomes in housing stress, unable to meet their basic living costs after they have paid the rent. In 2002, Anglicare research highlighted the problems faced by a significant number of Tasmanian families in finding and maintaining housing that they could afford (Cameron, 2002a). The continued and growing pressure on Anglicare's accommodation services around the State is evidence of the ongoing lack of affordable housing opportunities for the most disadvantaged members of our community has not improved.

In February 2003, Anglicare wrote to the Tasmania *Together* Board recommending that meeting the community need for affordable housing was an essential measure of community well being. The Anglicare submission to the Board emphasised that "access to housing which is accessible, affordable and appropriate with security of tenure". Subsequently Anglicare has been part of a working group of the Affordable Housing Strategy Reference Group and the Tasmania *Together* Board to develop this important benchmark.

Anglicare welcomed the State Government commitment to addressing the housing needs of low income Tasmanians through the *Affordable Housing Strategy 2004 - 2008* announced in 2003. The \$45 million Strategy promises the development of a range of affordable housing options, which include the maintenance of public housing, increased access to the private rental market and the development of 'a method of increasing the level of security of tenant money held by private landlords'.

In this submission, while acknowledging the initiatives set out in the Affordable Housing Strategy have potential to improve the housing options for low income Tasmanians, Anglicare argues that the need for secure low cost housing will continue to grow. Anglicare therefore calls for an additional allocation of recurrent funding specifically for that purpose beyond the life of the Affordable Housing Strategy to address ongoing capital expenditure and housing assistance programme needs. Additionally, the submission repeats Anglicare's call for the immediate establishment of an Office of Rental Bonds to ensure the security of bond monies paid by tenants in the private rental market.

7.2 The need for an increased supply of public housing

Tasmania mirrors the national housing market trend with a growing number of sole occupant tenancies and increasing sales of properties at the lower cost end of the market. This means that the currently limited supply of low cost accommodation will continue to diminish.

Stage 1 of the Affordable Housing Strategy has produced a number of positive initiatives to address the problems for low income earners in the private rental market. These include increased funding for the Private Rental Support Scheme (PRSS) which assists eligible households into private rental accommodation. However Anglicare workers consistently report that the lack of available accommodation makes housing these families and individuals increasingly difficult. There is a pressing need to secure more homes which will be available to the clients.

Recent research conducted by Anglicare into the reasons for financial crisis experiences by individuals accessing emergency relief services found that rental costs were a major concern (Madden, 2004). People in private rental reported this to be a much more significant problem than those in public housing. The Colony 47 survey of private rental costs in the southern region of the State indicated large cost increases in all types of accommodation, with particularly large increases in the cost of four bedroom family homes and bed-sits (up 49% and 50% respectively in the previous four and half years) (Colony 47, 2003). The strong upward trend in rental costs throughout the State has continued in 2004. The Real Estate Institute of Tasmania data show the median rental prices have risen around the State in the twelve months to July 2004, with increases from between \$15 -\$30 per week for three bedroom houses and two bedroom units. The only exception is the rental price for two bedroom units in the North West which has dropped in July 2004 (REIT 2003; 2004). Similarly, REIT reports that vacancy rates have remained tight around the State within very little change in the period from July 2003 to July 2004.

The lack of affordable housing is also reflected in the number of people on waiting lists for public housing throughout the State. The numbers have grown in the past 12 months, from 3,023 applications in July 2003 to 3,213 in June 2004 (Budget Estimates Committee A, Legislative Council, June 2004). While the Affordable Housing Strategy has commenced a vigorous programme of construction and purchasing, the experience of low income Tasmanians seeking housing which offers the affordability, accessibility and security they need for themselves and their families indicates that this falls well short of meeting the demand.

To continue to meet the community need for low cost and secure housing into the future, Anglicare recommends that the State Government commits to the replacement of public

housing stock in line with the current sale program, which has a target of 150 home sales per annum. An additional funding allocation of \$15 million recurrent⁴ to the current Housing Tasmania budget for the ongoing provision of public housing, independent of and beyond 2008 when the Affordable Housing Strategy ends. This would ensure the appropriate resources to maintain and continued upgrades of existing properties, as well as an ongoing programme of spot purchasing and renovation.

Concomitant with an ongoing commitment to capital funding to address the supply of public housing into the future, is the need for effective housing assistance programmes to ensure sustainable tenancies in the private rental market. These programmes include the Private Rental Support Scheme and the provision of tenancy support workers to assist families and individuals to find and maintain accommodation which is appropriate their housing needs. Anglicare believes this is a critical component in the effective provision of housing for Tasmanians living on low incomes. It therefore recommends that all State Government funding combines an appropriate mix of capital expenditure and assistance programmes.

