

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into Food Security in Victoria

Melbourne – Wednesday 21 August 2024

MEMBERS

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Michael Galea

Renee Heath

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John Berger

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David Ettershank

Wendy Lovell

Sarah Mansfield

Richard Welch

WITNESSES

Zyl Hovenga-Wauchope, Executive Officer, and

Amanda Chan, Advocacy Coordinator, Financial Counselling Victoria; and

Rachna Madaan Bowman, Financial Counsellor, South East Community Links.

The CHAIR: Welcome back to the Inquiry into Food Security in Victoria. Joining us for this session from Financial Counselling Victoria are Rachna Madaan Bowman, Amanda Chan and Zyl Hovenga-Wauchope.

Before I continue I just want to read this section for you regarding the evidence you are going to provide to us today. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore, the information you provide to this hearing is protected by law. You are protected against any actions for what you say to this hearing, but if you go elsewhere and repeat these things those comments may not be protected by this privilege. Any deliberate false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with the proof version of the transcript following the hearing. The transcript will ultimately be made public and posted on the committee website. For recording purposes, could you please state your full name, your position and the organisation you are with.

Rachna MADAAN BOWMAN: I will start. I am Rachna Madaan Bowman, Financial Counsellor at South East Community Links in Springvale.

Amanda CHAN: I am Amanda Chan, Advocacy Coordinator at FC Vic – Financial Counselling Victoria.

Zyl HOVENGA-WAUCHOPE: I am Zyl Hovenga-Wauchope. I am the Executive Officer of Financial Counselling Victoria.

The CHAIR: Thank you very much for coming in, and welcome. Before we proceed, I will just quickly introduce the committee members to you. My name is Trung Luu. My Deputy Chair is Mr Ryan Batchelor. This is Mr Aiv Puglielli and Dr Renee Heath, and on Zoom you have got Mr Lee Tarlamis and also Ms Rachel Payne.

I understand we have got your submission, but I invite you to make an opening statement before the committee asks any questions.

Zyl HOVENGA-WAUCHOPE: Thank you very much for having us, members of the committee. My name is Zyl Hovenga-Wauchope and I am the Executive Officer at Financial Counselling Victoria. Financial Counselling Victoria is the peak member body for the profession of financial counsellors in Victoria. We work to support our members by providing them with their accreditation and their professional development, and we also work with our members to understand what they are seeing in what we term the front lines of hardship in communities across the state. So what we do is we work with them and learn from the insights of the 23,000 clients that they support every year to understand what is going on in the communities.

What they have been seeing has been a bit of a rehash of a lot of things that I am sure you are well aware of. Inflation has been quite high. Mortgage rates have been high. Housing has been very difficult to access. There is a perfect storm of a cost-of-living crisis or an affordability crisis in the community. The impacts that they are relating to us are that many people are really struggling to afford the basics. They are struggling with debt. They are struggling with personal credit card and buy now, pay later debt. They are struggling to pay their rates. They are struggling to pay their utility bills. And of course they are struggling to pay for food because for many families food is one of the things that gets stretched first so that they can keep the lights on or they can keep a home for themselves and their families. Those people who are seeking support therefore from financial counsellors have been putting a lot of pressure on the financial counselling profession to meet the needs of the community and to meet the growing demand and the growing complexity that financial counsellors have been seeing. In previous years, outside of this cost-of-living situation, when people have come to a financial counsellor it is often been focused on one or two issues, but as this perfect storm of an affordability crisis has

developed, many people have many issues that financial counsellors are there to help with, and that is really contributing to growing case complexity and growing wait times to see a financial counsellor.

Some of the big impacts are if people are having difficulty to see a financial counsellor, as wait times for many agencies are in the sort of 12 weeks and upwards mark. Some agencies have had to close their books, although we are hoping that next year will see a bit of an improvement because of some additional funding to the sector. But the challenge for those people just in finding a financial counsellor to see is it might mean the difference between them getting a hardship arrangement or it might be the difference between them getting in contact with their bank, their mortgage provider, their rental provider or getting access to a local community sector service that can help them to access food or other supports that they are entitled to and can get support from. With the developments in these whole range of spectrums of hardship in the community we are also seeing what we are terming the changing face of hardship, which is new cohorts of people across the state, people who we have not seen before, who are needing help. That is particularly people with mortgages, people potentially with dual incomes, but the fact is that people who are on the lowest incomes are also going to be the most vulnerable and face the most difficulty.

