

**Submission to the**

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**State Budget  
Consultative Process  
2002/03**

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**Anglicare Tasmania  
October 2001**

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ANG LICARE



TASMANIA

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## **CONTENTS**

<b>1.</b>	<b>Executive Summary and Recommendations .....</b>	<b>3</b>
<b>2.</b>	<b>Anglicare's Role, Functions and contact information.....</b>	<b>5</b>
<b>3.</b>	<b>The State Fiscal Strategy .....</b>	<b>6</b>
<b>4.</b>	<b>Poverty, Unemployment, The Working Poor .....</b>	<b>9</b>
<b>5.</b>	<b>State Concessions .....</b>	<b>13</b>
<b>6.</b>	<b>Education .....</b>	<b>20</b>
<b>7.</b>	<b>Dental Health .....</b>	<b>33</b>
<b>8.</b>	<b>References .....</b>	<b>44</b>
<b>9.</b>	<b>Appendix .....</b>	<b>47</b>

## **1. EXECUTIVE SUMMARY AND RECOMMENDATIONS**

### **1.1 Executive Summary**

Anglicare supports the Fiscal Strategy adopted by the State Government in the 1998-1999 Budget as a responsible financial plan which, in the present economic climate, also allows the flexibility to provide funding in areas of importance. Anglicare believes that the Debt Reduction Strategy outlined in the Fiscal Strategy provides an appropriate framework for the reduction and eventual elimination of General Government Net Debt and that the acceleration of the rate of debt repayment to vastly exceed the Fiscal Strategy's Debt targets has been at the expense of a range of urgently needed social initiatives

One of the few areas open to the State Government to act direct to alleviate the poverty experienced by so many Tasmanians is through the State Concession system. Currently this system is inequitable and poorly targeted. Anglicare urges a review of this system and an extension of two essential concessions to the most financially disadvantaged Tasmanians – the unemployed and “working poor” who are eligible for Health Care Cards. Anglicare also calls for increased expenditure on those students in the Tasmanian public education system who are eligible for Student Assistance to ensure that costs and charges are not acting as a barrier to their participation in school courses and activities. Finally, the crisis in dental health for low-income Tasmanian adults urgently needs addressing. An examination of state by state expenditure reveals that Tasmania has hidden behind the withdrawal of Commonwealth funds for too long. Any injection of Commonwealth funds now would still leave Tasmanian expenditure on Dental health services far below the national average. Anglicare urges an injection of funds into the Tasmanian Dental Service to address the crisis in public dental care.

### **1.2 Recommendations**

1: That the State Government allocate \$4 million recurrent expenditure to extend the Aurora Concession to all Health Care Card Holders.

2: That the State Government allocate \$700,000 recurrent expenditure to extend the Pensioner Rates Remission to all Health Care Card Holders.

3: That the State Government initiates a review of the Concession System, including the Land Tax Concession.

4: That \$1.12 million be allocated to the Student Assistance Scheme to cover the discretionary levy costs of STAS recipients.

5: That a recurrent allocation of \$10,000 be made to enable the facilitation of an annual consultation with the parents of STAS recipient students in each of the school districts.

6: That a recurrent allocation of \$20,000 be put into the uniform bursary system and that these funds be made available for children aged K – 10.

7: That \$25,000 be made available to fund a six-month project to research the connection between absenteeism and financial disadvantage in a Tasmanian context.

8: That \$30,000 be allocated for the bulk purchase of recommended head lice treatment by the Education Department for distribution through the State School system.

9. That \$2 million additional recurrent funding be allocated to the Tasmanian Dental Service to bring Tasmania up to the average national level of per capita expenditure on eligible adults.

10: The elimination or reduction of Dental Service fees for adult concession cardholders. This could be achieved with the addition of \$800,000 recurrent funding based on current estimates and other improvements in the public dental health scheme.

11: That \$10,000 be allocated for an extension of the planned public information campaign about payment options and fee schedules.

12: That funding is allocated for Independent qualitative research to be conducted in collaboration with the Department, to identify the issues of access to public dental health care for low income earners in two key areas: the impact of lengthy waiting lists on the dental health choices for concession card holders aged between 20 –40 years; and the issues and concerns for people with complex needs.

## **2. PROFILE OF ANGLICARE TASMANIA**

Anglicare Tasmania, the largest statewide community service organisation in Tasmania, operates under the auspices of the Anglican Church and is part of Anglicare Australia. Anglicare has offices in Hobart, Launceston, Devonport and Burnie and provides a range of community services throughout Tasmania including many outreach services to rural areas.

In operation since 1983, Anglicare employs over 220 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.

Anglicare provides a range of services across the state. These include financial counselling, family and relationships counselling, marriage and relationships education, problem gambling counselling, domestic violence services, services to homeless youth and people at risk of homelessness, group homes for people with disabilities, employment services, "Work for the Dole" projects, a Child Care Centre, a needle exchange and emergency relief services.

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 in need to reach fullness of life. SARC's work is informed by the direct experience and involvement Anglicare has developed through its community service work.

For further information about this submission please contact:

Rev Chris Jones  
CEO  
Anglicare Tasmania  
GPO Box 1620  
Hobart Tasmania 7001

Ph: 62 34 3510  
Fax: 62 31 6480  
Email: [c.jones@anglicare-tas.org.au](mailto:c.jones@anglicare-tas.org.au)

### 3. THE STATE FISCAL STRATEGY

#### 3.1 State Debt

Anglicare supports the Fiscal Strategy adopted by the State Government in the 1998-1999 Budget as a responsible financial plan which, in the present economic climate, also allows the flexibility to provide funding in areas of importance. Anglicare believes that the Debt Reduction Strategy outlined in the Fiscal Strategy provides an appropriate framework for the reduction and eventual elimination of General Government Net Debt.

In the Alternative Budget launched in June 2001, Anglicare and Centacare argued that the State Government has accelerated the rate of debt repayment to vastly exceed the Fiscal Strategy's Debt targets at the expense of a range of urgently needed social initiatives. Anglicare can show that a slight slowing of the present rate of debt reduction would provide \$8.77 million for the fully costed spending initiatives outlined in this document while still more than meeting the Fiscal Strategy Target of reducing the Net Interest Cost Ratio to less than 5% by 2003/04.

**Table 3.1 Government Budget Strategy Forward Estimates 2002/03 - 2004/05**

	2002/03	2003/04	2004/05
Total Outlays	\$2273m	\$2305m	\$2343m
Total Revenue and Grants received	\$2388m	\$2441m	\$2499m
Deficit/(Surplus)	(\$115m)	(\$136m)	(\$157m)
Net Debt	\$630m	\$494m	\$337m
Net Interest Cost Ratio	3.5	2.8	2.1

**Table 3.2 Alternative Budget Strategy Forward Estimates 2002/03 - 2004/05**

	2002/03	2003/04	2004/05
Total Outlays	\$2282m	\$2315m	\$2357m
Total Revenue and Grants received	\$2388m	\$2441m	\$2499m
Deficit/(Surplus)	(\$106m)	(\$126m)	(\$143m)
Net Debt	\$639m	\$513m	\$370m
Net Interest Cost Ratio	3.6	2.9	2.3

*(All figures based on Chapter 11 Table 11.4 Uniform Government Reporting Budget Paper No 1, 2001-02.)*

### **3.2 The GST and IGA**

The Goods and Services Tax has caused significant hardship for low income earners and had a significant negative impact on the State and National economy (ACOSS, 2000). However, the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations does provide certainty in relation to Commonwealth payments to the state. This certainty in the medium term and predicted growth in the longer term provide the government with the opportunity to make commitments to recurrent expenditure in areas of need.

### **3.3 Other taxation issues**

Anglicare believes that the \$27 million annual business tax package provided by the State Government in the 2000/2001 leaves nothing further to be achieved in this area for the 2002/03 Budget. Payroll tax liabilities have been significantly reduced and Anglicare shares the concerns expressed by the Treasurer when in Opposition, that any further across the board reductions in the rate would only provide an indiscriminate benefit to business.

*"The issue of tax relief – and we are talking about payroll tax here across the board – is a waste of money. It has been a waste of some \$14 million or so that they have spent over the last three budgets in that area. It is a waste of money because it is indiscriminate. How can anyone tell me that giving tax relief to a company that services the domestic market or a company that is disinvesting in Tasmania and employing fewer people is going to result in greater economic growth and employment in this state? It will not." (Dr Crean, Hansard, Legislative Council, 30 September 1997, p 28).*

Clearly raising the eligibility threshold assists smaller businesses more than larger ones but does not address the other issues of concern.

The Tasmanian Chamber of Commerce and Industry has not yet completed any research measuring the employment impact from the most recent round of Payroll Tax cuts and, in the past business have been unable to show any direct link between payroll tax rates and employment levels. ABS employment data from July, August and September show the trend estimates for the number of Tasmanians employed have declined compared to the corresponding periods in 2000 and the decline has become more pronounced in the past three months than it was in the preceding quarter. Clearly this decline is caused by a broad range of

factors but any further payroll tax reduction should not be even be considered until some kind of valid measurement mechanism can be provided.

On a general level the Commonwealth Grants Commission reports Tasmania's taxation severity as below to the national average with only Western Australia and Queensland having lighter regimes in the 1999/2000 figures. Updated figures are not yet available but may leave Tasmania even further below the average following the State Government's \$34.7 million tax package and the Western Australian State Budget announcement of increases to land and payroll tax. Indeed figures compiled by the Queensland Department of Treasury show Tasmania as having the nation's lowest per capita collections of State Taxation on a Government Financial Statistics basis (Economic and Revenue Outlook 2001-02 Queensland Budget Papers, p 53). While this figure partially reflects the state's limited revenue capacity, Tasmania clearly has one of the country's lightest taxation regimes. To forgo any further revenue would be irresponsible in view of the social crisis being experienced in this State.