Recommendation 10:

That the State Government allocate an additional \$15 million recurrent funding to the Housing Tasmania budget to ensure the ongoing provision of public housing to meet the continuing need for this form of housing tenure for low income Tasmanians.

Recommendation 11:

That the State Government allocate an additional \$5 million recurrent funding to the Housing Tasmania budget to assist in securing sustainable tenancies for low income Tasmanians in the private rental market.

7.3 The Commonwealth State Housing Agreement (CSHA) Debt Repayment

Tasmania has sustained a substantial debt to the Commonwealth Government accrued from loans through the Commonwealth State Housing Agreements between 1945 – 1986. In the current CSHA, the debt stands at approximately \$260 million with the interest and repayment costs to Housing Tasmania are approximately \$17 million. This is money which is returned to the Commonwealth Government through the Agreement with no benefit to the Tasmanian community. Freeing Housing Tasmania from the onus of servicing this debt would directly enable the Department to meet the needs for public housing outlined above. Anglicare therefore recommends that the State Government follow the lead of the Victoria Government and incorporate the CSHA debt into the General Government Debt thereby releasing approximately \$17 million for the public housing for Tasmanians.

⁴ This figure is based on the sale of 150 houses at approximately \$100,000 and replacement builds @ \$200,000.

Recommendation 12:

That the State Government incorporate the Commonwealth State Housing Agreement debt into General Government Debt.

7.4 The Office of Rental Bonds

Tasmania and the Northern Territory remain the only jurisdictions in Australia which do not have an established rental deposit authority for the purpose of consolidating and regulating the collection and disbursement of private rental bonds. The problems faced by low income earners in reclaiming bond monies from private landlords were documented in Anglicare's research in to the private rental market in Tasmania (Cameron, 2002b). Low income earners are particularly vulnerable to losing bonds, and often do not have the personal or financial resources to pursue their claims through the existing processes. Because low income earners move more frequently than their wealthier counterparts, the loss of bond money creates significant financial hardship and barriers to finding suitable accommodation (ABS, 2000). Along with other community organisations such as Shelter and TasCOSS, Anglicare has been calling for the establishment of an Office of Rental Bonds to ensure a fair and equitable secure rental deposit system for all private renters and private landlords in Tasmania for a number of years. As stated previously, this is included in the Stage One Initiatives of the Affordable Housing Strategy.

In December 2002, Anglicare prepared a detailed costing for the establishment of an Office of Rental Bonds (ORB) in Tasmania (Anglicare Tasmania 2002). Previously arguments for a rental deposit authority in any form had been dismissed on the basis that the private rental market in Tasmania was not large enough to sustain the establishment and administrative costs of such a system. Anglicare's analysis, which adopted an extremely conservative estimation of the data then available, found that following the initial establishment costs, the ORB would be cost neutral and self-sustaining with a maximum of 5 years. Since then *The Regulatory Impact Statement for the Proposed Rental Deposit Authority for Tasmania* prepared by Consumer Affairs and Fair Trading in the Department of Justice in April 2004 has estimated that the volume of security deposits now in the market would be approximately \$17.4 million, an increase of \$4 million on Anglicare's original analysis. The report supports Anglicare's argument for an ORB, identifying 'the more equitable distribution of security deposit monies' as a significant benefit of the system. It also indicates that such a scheme would be cost neutral and would generate surplus funds over time (Consumer Affairs and Fair Trading, 2004).

Anglicare therefore recommends that the State Government immediately establishes a rental deposit authority and allocates the appropriate funds to ensure its administration until such time as it is self-funding. Anglicare estimated the costs for its proposed model based on 2002

data at \$263,295 for the establishment phase and \$611,190 for the annual administration costs, which on conservative estimates would be self-sustainable in five years. The marked increase in rental prices throughout the State ensures that this cost neutrality will be achieved well inside this time frame.

Recommendation 13:

That the State Government commits \$870,000 for the immediate establishment and administration of an Office of Rental Bonds in 2005-06 with the appropriate and diminishing allocation each subsequent year until the Office is self-funding.

8. The No Interest Loans Scheme (NILS) Network of Tasmania

8.1 Introduction

The No Interest Loans Scheme (NILS) Network of Tasmania is an incorporated non-government organisation that provides interest-free loans for essential household items to low income earners in Tasmania. Establishment of the NILS network in Tasmania followed state-wide consultations with people on a low income by Anglicare, TasCOSS and the Poverty Coalition. A major issue identified during these consultations was the need for access to affordable credit for people on low incomes. A pilot NILS project was then conducted by Anglicare, in conjunction with the Geeveston Community Centre, providing loans for low income earners in the Southern Huon Region.