There is a huge toll on the communities across the state, whether it is metropolitan or regional, whether it is migrant communities. Every part of the community is experiencing these challenges, and there are major impacts on themselves and their families as well. What we are really concerned about from that is the tolls that are being placed upon their physical and mental wellbeing along with their social connection, their educational attainment and general economic disengagement. That is what we are really worried about. I am now going to pass over to Rachna to give us more insight from a financial counselling perspective.

Rachna MADAAN BOWMAN: Thank you, Zyl; and thank you, committee members for your time today. As mentioned before, I am a Financial Counsellor at South East Community Links working in the most socio-economically disadvantaged area of the south-east region of Melbourne, so Dandenong, Springvale, Noble Park and the Casey–Cardinia region. I have been working as a financial counsellor for 13 years now and supporting the most multicultural communities with their financial hardship.

Within the community I work in, any small change in a person's circumstance or in the social and economic environment can lead to crisis. We also have the largest financial counselling service for multicultural communities, and for our community wellbeing, which delivers emergency relief, the demand has been going through the roof. We provide food vouchers or food parcels to community members going coming through our doors every two months compared to another service that is in our area, which is a larger service provider, which only assists once every six months. We are regularly hearing about how people are unable to purchase healthy and nutritious food to the quantity their family needs, due to increasing food prices, fuel prices and increases in private rent. As Zyl mentioned earlier, the cost of housing has gone up substantially: 13 interest rate rises are no small feat to consider for any household to start making those extra repayments.

We also conducted a survey earlier this year, with over 200 of our service clients coming in: 97 per cent of them told us that it was getting harder to afford food, and the same number were concerned about their ability to afford basic necessities over the next 12 months. So from my perspective I will say this is becoming a human rights issue where your access to food and shelter is being limited due to the cost-of-living crisis. Alarmingly, 12 per cent of those clients who had children were having to send their children to school without lunch. The large majority of people were needing to seek emergency relief in the form of food parcels and vouchers, others were purposely reducing their water and energy usage and nearly half had gone without meals. The utility prices have gone up 30 per cent, and people have had to make a choice in turning their heating on in cold Melbourne weather or having to pay their bill or put food on the table.

I can also tell you that the demand for frontline services, such as our emergency relief support, has gone through the roof, including a 22 per cent increase in single-parent households coming to our service for assistance; a 10 per cent increase due to increased medical expenses, so people have also had to make tough choices whether they go and see a GP or a specialist or they pay their rent that day; a 10 per cent increase due to rental increases; and a 78 per cent increase due to mortgage stress – the new changing face of hardship, as Zyl mentioned earlier.

I recently spoke to a woman. She is earning over \$120,000 a year and she is struggling to make ends meet. This is the reality of people coming through our services. It is distressing to have to support them or go through the

options such as, 'You can't afford to keep your house. You will have to sell.' However, how do you tell them to sell when the rental market is so tight that they cannot even go and rent? As Zyl touched on before, the impact on mental health is not just for adults. The flow-on effect on children is quite profound – having to go to school without lunches or having to cut back on their extracurricular activities, which are so important for their mental health and wellbeing. It is all coming down.

In the interests of time, because I also need to give Amanda the time to speak, I do have a pack here for the committee members today. We have case studies here, and I am also giving you some budgets that we have done with a community member's statement of financial positions, as we call it. It is all red. There is no money. Thank you.

Amanda CHAN: Thank you, Rachna. I am Amanda, the Advocacy Coordinator at FCVic. I just want to give a bit of a policy angle to what we are talking about today. Research out of Deakin University has shown that a healthy diet costs over \$600 a fortnight for a household. When you couple that with the weekly median rent across Victoria, being \$550 a week according to DFFH data, and approximately \$300 a month in utility costs according to Canstar research, and once you add on transport, medical, insurance – any other costs associated with having a family or a household – you can really see how life quickly becomes unaffordable for many households. I think the statement of financial positions that Rachna will be providing you with really attests to that.

I think what is really important is that you can see that food security does not stand alone as a social issue. Social problems are interconnected and they are intersectional, so to address one you have to address them all. We are not economists; we work in the community sector, so we cannot tell you which economic levers to pull. But we can tell you what social services and what systemic structures can and should be addressed to have the most significant impact on the most vulnerable communities.