#### 4. POVERTY, UNEMPLOYMENT AND THE WORKING POOR

##### 4.1 Poverty

A range of qualitative and quantitative data exists to illustrate the scope of the social crisis facing Tasmania. The National Centre For Social and Economic Modelling (NATSEM) at the Australian National University has used income based measures to estimate that 18.7% of Tasmanians are living in poverty after housing costs have been taken into account, the second highest rate of poverty in the nation (NATSEM, 2000).

This high level of poverty is accompanied by very high costs for the essentials of life. Domestic electricity prices and usage levels are very high in Tasmania (see Section 5.5 of this submission for details). Choice Surveys consistently show that Hobart and Launceston have the highest grocery prices of all of the cities surveyed (Choice, 1998 & 2000). Petrol prices are high compared to mainland centres and Tasmania has the nation's lowest rate of bulk-billing doctors with only 60% of practices routinely bulk billing Health Care Card and Pension Concession Card Holders (Anglicare, 2000). These expenditure areas comprise more than 40% of average expenditure for Tasmanian households in the lowest income quintile (HES, 2000). The concept of "lower housing costs" is a cruel myth for Tasmania's lowest income earners. NATSEM's work on poverty shows that Tasmania has the second highest rate of poverty in Australia both before and after housing costs are taken into account, with Tasmania actually moving closer to the worst state after housing costs are taken into consideration (NATSEM, 2000).

This combination of high costs and very low incomes causes particular hardship for Tasmanians living in poverty. The Australian Bureau of Statistics included a survey looking at Financial Stress in its 1998/99 Household Expenditure Survey. This consistently found that a higher proportion of Tasmanians reported being unable to afford basic items:

**Table 4.1 Indicators of Financial Stress**

Question	Tasmania	Australian Average
Went without meals due to shortage of money	4.7	2.7
Could not pay utility bill due to shortage of money	17.3	16.1
Unable to heat home due to shortage of money	3.1	2.2
Sought assistance from welfare/community organizations due to shortage of money	5.4	3.5
Pawned or sold something due to shortage of money	7.2	4.2

Rated present standard of living as worse than 2 years ago	31.1	26.1
Household can't afford to have a holiday away for at least one week a year	36.2	27.4
Household can't afford a night out once a fortnight	23.3	19.5
Household can't afford to have a special meal at least once a week	12.9	11.7
Household members buy secondhand clothes most of the time because they can't afford new clothes	13.9	11.8

(Source: ABS, HES unpublished)

The Healthy Community Survey provided data for a still to be released report titled “Economic Wellbeing in Tasmania” which found that 10.2%, or 31,880 adult Tasmanians worried about being able to buy enough food for their household and 9% of Tasmanians were unable to purchase prescriptions ordered by their GP because of financial constraints (DHHS, unpublished).

Qualitative data gathered as part of the Just Tasmania campaign conducted by Anglicare, TasCOSS and the Poverty Coalition illustrates the distressing consequences of these statistics.

*“My sister had severe stomach pains and went to the Royal, we waited two hours and they turned her away because they said she should see her GP. She didn't have any money to go a doctor. She had to wait two days for her (Centrelink) payment before she could go to the doctor. I would have given her the money to go if I had it but there is no spare money.”* (Clarendon Vale participant, July 1999).

*“We haven't had heating for five weeks.”* (Launceston participant, July 1999).

*“I can't afford basic food. I have a 16 year old boy who is always hungry. He eats a loaf of bread a day. One standard loaf of bread a day costs \$1000 per year out of an income of \$12,000 a year. You're feeding a man.”* (Zeehan participant, July 1999).

## 4.2 The demography of poverty

In the past 30 years there has been a huge shift in the types of groups who are most likely to be living in poverty. When Professor Ronald Henderson did his ground-breaking work examining poverty in Australia in the early 1970s the major groups of concern were aged pensions and people receiving the single parent's pension. In 2001 NATSEM estimates that

the aged account for only about 6% of households living in after-housing poverty, single parents still account for 14% of households living in poverty but the major groups living in poverty in Australia today are the working poor (24%), unemployed (23%) and other recipients of government benefits (15%) (NATSEM, 2000).

Single people on unemployment benefits and young people receiving Youth Allowance experience the deepest poverty, with incomes 22% and 33% below the Henderson Poverty line respectively (ACOSS, 2000).

The gap between the unemployed and the working poor has blurred over the past decade with workers no longer likely to make the transition from unemployment to casual and then full time work. Buchanan and Watson (2000) outline a dynamic account of the labour market which illustrates even more clearly than the traditional static account the precarious nature of the labour market for those at the “bottom end” in Australia in the mid 1990s.

**Table 4.2 Static vs Dynamic Account of the Labour Market**

<b>Static Account</b>	<b>%</b>	<b>Dynamic Account</b>	<b>%</b>
Unemployment rate (percent of the labour force)	9	Looking for work during the year (percent of those in working age population)	23
Incidence of long term unemployed (percent of unemployed)	33	Job search periods lasting more than a year (percent of all jobseekers)	46
Marginally attached to the labour force (percent of the labour force)	8	Period of absence from the labour market (Percent of those in working age population)	27
Casualisation rate (percent of employees)	25	Working in jobs that are not permanent (percent of all wage & salary paying jobs)	39

(Source: Buchanan & Watson, 2000)

In their analysis these researchers find that:

*“The most vulnerable workers in the labour market today include the unemployed as well as the large number of low paid workers in employment. These are the workers most likely to suffer labour market churning: to move between a succession of short-term low paying jobs and, to move in and out of employment, or to move in and out of the labour market.” (Buchanan & Watson, 2000, p 17).*

Local data also supports this finding. The Healthy Communities Survey reports that 26.8% of unemployed Tasmanians worry about the amount of food they buy being enough for the household. Those in casual employment had a rate of worry on this item “more comparable to groups that are not in the labour force, rather than those in paid employment” (DHHS, 1998 unpublished).

The number of Tasmanians qualifying for Health Care Cards on the basis of low income (but not receiving any other Centrelink benefit) has increased by more than 2500 since 1999 to more than 11,000 in September 2001. Additionally, Centrelink figures show that just over 25% of current or suspended Tasmanian jobseekers (recipients of Newstart Allowance or jobseeking Youth Allowance recipients) received income from employment in the month ending August 17. This group includes most of the poorest of the working poor, with casual or part-time incomes at a sufficiently low level that they must also continue to rely on unemployment benefits. To give some sense of what level of income these people are relying on, the highest income a single adult can be earning when they qualify for a Health Care Card is \$16,380.

The issue of unemployment and long-term unemployment has been a major concern in Tasmania for more than two decades. While the number of people employed has grown in this period, the number of full time employees has declined by almost 7000 since 1978 (ABS 1996, 1997, 1998, 1999, 2000, 2001). The accompanying growth in part-time work has not been welcomed by all workers with 1999-2000 figures showing that just over 25% of Tasmania's part-time workers would prefer more hours (ABS, 2001). The participation rate continues to be very low with August's figure of 58.1% below the trend rate recorded in 1978. The only time the trend participation rate has dipped below the 58% level was during the recession of 1983/84 (ABS, 1996) While Tasmania's demographic profile can explain part of this low level even the standardised measure of the participation rate Tasmania is well below the national average (ABS, 2001).

While the State Government is clearly committed to trying to boost employment levels through the 2000/01 State Budget capital expenditure program, it is also time for this Labor government to make a real commitment to lightening the burden of the state's lowest income earners. The prolonged period of high levels of unemployment and the increase in the numbers of working poor have left many Tasmanians in a state of crisis. Anglicare workers are constantly faced with clients who are unable to cope with the high cost of basic necessities and who are regularly going without heating or electricity, keeping children home from school on days when they are unable to afford the “discretionary” activities such as cooking and being unable to seek public dental care even after they may have waited months or years for an appointment.

## 5. STATE CONCESSIONS

### 5.1 Introduction

Anglicare has been working on the issue of State Concessions for several years. We continue to focus on this issue because it is the area of State Government policy which has the potential to have the greatest positive impact for almost all of Tasmania's lowest income earners.

Major stakeholders concede that the present concessions system is poorly targeted and does not meet the needs of the poorest Tasmanians. Presently the major state concessions, the Council Rates Remission and the Aurora Concession are available to Pension Concession Card Holders but not to Health Care Card Holders. This situation has been created by the historical concern that pensioners are likely to be living on low incomes for long periods of time while unemployment was once seen as a short-term problem. This concept is simply inaccurate in the present labour market with more than 60% of Tasmanian Newstart recipients on income support for more than one year and just over 40% receiving their benefit for more than two years (Centrelink, 2001). Comparison of the income levels of Health Care Card Holders and Pension Concession Card holders clearly illustrates the inequity of the present system.

**Table 5.1 Income qualification rules for Pension Concession Cards and Health Care Cards**

	<b>Pension Concession Card Adult Income Range</b> (Includes Disability Support Pensioners, Single Parent Pensioners and Aged Pensioners)	<b>Health Care Card Adult Income Range</b> (Includes Newstart Allowees, Youth Allowees and Working Poor)
<b>Single Person</b>	<b>\$10,452 - \$29,419</b>	<b>\$9,302 - \$16,380</b>
<b>Couple</b>	<b>\$17,446 – \$49,192</b>	<b>\$16,785 - \$27,248</b>

(Source: Centrelink)

The major area of growth within the state concession system has been Aged Part Pensioners who may be on relatively comfortable incomes. This is of particular concern with the financial planning industry assisting retirees to minimise their taxable incomes in order to receive part-pensions and concessions. It is unacceptable for the state's lowest income earners to continue to be denied basic concessions in this context.

The Federal Government's suggestion that Commonwealth Senior Health Care Card Holders should also become eligible for concessions would make a farce of system entitling couples earning up to \$80,000 to receive concession.

## **5.2 *Tasmania Together***

The *Tasmania Together* process clearly states as its first goal: "Ensure all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services."