On the basis of this research Anglicare sought funding for a No Interest Loan Scheme. In 2002, funding was secured to cover the administration costs of the network for the first three years from the Tasmanian Community Fund. A partnership with Aurora Energy saw Aurora underwrite the loan pool and lend their expertise to the NILS Board. Since establishment the NILS Network has been successful in attracting the sponsorship of the Federal Group which has enabled it to extend its loan pool. It has also taken responsibility for the State Government's Humanitarian Entrants Reunion Scheme (HERS) scheme, which distributes loans of up to \$2000 to refugees with permanent visas to assist them to meet the costs of sponsoring family members to Tasmania. NILS has not charged the State Government for the administration costs of managing this scheme.

NILS has a centralised office with 1.5 FTE positions. Evaluation of other NILS schemes have demonstrated that professional administration of the loan pool is required to ensure that capital funds are not eroded. NILS staff process loan applications, administer the loan funds, and maintain communication with clients. They also maintain a network of 27 member agencies around Tasmania through which interviews for loan applications occur, ensuring state-wide coverage for the network. In its first year of operation, NILS provided 193 loans amounting to \$141,266.38. The majority of the loans (150) were for a refrigerator or washing machine and the average loan size was \$731.95.

An evaluation of NILS in 2003 found that the appropriate target group (low income earners) were being reached, that loans were being allocated for essential household and medical items as outlined in the NILS Network goals and that the repayment regime was appropriate.

The scheme engenders enormous good will in the target community, who view it as a 'revolving door' form of credit. As a consequence default rates are extremely low. Although the NILS business plan allowed for an 11% default rate on loans, there was only one default

in its first year of operation, which was due to the death of the loan recipient. Default rates currently run at 1.6%.

"It [NILS] has enabled me to buy a washing machine and pay it off comfortably without the interest of normal commercial payments which would have been too expensive."(NILS loan recipient, 2003)

"I was washing by hand until I found out about NILS." (NILS loan recipient, 2003)

"With the prices of items it's not very often single mothers can afford luxury things. Getting a bed and mattress was great." (NILS loan recipient, 2003)

The Community Fund grant runs out in June 2005. While funding for the loan pool is secure, because of continuing corporate sponsorship, funds are required to cover the administration costs. If the scheme was unable to continue Tasmanians on a low income would have no where to turn to other than credit cards, store cards and other high cost forms of credit. Given the positive outcomes already achieved by NILS, Anglicare recommends that the State Government ensures this valuable service is maintained.

Recommendation 14:

That the State Government allocates \$270,000 to be spent over the three years to June 2008 to cover the administration costs of the No Interest Loans Scheme Network of Tasmania.

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**Appendix A: Persons under financial administration by order of the Guardianship Board
Centrelink Pension only (where client has no assets or other sources of income)
Comparison of fee structure
September 2004**

Nature of charge	The Public Trustee (Tas)	Office of the Public Trustee (ACT)	Public Guardian (NT)	Public Trustee (Qld)	State Trustees (Vic)	Public Trustee (SA)	Public Trustee (WA)	Office of the Protective Commissioner (NSW)
Completion of tax return	\$77	\$65	\$90 (referred to private tax agent)	NIL	\$54	\$38	NIL	NIL
Other fees and charges	6.6% of pension is charged as an administration fee \$60 for completing the annual report to the Guardianship and Administration Board \$135 for completing the 3-yearly review and report to the Guardianship and Administration Board \$13.50 per month account fee \$6.00 cheque drawing \$3.20 direct credit \$11.00 bank draft	\$8.80 a fortnight administration fee	NIL	A maximum of 5% of income is charged as an administration fee. Usually waived where pensioners have no assets or other income.	A maximum of 3.3% of pension charged as administration fee. Often waived where pensioners have no assets or other income.	NIL	3.3% of pension is charged as administration fee \$35 annual management fee	Year 1: 2.1% of the value of assets minus the value of the property calculated on assets held at the end of each month Year 2+: 1.1% of the value of assets minus the value of the property they live in calculated on the assets held at the end of each month
Yearly cost to a single person on DSP with no assets or other income (Calculated on income of \$470.70/fn)	\$1040 ⁵	\$293	\$122	\$0 - \$612	\$458	\$38	\$439	Usually around \$35
Cost as a percentage of income	8.5%	2%	1%	0% - 5%	4%	.3%	4%	.003%

⁵ Based on a review by the Public Trustee of costs faced in a 12-month period by CSO clients.