You have all received our submission. To kind of reiterate those headline recommendations, the first is to increase access to healthy staple foods. That could include things like a wholesale investment into school breakfast and lunch clubs, to increase funding to emergency food relief services, to look at incentivising commercial and corporate investment into reducing food waste and to consider what kinds of regulatory levers you might have within your government powers. We recommend investing in both frontline and preventative social services, so frontline services such as financial counselling, emergency relief, neighbourhood houses, food recovery and housing and homelessness services. They address social problems as they present, but it is also really critical that there is regular investment into preventative services to help alleviate demand in the long term. We are looking not just at short-term problems but long-term solutions as well.

I think a really critical part of addressing the financial position that many households find themselves in is not just looking at the outputs but at the inputs as well. What kind of role can the state government play in advocating on increasing household financial inputs? What conversations can you be having with federal government around raising the rate of JobSeeker and other social security payments? What kind of role can you play in advocating for wage increases across the board as well? Thank you.

The CHAIR: Thank you so much for your submission today. Ryan.

Ryan BATCHELOR: Thanks, Chair. Thanks very much, everyone, for coming in. Obviously the submission is interesting, and I look forward to reading the additional material. You obviously put a range of suggestions to us on the table. I am interested in whether you think that raising inputs into a household, increasing wages and social security, or controlling the outgoings, controlling prices, would be the most effective or preferable approach?

Amanda CHAN: I think they really need to go hand in hand. I mean, I think what has been shown in the past is when inputs are increased for low-income households that goes directly into the essentials that they need and it goes directly back into the economy. We saw that during COVID when the COVID supplement ensured that households could actually pay for the things they needed. They were able to catch up on utility debts, on any other household debts and it went straight back into the things that households need. So you cannot just look at the outputs. You kind of need to do both simultaneously.

Ryan BATCHELOR: When you talk about guaranteeing a basket of staples, what do you mean and how does government determine what an individual needs?

Amanda CHAN: This has been done overseas in a few European countries. I think Greece, Hungary, et cetera have kind of defined a basket of household goods. They look at staples like flour, milk – kind of pantry-type staples like that – apples, potatoes – your kind of general staples that a household might require. We cannot tell you what those staples are.

Ryan BATCHELOR: Why not?

Amanda CHAN: We would suggest that looking at those examples internationally would make sense. I think there have been conversations in other states as well – Queensland – about what that might look like, but I think there needs to be kind of more widespread consultation with food relief groups as well as to what they are seeing their communities are requiring.

Ryan BATCHELOR: Because we have heard about the need for food relief and supports to be culturally appropriate.

Amanda CHAN: Yes.

Ryan BATCHELOR: There is always a danger that defining a narrow-based basket of goods that is available on a fixed price basis might not meet the culturally appropriate needs of various communities. Do you think that is a risk in government taking this sort of action?

Zyl HOVENGA-WAUCHOPE: If I might, I would say it is certainly a risk. But that is where really, for us as representatives of the community sector, there are already community-based organisations that are navigating those challenges with respect to their communities. I know for South East Community Links, I think it is about 25 per cent of the client base is Afghan. You know, they are very well attuned to the needs of their communities. What I would suggest is potentially rather than trying to do a one-size-fits-all model in a central location, actually looking for partners in the community to listen to what their community's needs are and who is coming for support, so that then they can make those kinds of adaptations.

Ryan BATCHELOR: So you do not think there should be a statewide price for household staples?

Zyl HOVENGA-WAUCHOPE: I think this is where we were quite careful actually with the wording. I think there are lessons to be learnt from that approach, to recognise that this is a very substantial issue of access to food. As Amanda noted, we are not economists, and we are not trying to position ourselves as necessarily economists having considered all of the macro-economic dimensions of it. What we are trying to focus on is the fact that in the context of a very difficult cost-of-living situation for many people, people with the least resources will need additional supports, because we really do not want to see members of our community going hungry at all. What we are trying to focus on when we are thinking about the lessons from those kinds of trials and investigations is to investigate how to partner with the community organisations that are already providing food relief, to potentially expand those, to think about the prices that are being offered and that are being fed into those programs. But I think what we were trying to say was: have a look at those as options and think about how those models work and think about how to ensure that the households with the least means are still receiving an appropriate amount of food that is also culturally appropriate.

Ryan BATCHELOR: Given the complexity of undertaking a fixed price basket of goods model as you yourself have advocated, that you cannot give us advice on what that should look like and you think it should be different in different places, do you think that a more effective and faster approach would be to increase household inputs – make sure that individuals and families had a sufficient income, whether that be through social security or wages to make sure they could meet their daily cost of living?