### **5.3 *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%. For this standard low income earners were defined as households in the two lowest income quintiles.

A Cost of Essentials Benchmark was established using two low income family types. A couple and a couple with two children, both relying on Newstart Allowance, are used as case studies to set the benchmarks. Their full income is calculated at the present level of Newstart Allowance (and Family Tax Benefits for the couple with children). A basket of goods and services covering housing, electricity, a basket of groceries, transport and health and medication costs have been calculated for specific items which can be re-priced again in five years. Expenditure areas have been checked against the Household Expenditure Survey averages to ensure that the costs are broadly representative (the actual benchmarks are included as Appendix 1).

Housing costs and electricity costs are two areas where the State Government can clearly work towards reducing the present cost benchmark (presently both 72% of income) towards the goal benchmark (65% of income by 2005). Extension of the 44c per day Aurora Concession to Health Care Card Holders would reduce the cost of the benchmark items to 71% of income for the couple and 71.4% of income for the couple with children. Additionally extension of the Council Rates remission would reduce the couple with children's cost of benchmark items to 70%. These concessions represent the major areas where the State Government can work towards achieving the target of 65% in 2005.

### **5.4 *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 is presently 10% and that this should drop to 0% by 2005. The

extension of the Aurora Concession would be expected to have a significant impact on this indicator. Anglicare's quantitative research with Emergency Relief (ER) providers found that after food costs, electricity bills were ranked as the issue of greatest concern (Anglicare, 1999). Most ER providers give the majority of their assistance in the form of food parcels which accounts for the high ranking of food costs but also indicates that electricity bills are a major cause of food crisis for low income Tasmanians. Almost 35% of those seeking ER were on New Start Allowance. The average amount of time people seeking ER had been receiving a benefit was 30 months. The link between electricity bills and ability to purchase enough food was a consistent theme of the qualitative Just Tasmania Research.

*"I've had days when I've gone without food to feed the kids. I've done that a lot, you get used to it. It probably happens every couple of months – when the Hydro bill comes in."* (Zeehan participant July, 1999).

*"Having the power on is the most important thing. I've had times when the freezer, the fridge and the cupboard are all empty but at least we have had the power."* (St Helens participant, July 1999).

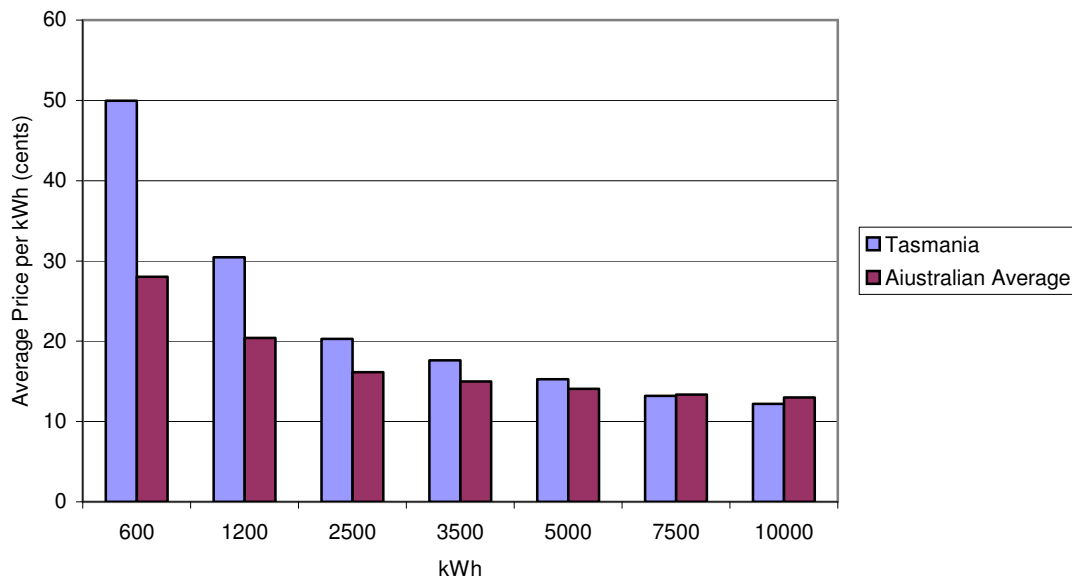
*"When the money arrives I budget, What can I pay? What can wait? And what is left? - that gets the food. This week there was nothing left for food."* (Launceston participant, June 1999).

Reducing the cost of electricity bills would be expected to have a significant impact on the number of Tasmanians reporting that they are unable to buy enough food and again allow the State Government to play its role moving towards the attainment of the 2005 target.

## **5.5 Cost of Electricity**

The high cost of electricity in Tasmania for residential customers has long been an issue of concern for organizations such as Anglicare.

**Table 5.1 Comparison of Standard Domestic Tariff Electricity Costs**



(Source: *Electricity Prices in Australia 2000/2001*)

Aurora Energy customers are noted as typically consuming at least 7500 kWh per annum (which equates to an electricity bill of more than \$1000 for 7500 kWh after GST), however Tasmanian Household Expenditure Survey data indicates that households in the lowest two income quintiles have consumption levels below this figure. Further, calculations by the Electricity Supply Association of Australia indicate that Aurora Energy is the second most expensive electricity retailer in the country if customers have Off-Peak Heating and use 7500 kWh of electricity, comprised of 3000 kWh in the Off-Peak period and the remaining 4500 kWh in at the Standard Domestic Tariff (ESAA, 2001). The Tasmanian figures for this Standard/Off-Peak Tariff mix do not come down to the national average price until households are using 20,000 kWh, (8000kWh of this in the Off-Peak period) (ESAA, 2001). Off-peak heating is a typical arrangement in many Housing Tasmania residences, exposing tenants to high heating costs.

These high electricity prices have a significant impact on low income households with those in the lowest income quintile paying \$15.59 per week for household fuel and power compared the national average for the lowest income quintile of \$12.85 per week. Similarly those in the second income quintile pay \$18.00 per week for household fuel and power in Tasmania while the national average is \$15.87. The Just Tasmania research included numerous accounts of people rationing and going without electricity because they were unable to afford the cost (Anglicare, 2000). In this context, the 44 cents per day Aurora Concession has the capacity to have a significant impact on the cost of electricity for Tasmania's lowest income earners.



The cost of this initiative can be estimated using figures from the take-up rate of the Electricity Levy Exemption granted to Health Care Card Holders in 2000/01.

**Table 5.2 Take-Up rates for Concessions**

Concession Type	Number of Card Holders	Number Claiming Concession	Take-up Rate
<b>PCC Aurora Concession</b>	87,799	57,210	65%
<b>HCC Levy Exemption</b>	45,118	less than 10,000	22%

*(Source: DHHS Concessions Unit)*

The HCC Levy Exemption was not well advertised but it appears that a take-up rate of 55% of HCC holders would be a generous estimate particularly considering that any concession would only be available to Aurora account holders and that many households include more than one HCC or PCC holder. Based on an estimate of a 55% take-up rate the extension of the Aurora Concession to HCC holders would cost just under \$4 million per annum.

**Recommendation 1: That the State Government allocate \$4 million recurrent expenditure to extend the Aurora Concession to all Health Care Card Holders.**

## 5.6 Council Rates

The Pensioner Rates Remission is the most generous concession provided by the State Government providing a 30% reduction in rates up to \$300 per annum. The home ownership/home purchase rate in Tasmania is significantly higher than the national average. It is well above average in the lowest income quintile with 68% of households owning or purchasing a home, although slightly lower in the second income quintile with 57% owning or purchasing (HES, 2000). While the majority of these owners and purchasers would be expected to be aged and other pensioners there are also Health Care Card Holders in this situation, particularly those who have become recently unemployed and working poor families. Good social policy would aim to assist people to retain home ownership as it is a major ameliorator of poverty for older people. Currently home owners in financial crisis are not eligible for housing assistance, a situation peculiar to Australia where tenure-specific housing assistance focuses on those in public housing and private rental. At the moment, Health Care Card holders paying mortgages must sell-off their homes before they are able to receive the major forms of housing assistance. In terms of social expenditure, this is a short-sighted policy.

In the Just Tasmania research 40% of participants owned or were purchasing their own home and there was significant concern from these participants about whether they would be able to “keep the house” in light of the costs associated with home purchase and the lack of government assistance (Anglicare, 2000). Several participants spoke of reluctantly considering selling their homes and entering the rental market as they were unable to meet their costs and would receive Rent Assistance if they rented privately. Council rates are one of the “big bills” which were seen by Just Tasmania participants as pushing them into financial crisis several times a year and are also one of the major ongoing expenses associated with home purchase.

Presently there is a significant gap in state and federal schemes which assist people with housing costs.

**Table 5.3 Major forms of assistance with housing costs for low income earners**

<b>Income Group</b>	<b>Tenure Type</b>	<b>Major Assistance Available</b>
Centrelink Pensioners and Beneficiaries	Private Rental	Rent Assistance
Low income earners below HCC income level	Public Rental	Public Rental Subsidy
Pension Concession Card Holders	Purchasers/Owners	Pensioner Rates Remission
Health Care Card Holders	Owners/Purchasers	None

*(Source: Centrelink, DHHS)*

Extension of the Pensioner Rates Remission to Health Care Card Holders would assist those low income earners who are not presently receiving assistance through Rent Assistance, the Public Rental Subsidy or the present Pensioner Rates Remission. The group that presently misses out may be on some of the lowest incomes yet facing significant additional costs in their attempt to ensure that they are not at the mercy of the rental market after they retire. The extension of the rates remission would also be expected to make the State Government’s “Streets Ahead” Initiative even more attractive to low income earners.