Zyl HOVENGA-WAUCHOPE: I think absolutely that is probably the best way to go about it. I guess we are also conscious that on a state level you do not set the Centrelink government support payments, but with a lot of the social services provision you actually do provide a lot of funding to those community sector organisations and therefore to the families that are really doing it tough in many communities. So yes, we would really advocate for increases to things like the rate of JobSeeker, Newstart or whatever the hell it is called these days – it keeps changing. The support payments to people who need it really ought to be increased to meet the ability for them to actually cover the everyday budget of people on not very substantial incomes.

Ryan BATCHELOR: Thanks, Chair.

The CHAIR: Thanks, Ryan. Aiv, do you want to continue?

Aiv PUGLIELLI: Thank you, Chair. Good morning, and thank you for your submission and for coming in. I might pick up where we left off. It would be really great to hear you talk about the need for input and output strategies to go hand in hand. Obviously what we saw during the pandemic period when we had that input going to households without more control on the output end was a whole lot of profit being made by corporations when that money flowed through into the market and the importance of having both measures in play at one time. In your submission, as has been spoken about, you included bringing down the price of healthy staple foods, ensuring people can continue to feed themselves and their families. Instating an option to address that may be to implement, from international examples, the household basket approach where staples are sold at fixed prices. Now, following on from the conversation we have just had, in determining what those things are – like, government maybe has forgotten how to do this – there is consultation with the community, right? That is how we work out what those items are, I would think. And what was the 97 per cent figure, Rachna, that you gave?

Rachna MADAAN BOWMAN: The 97 per cent figure that I gave was people who were finding it harder to afford food and were concerned that they cannot keep going at the rate that they currently have to manage.

Aiv PUGLIELLI: A shocking number.

Rachna MADAAN BOWMAN: It is.

Aiv PUGLIELLI: When we consider that statistic, I mean, what has underpinned this suggestion, given the work you do in the community? Just in terms of why you are suggesting a measure like this.

Rachna MADAAN BOWMAN: May I add –

Aiv PUGLIELLI: Please do, yes.

Rachna MADAAN BOWMAN: I think the points that Amanda and Zyl have raised are definitely points to start with. We need to start looking at how we can deliver emergency relief or food security and learning from different countries how it is done. How we adapt our model to our country is going to be very different because we are the most multicultural nation in the world, so we have to factor in what the needs of the community are; different areas – you know, the north is different to the south, to the east and to the west, so we kind of need to look at what the community needs at that time; and then working with corporations in understanding how they can support it, right? The duopoly that we have in the supermarket absolutely creates a barrier for people in accessing healthy and affordable food. Even with emergency relief, it is a full-time job for someone to go from one service to the other to be able to gather enough food so that they can feed their family.

I can say with a hand on my heart – and I do not know about you – that I have changed my shopping habits. We have all had to look at how much we are spending at the supermarket at the check-out. What is the cost of goods that we are paying? A can of tomatoes is \$1.50 – do I support an Australian-made can of tomatoes or do I support an Italian-made can of tomatoes? How do you make conscious choices when you do not have the choice, the ability to make a choice, because every dollar and every cent matters these days? I think there is a huge opportunity here for community consultation. We have to look at a co-designed approach because without that we are dictating what we want from the community or how we want the community to behave rather than looking at it as a social issue that we all have a role to play in.

Aiv PUGLIELLI: Thank you. From the conversation that has just been had and the complexity of the issues we are talking about, do you think there is a risk, from the perspective of the state government, that in acknowledging the complexity of the issue, action is then not taken because it is too complex? Do you think that is a risk we are running against?

Zyl HOVENGA-WAUCHOPE: Look, absolutely. The challenge with a cost-of-living crisis, as we mentioned before, is that no one thing is the only factor contributing to food insecurity in the state. Again, from our perspective as representatives of the community sector, we are very concerned about the state's most vulnerable people, their families, their cohorts and what the impacts are for them on that whole nexus of issues across the cost of living and then the impact on their ability to access food. Food is an essential good. Just look at Maslow's hierarchy of needs. We have got so many things that are really hard for people to access that are so

fundamental to their ability to survive in our communities. What we are really concerned about, and where our expertise lies, is relaying what our financial counsellors are seeing and the impacts on those families and those community members of these challenges. While we would not suggest that there is one – I mean, we were talking about this; there is not a panacea. There is not one thing where there is this one weird trick and then it is all solved. But at the same time we think that it cannot be the case that in Victoria in 2024 there can be so many people who cannot feed themselves and their families. In that context we do think there needs to be more government action to respond to this situation and ensure that people have the food they need.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you. Renee.