Anglicare has not formally costed this proposal due to the difficulty in calculating the number of Health Care Card holders who are home owners and purchasers. Unpublished ABS data suggests that less than 5% of unemployed Tasmanians are home purchasers or owners but provides no data on other Health Care Card holders. As an indication, if 5% of all Health Care

Card holders were home owners or purchasers the cost of providing the maximum Council Rates Remission would be less than \$700,000 per annum.

**Recommendation 2: That the State Government allocate \$700,000 to extend the Pensioner Rates Remission to all Health Care Card Holders.**

## **5.7 Review of the Concession System**

Anglicare would support a full review of the Residential Land Tax concession as a possible area where savings could be made to assist in funding the concession extensions proposed in this document. Anglicare believes that the indiscriminate nature of the land tax concession, which provides a full concession to all residential land owners for their primary residence regardless of income or the value of their land. In the 2000/01 Budget just under \$7 million was allocated to this concession. This is clearly a case where valuable concession funds which could go to the poorest members of the community are being indiscriminately distributed to people who are able to afford own a home. Anglicare would propose that the land tax concession be restricted to Pension Concession Card Holders and Health Care Card Holders but would be prepared to be involved in a review of the scheme. Anglicare would also be supportive of a more wide-ranging review of the concessions system which presently includes more than 40 concessions, including several which appear to be historical anomalies rather than effective policy tools.

**Recommendation 3: That the State Government initiate a review of the Land Tax Concession or of the broader concession system.**

## **6. EDUCATION**

### **6.1. Education and *Tasmania Together***

A clear goal to emerge from the *Tasmania Together* process was that of creating a culture that encourages people to learn and develop new skills, including life skills, throughout their lives (Goal 4).

Similarly, the standard developed under this goal emphasised affordable access to education and participation in life long learning. In this submission we argue that addressing the costs and charges imposed on students from families on the lowest incomes is critical to ensuring access and participation for these students. Anglicare also argues that a further investment of funds into the Student Assistance Scheme is essential to addressing absenteeism and poor State retention rates.

### **6.2. Child poverty in Tasmania and access to education**

Impacting on the educational opportunities of children from low income families is the low level of payments for people living on pensions and allowances. Under 21-year-olds in receipt of the Youth Allowance currently receive benefits 33% below the Henderson Poverty Line (ACOSS, 2001). This should be of great concern to education providers, given the 9151 young people on Youth Allowance in the education system.

Also of great concern is the fate of children growing up in households with unemployed or underemployed wage earners. The level of financial distress among families with unemployed heads of households and households falling into the category of “working poor” is particularly acute, as indicated in Section 4.2.

A further indicator of concern is the high numbers of students eligible for financial assistance in the payment of levy costs (Student Assistance Scheme). Statewide, around 40% of students in Government schools qualified for student assistance in 2001.

***Table 6.1 STAS eligible students in Government Schools***

<b>Year</b>	<b>% of STAS eligible students</b>	<b>No. of STAS eligible students</b>
<b>1997</b>	<b>36.4%</b>	<b>26,328</b>

<b>1998</b>	<b>38.5%</b>	<b>27,900</b>
<b>1999</b>	<b>39.6%</b>	<b>29,045</b>
<b>2000</b>	<b>38.2%</b>	<b>27,981</b>

(Source, Dept of Education)

These figures have doubled over the past ten years. A decade ago 18.28% of students in our public schools were eligible for STAS (*Parents and Friends Association*). This is a reflection of the high levels of unemployment, the lengthening duration of unemployment, together with the increasing concentration of unemployment in disadvantaged families and neighbourhoods. These trends have been an Australia-wide phenomenon over the past decade but have been especially pronounced in Tasmania.

There are two significant reasons why these changes have considerable implications for Education Department policy makers. With 4 out of 10 state school students coming from families sufficiently financially disadvantaged to be eligible for fee relief, the Education Department is now facing serious access and equity issues based on considerations of socio-economic disadvantage. Secondly, the rapid casualisation of our workforce and the accompanying spread of underemployment and disadvantage, has meant that children from very low income families are no longer focussed in disadvantaged areas – they are spread throughout the education system. Schools which were once identifiably middle-class are now attended by numbers of students from disadvantaged families yet lack the resources and policy framework to deal with the issues facing them.

The 1998 National Report on Schooling in Australia found that students from low-income homes are more likely to have poorer academic results, to be absent from school more often and to leave school earlier than their richer peers. Effectively responding to socio-economic disadvantage to ensure the best educational outcomes for students from disadvantaged backgrounds requires a range of responses from schools and school communities including targeted programmes such as Flying Start. However, research conducted by Anglicare with Tasmanian families has indicated a significant link between levy charges, school attendance and participation in school programmes (Anglicare, unpublished research – see Section 6.3).

While the issue of levy charges faced by the poorest parents is therefore only one of the policy issues confronting the Department in dealing with disadvantaged children, for their families it is arguably the most significant. When asked to identify the impact of financial disadvantage on their lives, the pensioners, allowees and “working poor” participants in the 1999 Anglicare research project identified school levy charges as one of their major causes of financial concern (Anglicare, 2000).

*Tasmania Together* Indicator 1.3 is “To increase the apparent retention rate years 7 – 12”. Achievement of this goal could be addressed through the recommendations below.

The recommendations in this submission are based on the findings of research conducted by Anglicare’s Social Action and Research Centre.

### **6.3 Anglicare’s research on the impact of the cost of education**

In June – September 2001 Anglicare researchers held a series of focus groups around the State with the parents of children in the Tasmanian state school system as part of a major qualitative research project. In the course of this research, 63 parents were interviewed by the researchers in the south, north and north-west. They represented a cohort of 142 primary and secondary school age children. The object of the research was to assess the impact of costs and charges on the children’s access to education. The preliminary findings of this as yet unpublished research indicate a correlation between low income and non-participation in courses, absenteeism and early school leaving.

Parents interviewed reported significant costs being passed on to them through schools in the forms of discretionary levies, uniform requirements and fundraising. High levels of family poverty, particularly in homes with an unemployed or underemployed head of household, means that these costs and charges act as a significant barrier to children’s participation in school. Parents reported active exclusion of their children from school activities, at times enforced quite rigorously by school authorities. An inability to afford routine costs such as uniforms, shoes, food, bus fares, head lice treatment and curriculum costs were all cited as reasons for school absenteeism.

### **6.4 Levies**

#### **6.4.1 Student Assistance Scheme (STAS)**

Student Assistance (STAS) is a means tested grants scheme which is intended to offset the levy costs faced by parents in enrolling their child in full-time education. It is available to students attending government and non-government schools.

STAS is provided to schools in two ways. The first is a specific per-capita grant to the school. The second is as “a socio-economic component of a number of funding and staffing allocations.”

The STAS grant is paid directly to the school to offset the costs of compulsory levies, that is, “the costs of books or those charges and activities which are essential for participation in their educational program”. Education Department State Guidelines specify that if payment is not received from STAS or the parents for the books or required items, they must be provided from the school’s resources.

**Table 6.2 The annual per-capita rates paid to schools for STAS eligible students compared with average required levy rates, 2001**

	STAS allocation	Average Required levy charge
Kindergarten	\$45.10	\$73.96
Year Six	\$57.20	\$103.77
Year 10	\$123.75	\$207.54

*(Source: Department of Education)*

This table reveals how very partial the levy concession is. The per-capita STAS allocation covers only 50 – 60% of required levy costs for STAS students, requiring schools to cover the funding shortfall.

According to Education Department guidelines, STAS eligible students are not compelled to cover these required levy charges. However, the partial nature of levy exemption offered to children from low-income families raises two key issues from the students’ perspective. Firstly, parents report that the resources (pens, notepads, etc) distributed at the beginning of the year are often insufficient for the students’ requirements to participate in the essential course for the full year. Secondly, STAS eligible students are often required to pay a “discretionary levy”, that is, the levy charged by the school for those activities or excursions that are considered as “desirable”, but not “essential”. The impact of these “discretionary levies” and other costs and charges are discussed in section 6.4.4.

#### **6.4.2 Levy charges faced by low income Tasmanians**

Parents interviewed by Anglicare researchers report that relatively significant charges are passed on to them in the form of “discretionary levies”. The Education Department defines discretionary items as those that are “desirable” to support participation in the normal educational program. State Guidelines specify, “If payment is not received, the school may choose to utilise school resources, or not to provide the item or service”. Other charges are also passed on to parents and have been categorised in the latest Education Department levy survey as “Required Other Charges” and “Discretionary Other Charges”.

The Report on School Levies 2000, suggests that discretionary and other charges are on average significantly less than the required levy components.

**Table 6.3 Average combined cost of levies and other charges considered from the perspective of required and discretionary costs, 2001**

Classification	Kindergarten \$	Year Six \$	Year Ten \$
<b>Required</b>	<b>73.96</b>	<b>103.77</b>	<b>207.54</b>
Discretionary	10.72	17.53	69.54
<b>Total</b>	<b>84.86</b>	<b>121.30</b>	<b>277.08</b>

*(Source, Dept of Education)*

However, the Education Department report does not provide analysis of the range of discretionary levy rates across school system. This would assist in an understanding of how discretionary levy charges might be impacting on STAS students. It also does not assist in understanding the impact of these charges for STAS students in schools in which they are a minority of the school population.

As the per-capita STAS allocation is a set figure statewide, any required levy charges above this must be covered by the school. This topping up of the concession out of the individual school's budget is harder in schools with proportionally less STAS students enrolled and therefore receiving less of a top up to their school funding packages through the "a socio-economic component of a number of funding and staffing allocations". It is financial imperatives such as this which are driving schools to redefine parts of their courses as "discretionary" or "optional" which impacts negatively on the educational outcomes for low-income students.

Anglicare's research with STAS parents highlights the concerns with this system. While low-income parents across school districts are reporting the negative impact of discretionary levy charges, the impact is hardest on those with children in schools with a high discretionary levy component. The Education Department survey found that the majority of schools fell within a narrow range in terms of costs, suggesting a rough equity in charges across the state. However, 7 – 9 % of Tasmanian schools still charged above this range. It is possible to extrapolate that after required levy costs are covered by the school (using the state average of \$201.54) students enrolled in a school with levies around the state maximum (\$485.00 - Hartz District) would potentially be faced with a discretionary levy charge of around \$277.46.



Discretionary levy charges on families who cannot afford them are in danger of being fossilised in our education system as an unpleasant but unavoidable given. Schools attempting to respond to the financial imperatives placed on their students' families by introducing levels of course-work (eg: an outdoor ed course of low cost which culminates in an optional 3-day bushwalk at high cost) are at risk of formalising a two-tiered system of education based on a dramatic socio-economic divide.

*"My husband is a low income earner so we try to get them everything they need but they probably have to wait three or four months down the track before they get it. Jonathon's school levy was \$480 and if we didn't pay that up front he couldn't have got his books".*

*"Matthew doesn't do woodwork because you've got to pay for it and it costs too much."*

#### **6.4.3 The real costs of education**

The concession on education costs offered to students on the Student Assistance Scheme is even more partial when viewed in terms of the real costs of education.

Research conducted in the ACT, South Australia, Victoria, NSW and Queensland indicates that the real costs of education are significant and are not addressed in significant way by levy exemption. Hidden costs included in this research were: uniforms, school camps, excursions, sporting activities, paper, photocopying, travel expenses, materials for assignments, school entertainment, school fundraising, elective costs, school photos, and charity fundraising conducted through schools. This research indicated that while mainland levies averaged \$119, the real cost of sending a child to secondary school was \$1432 pa and to primary school was \$1011 pa (Smith Family, 1999). The recent Education Department levy survey (2000) did not include the costs of uniforms, school camps, extra stationery, photocopying, travel expenses, materials for assignments, school fundraising, school photos and charity fundraising conducted through schools.

#### **6.4.4 The impact of costs on children from low income families**

Families interviewed by Anglicare researchers have indicated that a nearly continuous flow of costs and charges coming through schools is having a significant and detrimental impact on families and students.

*"Well, its things like today, my sons have gone on an excursion to the museum. It cost \$4.50 each. That's nearly \$10 that I don't have and I only found out about this last week."*

*"Yesterday my daughter went to Georgetown to see if she qualifies for the hockey team and I have to send \$2 for the bus fare. It's not a great deal but with five kids and it's happening all the time".*

Families interviewed by Anglicare researchers reported that the cost of courses had a significant impact on curriculum choices for their children. Of particular concern were the charges for life skills and potentially vocational courses such as cooking and woodwork.

*"At high school I had a lot of problems there. Like for cooking, you had to have the money up front. That was a big hassle. I mean, it's a school activity...why teach them something that they can't really afford when their parents are on a low income? I mean that hurts a lot of children. That's discrimination. That's pressure".*

*"At high school if you don't pay for your kid's things like cooking then they just don't let your kid cook the next week. And they lose interest and drop out."*

*"My daughter made a beautiful table in woodwork and I was on a low income and this table is \$60 and if I didn't have the money they were going to sell it. And they did, they sold it!"*

Research participants also reported other sporting, their children were dropping cultural and life skills options because of the costs being passed on by schools.

*"My daughter doesn't do music now because it was just too expensive. That was one thing she really did like but it was just too dear".*

*"Every week you've got to come up with the money. My daughter plays netball and every Friday, when you have been trying to make your money last, you've got to come up with a dollar. Just lately I've been taking it out of the kids' bankbooks to pay and you can't keep doing that. But you've got to pay for the netball otherwise they won't let her play".*

We recommend that \$1.13m be injected into the Student Assistance Scheme to cover the discretionary levy costs of STAS recipients and ensure a rich and inclusive education programme to the benefit of all students. This figure is calculated on 28,000 STAS recipients receiving the median discretionary levy charge (calculated at \$40.13).

**RECOMMENDATION 4: That \$1.12 million be allocated to the Student Assistance Scheme to cover the discretionary levy costs of STAS recipients.**

### **6.3 Advocacy issues**

*The Guidelines for School Levies, 2000* issued by the Department states that levies will be set by the Principal with the agreement of the school council. Where a school does not have a school council, the school's parent body must be consulted on the amount of levy charges.

The experience of community service agencies suggests that the barriers to participation in such committees are beyond the resources of many families living on low incomes. The cost of transport, childcare, fundraising expectations, and an expectation that they participate in the social functions of committees often makes participation prohibitive. Furthermore, research has indicated that where parents are having difficulty meeting the costs of education, they are inclined to withdraw from contact with the school (The Smith Family, 1999).

Parents interviewed by Anglicare researchers also identified serious advocacy issues in discussing their financial problems with schools. Parents stated that their own and their children's embarrassment about the sensitive nature of financial problems made it difficult to approach schools. Other barriers cited included their own literacy levels, their experiences of asking for financial relief from other institutions and charitable organisations and their fears about having their children drawn to the attention of child welfare authorities.

*"No, I'd be too embarrassed. I just feel too uncomfortable [to discuss my financial difficulties with the school]."*

*"You have to degrade yourself to go and ask for them. If you have to go and ask for a food parcel, it's degrading. If you can't pay your hydro bill, it's degrading - and they want to see all your receipts to see where you spent all your money. That's degrading. And if you can't buy your kids Christmas presents, that's degrading. It's all degrading. It's always been like that."*

*"I wouldn't blame the school. The schools are doing the best they can with what they have. The problem is that when it comes to needing or wanting*

*something, you don't apply for it because you've got this myriad of forms to fill out. It's not humiliating, 'humiliating' isn't the word, but it's almost like you're put down because you're in this position where you have to ask for it all the time."*

*"I wouldn't dare go up to the school to ask for help. I gave my two-year-old last night's pudding for breakfast because I didn't have any milk left and no money to buy it, so I gave her that for breakfast. I wouldn't go and ask for help".*

Education Department policy clearly states that children whose families are unable to pay for required or discretionary levies are to be spared any embarrassment. However, parents reported to Anglicare that verbal reminders to children, invoices sent home with children, the exclusion of students from school activities, indirect reminders to families through school newsletters and the threat of debt collectors communicated through school newsletters, are all acting to cause children considerable embarrassment. The direct consequence of this is children disengaging from school activities because of financial imperatives. Parents reported that children actively selected educational programmes on the basis of cost rather than interest or skill by not giving parents notices of events and activities with charges attached and by absenting themselves on days when fees were required. Children were aware that some schools do place outstanding levies in the hands of debt collectors, bringing a considerable level of pressure to bear on families who cannot pay.

Discretionary levies set through the process of consultation with parent associations are intended to reflect the program being offered in the school and the "educational expectations within the school community". Given the difficulties in consulting with disadvantaged families there is a danger that the "educational expectations of the school community" as defined by School Council or formal parent body will reflect the expectations or resources of more affluent or well-resourced groups within the parent body. It can be seen therefore that schools' decision-making processes about charges impacting on parents are often insulated from the realities of students' lives. This distance is magnified when the decisions are made by parent advocates who are not privy to the private discussions that do happen between individual families and principals about fee relief.

Certainly very few parents interviewed by Anglicare researchers in the June/September focus groups were involved in any capacity in school organisations such as Parents and Friends. None were involved with School Councils. Those parents interviewed who were involved with Parents and Friends lived in areas of wide-spread and entrenched socio-economic disadvantage where the vast majority of the families attending the local school were identified

as low income and the parents reported a perception that “we’re all in the same boat”. In areas of more mixed socio-economic status, research participants repeatedly identified a strong perception of social exclusion from the parent body and that parents who were involved in the school were middle-class, articulate and confident.

Consulting effectively with people who are facing multiple barriers to participation in the school community requires resources. Finances need to be made available to ensure that school representatives can meet at least annually with the parents of STAS recipient students to discuss general access issues, and specifics critical to participation such as uniform policy, fund-raising, and excursion programmes. The consultations must be held in school hours, in venues with disability access, free onsite childcare and some catering provided.

**RECOMMENDATION 5: That a recurrent allocation of \$10,000 be made to enable the facilitation of an annual consultation with the parents of STAS recipient students in each of the school districts.**

#### **6.4 Uniform costs**

School uniforms are also a cause of great concern to families living on low incomes. Uniforms have widespread support from low-income families who see them as a potential low cost alternative to free dress. Many schools have adopted uniforms that are cost-effective and make it possible for parents to substitute low cost alternatives for the better quality but more expensive options sold through the school. However, uniforms generally have become an important tool in the ‘branding’ strategies of schools keen to market themselves as “good schools” to the local community. Some schools are adopting uniform options which mimic the requirements of private schools and are beyond the financial capacity of low income families. Further, many schools are enforcing uniform policy with a level of assertiveness with raises issues about their compliance with the Education Department policy that children cannot be compelled to wear uniforms.

Parents interviewed by Anglicare researchers report that students are excluded from school activities, and at times they are even forbidden to play in the school grounds or leave school buildings if they do not have the required uniform. Incidents of schools refusing to allow a new pupil to start until the correct uniform has been purchased have also been noted. Anglicare workers also report that young people rehoused after a period of homelessness and reintegrated into school may find themselves subject to pressure to use their limited funds to purchase uniforms, under the threat of suspension.

Assistance is available for students from low income families. Education Department Social Workers assist families to use the services of community agencies such as the Save the Children Fund and the Sunshine Association to get assistance for uniforms. However, these agencies report that they are increasingly unable to meet the number of requests for assistance. The Education Department also offers special bursaries for children in years 7 – 10 to assist with the costs of uniform. These bursaries are offered to families in emergency situations at the recommendation of Education Department Social Workers.

Action needs to be taken to ensure that uniform costs do not exceed the ability of low income families and that discrimination against students whose families cannot afford uniform does not occur. An injection of funds into the uniform bursary system and an extension of this program to all students, K – 10 would also be an important step.