Renee HEATH: Thank you. Thanks so much for your submission and also for coming today. A few witnesses we spoke to yesterday were talking about how – the way it was framed seemed like when you are going through a difficult time and you get referred to a financial counsellor it can feel a bit like a slap in the face. What would you say about that? And why is it important?

Rachna MADAAN BOWMAN: It is very difficult to talk about money. We have not normalised that conversation yet. It is very difficult to ask for hardship relief. It is very difficult to accept that you have failed with money, and you are sitting in front of a stranger – a financial counsellor – and talking about your most deep personal issues, because money just does not come in a silo. There are so many interconnected issues. You may have family violence, you have mental health, you have illness, you have had the sudden loss of a loved one, and then you have to grapple with, ‘How do I do this?’ With the lowest rates of financial literacy in our country, and also speaking from a multicultural background, people do not know that they have a right to ask for hardship, so it is always harder to have those conversations. I think once they sit in front of a financial counsellor and they are able to understand that they have rights and it is okay – this is not the end but it is the beginning of financial recovery – it really changes the perspective. Then to see an outcome come out of the advocacy or the negotiation of the financial counsellor and working with the financial counsellor – we work in an empowerment model, so we are not doing everything for a person. They are coming on a journey with us and learning certain skill sets along the way so that they do not find themselves in that trap again. And when you tell them that there has been a hardship that has been approved or a debt that has been waived, or if a debt was not legally binding because they never understood the terms and conditions of it, and they have a way to navigate that system, it is amazing. The demeanour changes. I am really passionate about what we do as financial counsellors, and it is life changing for people to come and sit with a financial counsellor.

And just to add to that, the way South East Community Links has been addressing the destigmatisation of asking for financial hardship is we have been running ‘bring your bills’ sessions, and we started running them last year. We have our eighth event coming in Pakenham on 24 September – sorry to plug that – and we are also running our first ever First Nations ‘bring your bills’. What that is showcasing is that in the last year alone we assisted 1000 people.

Renee HEATH: And what are they bringing it for?

Rachna MADAAN BOWMAN: There are service providers there. We have got utilities, telcos, ombudsman services and Centrelink there, fines, sheriff – every place that a person has an intersection with money, the services are there. Community members are coming in droves, and they are getting that one-on-one human contact with a service. That is so difficult to get when you are engaging only by digital means or phone lines, when it does not work for the community. They want someone to listen and give that rapid response and practical advice that they need. For some people it is getting a part of their debt waived, being told that they are on the wrong plan and ‘Let’s put you on a different plan’, setting up arrangements for fines or giving them advice about their housing rights and what they can do with Consumer Affairs Victoria. It is massive. It is absolutely life changing for people to come in and for the first time, when you see so many people around you, you get a sense that ‘I’m not alone in this.’ And that is the biggest thing: how do you normalise this conversation?

Renee HEATH: I think that is really important. You have been talking about how food insecurity, I think you said, is not a standalone issue, and we have got all those factors – energy costs, rental costs, all of those

things – which we cannot change. In terms of financial literacy, I wonder – and I have no view on this – should it be something taught in schools or something earlier on? Do you have a view on that?

Rachna MADAAN BOWMAN: I have a very strong view on it.

Renee HEATH: Please tell us.

Rachna MADAAN BOWMAN: Is it okay?

Zyl HOVENGA-WAUCHOPE: I will have something to say too.

Rachna MADAAN BOWMAN: Absolutely.

Renee HEATH: And what do you cover as well? In your answer, answer that too if that is all right.

Rachna MADAAN BOWMAN: I think what needs to be covered is at different levels. We need to look at what you teach in grade 1, what you are teaching in grade 5, to 10, to grade 12, but just teaching people, teaching young kids to talk about money, how to save. I think in Australia as an economy we do not teach young people how to save. We do not even teach adults how to save.

Renee HEATH: No. I will come to that class.