*“At the start of the year uniforms are a big cost. I can’t do it. You’ve just got over Christmas and you have already left the bills till after Christmas anyway”.*

*“If my kids don’t go to school in uniform they get punished all recess and lunchtime by having to sit on the green seat on the edge of the playground. What does that do to a child?”*

**RECOMMENDATION 6: That a recurrent allocation of \$20,000 be put into the uniform bursary system and that these funds be made available for children aged K – 10.**

## **6.5 Absenteeism**

Absenteeism as a consequence of financial distress was a common experience of the children of parents interviewed in the Anglicare research. An inability to afford bus fares, lunch, shoes, curriculum costs, head lice treatment, childcare for younger children, and excursion costs were all cited at different times as causal factors in absenteeism.

*“I’ve kept my kids home from school before when I’ve haven’t had the money for them to something. Otherwise teachers just sit them in the library while the other kids go on an excursion or something”.*

With income levels so low that many families are penniless by the second week of a pay period, Centrelink pay cycles have an enormous impact on the lives of low income people. Parents report that their inability to meet costs is most marked in the days before a Centrelink pay arrived, and that their child’s absenteeism was more likely to occur in that week. None of the

parents interviewed indicated any awareness of these issues on the part of their children's schools in planning of excursions, events or curriculum. Information on the connection between socio-economic disadvantage in general, and costs and charges in particular, with absenteeism needs to be collected and analysed for an effective and appropriate policy response.

A key *Learning Together* initiative announced by the Department of Education in its 2001-2 budget was directed at student behaviour and attendance, with \$70,000 ear-marked to fund projects aimed at improving school attendance. Research into the causes of absenteeism in Tasmanian schools is critical to developing these projects.

**RECOMMENDATION 7: That \$25,000 be made available to fund a 6 month project to research the connection between absenteeism and financial disadvantage in a Tasmanian context.**

## **6.6 Head lice**

Parents interviewed by Anglicare researchers expressed serious concerns about the apparent epidemic of head lice infestations being seen in Tasmanian schools. Parents reported a strong perception that the head lice infestations had worsened under the dual impact of the cessation of Child Health nurse visits to schools and the cessation of the practice of supplying head lice treatment to families who are unable to afford the retail price. Certainly Tasmanian charities have reported that the head lice epidemic has driven some schools to approach them for assistance with the cost of head lice treatment.

Treating a child for head lice requires a treatment mixture of KP24 Head lice foam (\$12.50 rrp), and KP24 Head lice lotion (\$12.50 rrp) for the whole family. It is also recommended that all bed linen, bedclothes, towels, clothes, soft toys, and seat covers be boiled in head lice treatment (\$12.50 rrp). In cool or wet weather families who do not have the financial resources to have multiple sets of linen also face the cost of tumble drying bed clothes daily. The treatment must be applied repeatedly and reinfestation is common. The financial impact of a head lice infestation on a low income family is therefore significant.

The Department of Health and Human Services recommend the use of the KP24 treatment or the cheaper "conditioner treatment", which it concedes is not a recommended treatment but one for which there has been some anecdotal evidence of success. Unfortunately there is also some anecdotal evidence of failure with the conditioner treatment and many families have been driven back to the more expensive option.

The impact of this on families living on low incomes is considerable. Parents report keeping their children home from school because they cannot afford to treat them, selecting one child in the family at a time for treatment, or prioritising head lice treatment and then being unable to meet other essential costs for their children.

*“Head lice treatment is so expensive. It should be available on your Health Care Card. It’s a major problem for me. I have two girls and it costs me \$25 a week over six weeks. I have spent \$600 on head lice treatment over the past eighteen months”.*

*“Yesterday I spent \$25 on nit treatment and \$7 for an excursion and that is a lot of money for me”.*

*“Our school used to pay for nit treatment but they don’t do that anymore. They just sent a note saying it was the parent’s responsibility”.*

Legal advice obtained by Anglicare suggests that the Education Department has not only a moral and ethical responsibility to provide head lice treatment through schools, but also a legal responsibility. The Department owes a duty of care to all students to provide a safe environment whilst at school. Given that children are compelled by legislation to attend school and given that the Department provides the premises in which the infestation occurs, the Department could be legally responsible for ensuring children are not infected at school. While it might be argued that it is difficult to pinpoint when a child becomes infected with head lice, within the requirements of the law it is probable that children compelled to spend 6 hours a day, 5 days a week in the company of head lice infested children were infested by those children.

**RECOMMENDATION 8: That \$30,000 be allocated for the bulk purchase of recommended head lice treatment by the Education Department for distribution through the State School system.**



## **7. DENTAL HEALTH**

### **7.1 Introduction**

The dental health status of Tasmanian adults is the poorest in Australia. There is a growing recognition of the significant health and social consequences of poor dental health. Often called the 'silent epidemic' because its consequences remain largely invisible, poor oral health, dental caries and periodontal diseases have a significant impact on people's everyday lives. In addition to influencing everyday experiences such as eating, sleeping, speaking and general social roles, poor dental health impacts negatively on employment, social relations, self-image and esteem. There is growing evidence to suggest that poor dental health is a causal factor for a range of other illnesses including cardiovascular disease, diabetes and pre-term low birth weight babies (Spencer, 2001:5-6).

The issue of access to dental health care was identified as a major concern for Tasmanian low income earners consulted in the statewide consultation conducted by Anglicare (2000) as part of the Just Tasmania research. These issues have emerged again in 2001 through focus group discussions with low income earners undertaken by Anglicare and in client based case studies collected across the agency between June and September.

### **7.2 *Tasmania Together* Targets**

*Tasmania Together's* Vision, Goals and Benchmarks document recognizes the poor dental health of adult Tasmanians. The key goals and indicators for dental health are based on the premise that good dental health is critical to individual wellbeing and the maintenance of a healthy lifestyle. The specific indicators are intended to address the issues of access to dental services, the lengthy waiting lists and the high rates of extractions and Tasmanians requiring dentures. These indicators and goals provide the context for the following submission and recommendations.

Goal 5 Standard 1: to improve Tasmanians' health through promotion of a comprehensive approach to a healthy lifestyle. Indicator 1.5 The number of fillings and missing or decayed teeth in the population.

Goal 6 Standard 1: Improve the health and wellbeing of the Tasmanian community through the delivery of coordinated services. Indicator 1.1 The number of people on the waiting list for more than six months for full or partial dentures; Indicator 1.2 Level of satisfaction with access to health and community services

### **7.3 The oral health status of Tasmanian low income earners**

Tasmanian adults have the worst dental health in the nation with the highest percentage of edentulous adults per capita. At 15.3% of the adult population, the Tasmanian rate is 5.6% higher than the national average (see Table 7.1, AIHW DSRU 2001a). There is a combination of factors that contribute to this. The correlation between low income and poor oral health is well documented and this is a particularly significant factor for Tasmania with the highest proportion of concession cardholders of any Australian state. The problem is further compounded by the state having the lowest ratio of dentists to population in Australia (Dever, 1997).

National research demonstrates that the oral health problems experienced by people living on low incomes are worsening. In a recent analysis of the National Dental Telephone Survey data, the Australian Institute of Health and Welfare Dental Statistics and Research Unit argue that the gap between the 'deprived' and the 'privileged' in Australia in oral health outcomes and the use of dental services is growing. The DSRU found that people who are uninsured and living on a low income have:

- Higher rates of complete tooth loss;
- Problem oriented dental visiting;
- Higher rates of extractions and lower rates of fillings;
- Longer periods since the last visit;
- Greater likelihood of avoiding or delaying care due to cost; and
- More self-reported treatment needs (AIHW DSRU, 2001b).

Tasmanian low income earners are severely affected in all these areas and their situation compares poorly with low income earners in other states. Specifically, the high rates of edentulism (complete tooth loss), high rates of extractions, barriers of cost and prolonged delays in accessing dental care are key themes discussed in this submission.

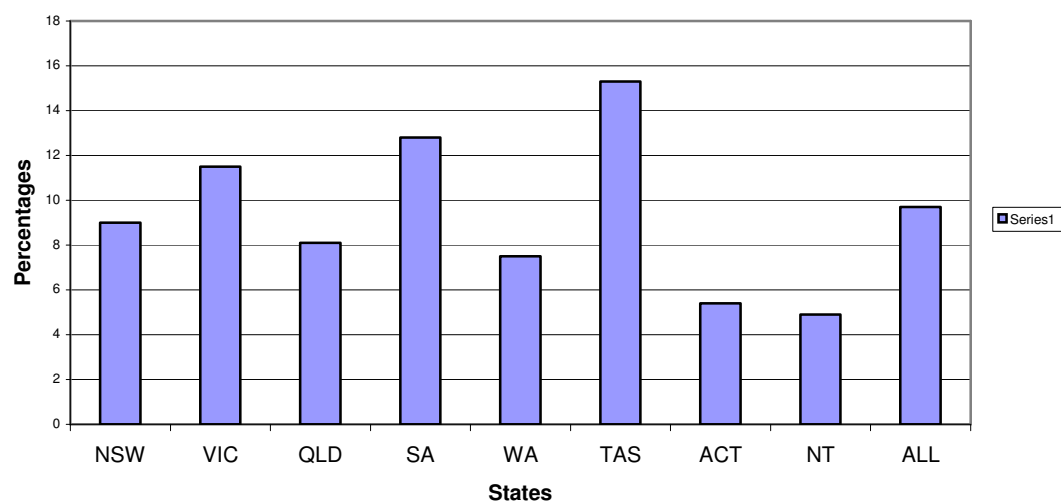
#### **7.3.1 High rates of tooth extraction**

Indicator 1.5 The number of fillings and missing or decayed teeth in the population.

Tasmania has the highest percentage of persons wearing a denture in the nation. The rate of 23.1% is 4.6% higher than national average of 18.5%. In the all the age categories from 25 to 65+ years, Tasmania is significantly above the national average. Of particular concern, Tasmania's rate of 11.2% in the 25 – 44 year category is almost double the national average.

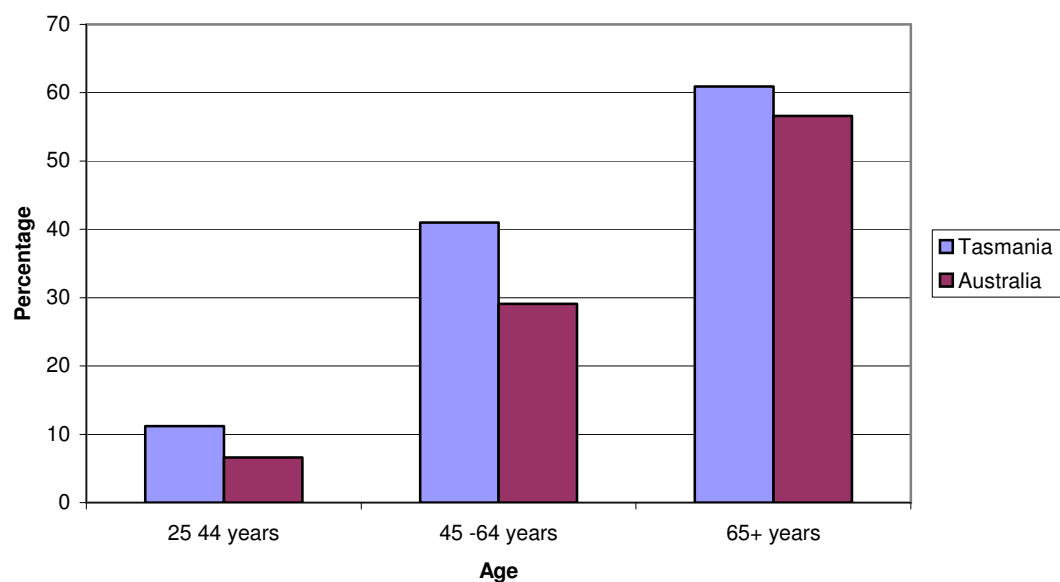
Similarly, 41% of Tasmanians in the 45 – 64 year age category have dentures, which is 12% above the national average ( see Table 7.2, AIHW DSRU, 2001a).

**Table 7.1 Percentage of edentulous persons by State**



(Source; AIHW DSRU, 2001a)

**Table 7.2 Percentage of people wearing a denture by age**



(Source: AIHW DRSU 2001a)

*Rebecca is a young mother with two small children. Her dental treatment resulted in the extraction of ten teeth from her upper jaw. Rebecca said that she was not given the option of having a partial denture made before her teeth were extracted. Having had the teeth removed she was then told she would have to wait for five months before her dentures would be ready. She was not offered any other alternatives, which she assumed was because the dentist doubted her ability to pay. Rebecca felt that because she was a low income earner and concession cardholder the dentist thought it wouldn't bother her if she was without teeth for a long period. (Client case study, August 2001)*

The rates of oral surgical or extraction services in public dental care are 122% more than those in private dental care. A tooth is extracted every three minutes in public dental services around Australia, every hour of every day; or more than a tooth a minute for each working hour (Spencer, 2001:34). This extraordinary rate can be explained by a number of factors. First, the lengthy waiting times for general dental care during which dental problems deteriorate from restorative treatments to acute surgical ones. Second, the limited resources and time in the public system strongly influence dentists' treatment options (Spencer, 2001:34). Third, people find it more effective to substitute emergency care for the long wait for basic dental care. People making this choice are 4.5 times more likely to have an extraction. The lack of choice available to low income earners and the lengthy delays for general dental care is a source of profound frustration for both clients and service providers in the public dental health clinics. All of the issues identified here preclude the development of preventative dental care.

The following comments from focus group participants illustrate this phenomenon in the Tasmanian public dental system:

*"I've been to New Town, we had to pay \$20 and there is a three year waiting list so I did the 'I've got a toothache' and I got in."*

*"You have to pretend it's an emergency to be seen. They lead you to say it's an emergency if you really need to go and you feel guilty but what do you do?"*

*"I have early stage gum disease which needs to be treated regularly but you can't get in unless you have an emergency."*

*"They are not really interested they just looked at the sore tooth but they didn't check any of my other teeth."*

*“Apparently you are meant to have your teeth checked during pregnancy but what chance has a pregnant woman got when there is a three year waiting list?”*

In the long term, the most effective approach to this problem is a comprehensive community oral health promotion strategy, commencing in the primary schools but particularly targeting the 18 – 25 age group which is most at risk. However, in the short term, an adequately resourced initiative for dentists in the public health system directed at encouraging them to examine other treatment options, making extraction a last resort for all their clients is required.

#### **7.4 Public Dental Expenditure on Pensioner Concession and Health Care Card holders**

It is generally agreed that the loss of \$3.4 million with the axing of the Commonwealth Dental Health Program in 1997 has had a severe impact on the State public dental health services. The issues identified in this submission highlight the depth and the complexity of problems confronting public dental services. Many of these reflect the entrenched and structural nature of the provision of public dental care in socio-political environment where resources are increasingly constrained. However these problems are not irresolvable. Models are being developed elsewhere in Australia which address these complex issues, reduce waiting lists, balance emergency treatments with general and restorative dental care and include a preventative component as well (see for example Dooland, 2000).

**Table 7.3 Public Dental Expenditure on adult card holders 2000/2001<sup>1</sup>**

	<b>No. Adult Card Holders</b>	<b>Total Expenditure (\$ Million)</b>	<b>Expenditure per Adult card holder</b>
NSW	1,657,000	\$58.2	\$35.1
VIC	1,200,000	\$41.4	\$34.5
QLD	865,000	\$63.5	\$73.4
WA	433,000	\$21.3	\$49.2
SA	425,000	\$21.2	\$49.9
<b>TAS</b>	<b>142,000</b>	<b>\$4.1</b>	<b>\$28.9</b>
NT	40,000	\$4.2	\$105.0
ACT	71,000	\$3.1	\$43.7
<b>AUSTRALIA</b>	<b>4,833,000</b>	<b>\$217</b>	<b>\$44.8</b>

*(Source: Dr Martin Dooland, Director Statewide Dental Services, South Australia (October 2001))*

<sup>1</sup> These figures have been adjusted to ensure comparability between States.

Historically Tasmania does not have a strong record of spending on public dental health care. Ten years ago the estimated expenditure on eligible adults in this State was \$13 per capita against a national average of \$44 (National Health Strategy 1992). While current figures (see Table 7.3) show an improvement, Tasmania still spends well below the national average of \$44.8. At \$28.9 per adult cardholder, this is \$15.9 below the national average expenditure.

Given the extremely poor dental health status of Tasmanian adults and the goals and targets for improving this by 2020 outlined in *Tasmania Together*, it is vital that the State Government increases its funding to dental health. Notwithstanding that the election of a federal Labor Government would bring the reintroduction of the Commonwealth Dental Health Program, the Tasmanian government should at least increase the funding to an equivalent national level. Based on these figures, an injection of \$2.258million would achieve this goal. The national figures have been adjusted to account for the fact that some States have dental hospitals, which, in addition to providing general and surgical care, includes education and training programmes. In Tasmania, some dental surgery for public dental clients is done in the public hospital system and the costs incorporated in the Hospitals and Ambulance Service Budget. Allowing for cost shifting, we would argue that the additional injection of \$2 million into the dental health system would bring the Tasmanian expenditure to within a comparable national range. In terms of meeting the *Tasmania Together* targets on dental health, this should be seen as the minimum amount of additional funding.

**Recommendation 9: That \$2 million additional recurrent funding is allocated to the Tasmanian Dental Service to bring Tasmania up to the average national level of per capita expenditure on eligible adults.**

## **7.5 Issues of access to dental care for low income earners**

### **7.5.1 Cost as a barrier to treatment**

The introduction of fees for adult dental care in 1998 has been a major disincentive for people on low incomes to access dental care. The introduction of co-payments nationally saw a dramatic one-third reduction in the demand for non-emergency treatment in public dental care (Dooland 2000; Spencer 2001). National research indicates that over one quarter of adult Australians avoid or delay visiting a dentist because of cost. This has the most significant impact on those with the lowest incomes. This research further shows that, nationally, cost prevented 40% of concession cardholders from seeking recommended or wanted dental treatment and this represents an 11% increase from the previous year (AIHW DSRU, 2001a). In Tasmania 44.5% of concession cardholders avoided or delayed treatment due to cost

compared to the national average of 37.5%. Cost prevented 38.5% Tasmanian concession cardholders seeking recommended or wanted dental treatment compared to the national average of 32.3% (AIHW DSRU, 2001a).

The imposition of fees in many cases results in low income earners accessing dental services only for emergency treatment, rather than for preventative or restorative procedures. One of the negative outcomes of this fee schedule or co-payment policy is the net increase in the total cost of dental care by increasing the number of more expensive emergency treatments (Ziguras and Moore, 2001).

Anglicare researchers have found that participants in the focus group discussions and client case studies identify cost as a major barrier. Departmental policy on dental co-payments does acknowledge the financial impost of treatment by capping fees for a course of treatment at \$100, and maintaining an upfront fee of \$20 per visit. However as indicated in previous sections of this submission, the extremely low income of concession cardholders means that the \$20 fee for a dental visit is beyond their capacity. In a situation where the limited budget has to be so tightly managed, even urgent dental treatment cannot be considered a high priority.