Rachna MADAAN BOWMAN: How to not get into a debt trap, what does it mean to get a first car, your first job, how does superannuation work – there are all these things that we need to teach at school. Not everyone has the privilege to have dinner-table conversations with their parents and understand financial literacy. There is a stark difference in conversations in Toorak compared to Dandenong. So how do we create an equal system so that everyone has a right to engage in it from the very beginning?

Renee HEATH: That is wonderful.

Zyl HOVENGA-WAUCHOPE: I absolutely commend and agree with Rachna on all those points that she has made. I guess just in terms of the big picture on that policy issue, it is something that we as a sector have been pushing for and trying to get across for some time. It is something that, at hearings like this or when we go and meet with other stakeholders, always comes up because I think there is a very broad level of support across really the entirety of Australian society saying, 'Hey, we really need to be thinking about how we're teaching this and making sure that it's being learned.' It has proven to be a really big challenge to be incorporated into the Australian educational framework, and that is a federal policy in terms of how that framework works; even though we have got our own curriculum here, there are still certain standards it has got to comply with. Very famously – I do not know if you are aware of Scott Pape, *The Barefoot Investor*. He invested substantial amounts of money into a program to be rolled out to schools across the country. He was ready to pilot it. He had the Prime Minister say that it was great, 'Let's go and do it'. That still failed because of difficulty getting it incorporated into the framework. And part of that is because there are so many people and so many programs and so many ideas that want to be brought into schools, but part of that is just in terms of what is already in the curriculum. So yes, we really support it, and we want to be partners in making it happen, but going back to that, it seems to be a really big challenge that everyone is supportive of but no-one is quite sure how to make happen.

Renee HEATH: Yes. I would love to talk to you about that at some stage if you are available.

Zyl HOVENGA-WAUCHOPE: Please do.

Renee HEATH: Wonderful.

The CHAIR: Thank you very much. Lee.

Lee TARLAMIS: Thanks, Chair. Thank you for your submissions and for coming along and talking to us today. I know we have spoken a lot about financial literacy, and I think that has an important role to play in terms of addressing some of those multiple issues where people have got themselves caught up in different circumstances with different providers and that is also impacting on their ability to have available funds for food. In terms of the 'bring your bills' day, I was at the last one in Greater Dandenong, and they had 322 people attend across the couple of hours they were operating. It was due to start at 11 o'clock and they had 60 people

queueing up. The interesting thing there is people might have been coming in about a particular fine issue, but when they came in and saw that there were multiple providers there, on average they were actually addressing four or five issues and basically getting on top of whether they were on their best phone plan, whether they were claiming concessions – water concessions and various other concessions they have got – and all those sorts of things. Many of them, from having conversations with them, were walking away having created a circumstance where they had actually freed up some funding that would now assist them to be able to go out and put food on the table, because they were struggling to pay their bills and they can now sort of [Zoom dropout]. So I think that financial literacy cannot be overstated. But also I think we should be investing more in organisations like SECL and the many others out there who have those local co-designed programs that can reach deeply into the community and identify what issues are impacting them. They can pivot more quickly because they are deeply embedded in those communities and also they have that trust – because they built that trust in the community is why so many people come to them to address issues. That is probably more of a statement rather than a question, but I think if I threw one out you would say more support in those sorts of areas so you can consistently keep those programs going would be important. I will just put that out as a comment, if anyone wants to comment on that.

Rachna MADAAN BOWMAN: I love when I have an advocate in the room.

Zyl HOVENGA-WAUCHOPE: I am happy to provide a comment. I think, reflecting on your commentary there, Lee, it is very clear, obviously to us – although again, we are here on behalf of the community sector and financial counsellors – the community sector is the front line in providing hardship relief to people doing it tough. To your point, Lee, therefore they are really the best partners available to respond in times of difficulty, to kind of surge to some degree in the face of really increased difficulty and challenges. One challenge for community sector organisations is that there is often a desire or behaviour from governments of all stripes and all departments to go, ‘Here is one problem. Let me do some short-term funding now. Bang, here’s a program. And then in a couple of years you can come begging and we can kind of negotiate it.’ We have gotten out of the news cycle, gotten out of the political cycle, and it is sort of not so much of an issue.

One of the challenges that actually provides for the community sector is that there is a lot of insecurity – job insecurity, work insecurity, program insecurity – that has an impact as well on the delivery of services and good-quality services. So I think everyone recognises that there is a lot of value and everyone should look to the community sector as really valuable partners who really want to work with government and work with communities to make sure that the relief is provided, but we really encourage that you do so in really long-term ways, thinking about what are the long-term impacts of how this will work and thinking about how community sector organisations are supported in the long term to deliver a consistent service for their communities. There is always going to be some kind of balance between surge and consistency, but sometimes it errs a bit too much on the surge side and not enough on the consistency site. That would just be my only comment on that.