As one focus group participant stated:

*“When you are living on the breadline the only thing you can cut back on is the food. I couldn’t afford to go to the dentist.”*

The case of Jenny, a young mother aged 22 years old, illustrates the effect of both cost and the lengthy waiting list on her dental health:

*“I was on the waiting list for two years. My tooth ended up crumbling so I got in as an emergency case a week later and the dentist told me off for leaving it so long. He said there was nothing left to pull it out. That was the week before Christmas and they said I needed to have five other teeth done. I could have got in but I didn’t have the twenty dollars. I’d had to lend the \$20 before I went the first time and it was the week before Christmas. I needed time to save up but now I’ve been on the waiting list ever since. I’ve given up on my teeth entirely.”*

(Focus group participant, July 2001)

The elimination of fees would remove one significant barrier to accessing dental care for low income earners. This would be a powerful strategy to improving access and attitudes to preventative and general dental care which is in keeping with the *Tasmania Together* goals. The estimated revenue raised for dental co-payments in 2000-2001 is \$760,000 (Jackson,

2001a). Based on this estimate an additional injection of funds to this amount would increase the dental health options for Tasmanian low income earners.

**Recommendation 10: The elimination or reduction of Dental Service fees for adult concession cardholders. This could be achieved with the addition of \$800,000 recurrent funding based on current estimates and other improvements in the public dental health scheme.**

### **7.5.2 Flexibility in payment options**

Participants in the focus groups identified the lack of flexibility in the dental clinics' payment schedule as problematic. They viewed the strict adherence to upfront payment as a distinct barrier to dental care. Although the departmental policy does provide an option of part payment with a negotiated payment plan for low income earners who are unable to pay the fee upfront, this option is not widely known by clients and certainly not promoted by some dental clinic staff. The following comments reflect the general perception of the focus group:

*"If you don't have the \$20 you know they will turn you away at the door."*

*"They are very firm, they don't let you pay it off."*

*"Mum has half her teeth rotting and I think it affects her health, but she doesn't have the money up front."*

Fee recovery is currently not a concern for the dental service with only a small proportion (6%) not making the required payments. So while the elimination of fees is preferable as a means of encouraging low income earners to seek dental health care, the use of flexible payment plans may enhance their ability to access these services. Anglicare has been informed that the Department is currently examining a range of strategies to increase client awareness of the payment option, including telephone information services, pamphlets and posters with fee schedules in dental services waiting rooms. It is important that the information makes clear that payment plans do not involve the withholding of treatment and/or dentures until full payment has been recovered. It is important that this valuable information dissemination is funded from additional revenue rather than through a reduction of funding in other vital service areas. It will need to be funded at a level which will allow it to address widespread literacy issues in the community through the use of a range of media, including television.

**Recommendation 11: That \$10,000 be allocated for an extension of the planned public information campaign about payment options and fee schedules.**



### 7.5.3 Waiting lists

Indicator 1.1 The number of people on the waiting list for more than six months for full or partial dentures;

Indicator 1.2 Level of satisfaction with access to health and community services

In Tasmania, there were 15,831 people on the waiting lists up to the end of March 2001. This includes those waiting for general dental care (approximately 13,049) and for full and partial dentures (approximately 2,509). These figures represent an increase of approximately 800 from the previous year. The waiting times show regional variations but range between 4 1/2 years (54 months) in the South to 3 1/2 (43 months) in the North West (Jackson 2001b). Anglicare is aware that the Department has recently completed an audit of the waiting list, which we are informed, will result in the re-categorisation of the needs of people on the list as well as redefinition the actual numbers. The audit results have not yet been made available, nor any analysis of why people are no longer on waiting lists. However the broader issues inherent in the lengthy and growing waiting lists remain a problem for low income Tasmanians. The length of waiting lists for dental care in combination with the co-payment costs can act as a deterrent for low income earners, who, like Jenny, just give up on their teeth altogether. As Dooland (2000) argues this makes co-payments a 'dangerous tool for controlling waiting lists'.

Nationally, the growth of waiting lists to 'absurd lengths' has dramatically increased the demand for urgent dental services. The complexity of the problem has been described as a system 'trapped in a vicious cycle' in which the predominance of emergency treatments limits the scope and depth of dental services, leading to quicker visits by orally sicker people or "poor dentistry for poor people" (Spencer, 2001:30). There is strong evidence to show that when the waiting lists have grown, there is a corresponding increase in the rate of tooth extractions (Dooland, 2000). This is discussed in detail in Section 7.3.1.

The size and the composition of the waiting lists raise a number of critical issues. While there has been an increase in the number of people on the waiting lists, there is evidence that people do 'drop off' for reasons other than seeking alternative dental care. Changes in eligibility and death are often cited as key reasons, as is seeking alternative treatment although this is a less likely explanation for very low income earners. Residential movement however is a significant factor which can impact negatively on oral health outcomes of particular low income groups. For example, insecure and short term tenancy is a problem for many low income groups, with young people being particularly susceptible. Transience and homelessness result in this group falling off the waiting list and being lost to the public dental health system, until their dental problems become acute.

Anglicare's focus group participants discussed the impact of dental waiting lists on their dental health care. This comment reflected a common theme:

*"They don't give you any idea about how long it will take and I did ring back but it is so much effort and they are not hurting at the moment so I'm just leaving it."* (Focus group participant, August 2001).

*Kathy lives in the north of the state. She has experienced continual pain with her teeth. When she tried to make an appointment at the Dental Health Clinic, she was told the first available appointment was fifteen weeks away, but then due to a cancellation was given the next earliest appointment in eleven weeks. Kathy had no choice but to accept that, although she was in constant pain. She was informed that if it became an emergency she would be placed on the emergency list and might be seen within a week.* (Client case study, July 2001)

Clearly the response to these complex problems must be multifaceted. There are a variety of ways in which the lists and waiting times for general dental care can be reduced. For example, the Department's current policy of extending the purchaser – provider agreements with private dentists as well as the introduction of legislation to enable dental hygienists and therapists to provide dental care for people over the age of 16 should have a positive impact on the Tasmanian lists. The injection of additional funding has decreased waiting times for basic dental care for concession card holders in both Victoria (Dooland, 2000) and Western Australia (D. Neesham, 3 October 2001: personal communication).

## **7.6 Dental care for people with complex needs**

*"I know that beggars can't be choosers but we should be able to get something."*

The issues confronting concession card holders in accessing the public dental health care system are compounded when those people have complex needs such as physical disability, mental illness or drug dependency. Issues of lack of choice, financial hardship and lengthy delays are amplified when these people have deal with the daily effects of their disability or illness.

*Marilyn is a young woman living in Ulverstone. She has complex mental health issues and days when medication confusion severely limits her capacity to function. When she experienced severe pain with toothache, the Dental Health*

*Clinic rang her at short notice with an appointment time for treatment. She was advised that she had to attend that appointment and pay the \$20 fee upfront. Marilyn was unable to make the appointment for a number of reasons including the fact that she did not have transport to get to the clinic in Devonport. She did not have the money readily available and her mental health condition made it particularly difficult for her to organize herself in the short time given before the appointment. Her non-attendance was interpreted as a sign that she did not require emergency care and she was placed on the waiting list. (Client case study, June 2001)*

Evelyn, a 26 year old mother of three, was an intravenous drug user. As she describes, her treatment program had severe effects on her teeth and she requires high level monitoring and general care to minimize tooth deterioration and loss.

*"I was on the methadone program in Queensland and am on it down here but up there they always asked you about your teeth and would make an appointment for you if you had any problems because they say that methadone really chews out your teeth. You could get an appointment within two weeks. Down here they just laughed when I asked if there was any dental program."*  
(Focus group participant, July 2001)

**Recommendation 12: That funding is allocated for independent qualitative research to be conducted in collaboration with the Department, to identify the issues of access to public dental health care for low income earners in two key areas: the impact of lengthy waiting lists on the dental health choices for concession card holders aged between 20 – 40 years; and the issues and concerns for people with complex needs.**

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## Appendix 1 Cost of Essentials Benchmark figure 2001

### Couple on New Start Allowance (no kids)

#### Income (weekly)

Newstart Allowance (couples rate)	\$322.80
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#### Costs (weekly)

##### Housing

Housing Tasmania rental	\$72.00
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<b>Housing Total</b>	<b>\$72.00</b>
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##### Electricity (includes services, meter and GST)

75kWh Residential lights and power

73kWh Hot water

<b>Electricity Total</b>	<b>\$20.75</b>
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##### Groceries (based on regular shelf prices not specials)

1litre full cream milk	\$1.30
1 680g loaf white sliced bread	\$2.79
2kg Sunrice Long Grain Rice	\$3.60
575g Dolmio Chunky Bolognese Sauce	\$2.91
425g SPC baked beans	\$1.14
275g Kellogs Cornflakes	\$2.29
500g San Remo Spaghetti	\$1.92
235g Vegemite	\$3.34
825g SPC Sliced Peaches in Syrup	\$2.59
100 pk Lipton Tea Bags	\$4.20
2kg Four Roses Self Raising Flour	\$2.74
224 sheets Kleenex tissues hypoallergenic	\$2.38
1.25l Coke	\$1.85
2l Valencio OJ	\$3.29
4x125 Palmolive Soap	\$3.40
750ml GoldnCanola oil	\$3.09
10 regular Multix swipes	\$2.92
375ml Jif crème cleaner	\$2.94
40 regular Carefree tampons	\$9.39
2kg Four Roses self raising flour	\$2.74
1kg leg of lamb	\$6.99
2kg Woolworths bagged carrots	\$3.49
<b>Groceries total</b>	<b>\$71.30</b>

##### Transport

Registration – 4litre car yearly rate/52	\$8.50
42 litres unleaded petrol	\$37.70
4 x Adult concession bus fares	\$5.20

<b>Transport total</b>	<b>\$51.40</b>
Health and Medication	
2 x PBS scripts	\$7.00
100 Panadol tablets	\$9.95
<b>Health and Medication total</b>	<b>\$16.95</b>
<b>Total Costs</b>	<b>\$232.40</b>
<b>As a percentage of income</b>	<b>72%</b>