Lee TARLAMIS: Just a follow-up on that. You mentioned surge and having that ongoing consistency so that they do have the ability to upscale where they need to in particular areas, but I think the important thing, as you state, is having the organisation there with a program that is running that can scale up. Because if you stop and start, you lose that continuity, you lose that trust – that is the thing. Then basically when you do need to address a particular need, there is a lag in terms of addressing it because you have got to find someone, train them up, get them in place and that sort of stuff. So I think identifying a model that enables that to kind of have the base level there, so it is easier to surge when you need to because of the particular needs of the community.

Amanda CHAN: To kind of give you an idea of what that looks like on the federal level, the Department of Social Services has recently announced that from, I think, 1 July next year all funding contracts will be five-year terms, to kind of give that certainty and continuity. That is something that we strongly suggest the state government consider as well to give the community sector some stability.

The CHAIR: Thank you, Lee. Rachel, would you like to ask questions? If not, I will get to ask a couple of questions.

Thank you so much for coming in and for your submission. One thing that you mentioned – with people coming for your assistance you mentioned inflation, interest rates, mortgages and cost of living, which are all contributing factors, including energy and utilities, which have risen quite dramatically. I will bring you to one of the recommendations you put forward. I do partly agree when you say ‘ensure that people can continue to

feed themselves' and ensure families have options, but the second part of the recommendation is about ensuring that 'staples are sold at fixed prices'. I just want to ask you. That is basically looking at supermarket prices, but have you ever considered that with food products and producing food, regulating one end would also flow down to manufacturing and they will bear the cost as well, so it will not just be the supermarket that will be fixing the price – that will pass down the chain. So instead of having that, have you considered increased competition, which will bring prices down, instead of fixing the price? I just want to throw it out there to see what you think of that.

Zyl HOVENGA-WAUCHOPE: Absolutely. We talked about it a little bit. Where we are again trying to situate ourselves is that the basket of goods model provides a way for people with little means to access necessary food to sustain themselves. It is not a suggestion that all people across the state have to be bound to purchase that and only that. It is that the government could identify a basket, and it might not be appropriate to say that basket shall be like a hamper in the middle of a supermarket in your local community. It might be actually that in identifying a basket of goods the government could partner with the community sector to purchase in bulk, get some bulk discounts available and provide those foodstuffs not free but at cost or at a heavily subsidised cost through community sector organisations. That would provide a support service different from the free food banking service and also different from the standard private market, and that might provide a model that would not actually introduce any of those anti-competitive effects that you have described.

The government already is involved in a range of programs across the state to provide food, whether it is in hospitals – hospitals have to negotiate to get lots of food to provide for patients and there is a degree to which you could argue that that introduces some kind of anti-competitive activity. But so long as it is a marginally small proportion of the overall purchasing activity in the state it is likely to not introduce a substantial effect on inflation or perverse incentives within the sector. The basket of goods model could be applied through the community centre organisations. That would mean that the resources to provide food to communities would be greater but again without necessarily introducing any of those anti-competitive, overly regulatory effects that you are quite rightly concerned about.

Rachna MADAAN BOWMAN: If I can just add to what Zyl is saying, at present we buy our food from Foodbank and Woolies in the emergency relief, and it costs us a lot of money to be able to buy just staples. Even going to Aldi does not help. A lot of people coming to our service have not eaten for days, and if you have not eaten for days and you are sleeping in your car, you are quite heightened and you are quite distressed, and if we turn them away and say, 'We can't actually afford to give you food,' that escalates the situation. Off our own bat we have cup noodles so that if you are hungry, we will give you those. We have muesli bars. These are some of the things that we do off our own bat, but I really wish that we had a pantry so we did not have to turn people away.

Turning someone away at that time when they are at their lowest is like you are kicking them in their guts again and telling them sorry. And then they have to go somewhere else, and then they do not have petrol or a Myki card to travel somewhere. There could be health issues. It is like a downward spiral. I think there is more that needs to be done in addressing this. Even in community organisations, we do not have a fridge. We are right next to Dandenong Market, but we cannot get food from Dandenong Market, from the vendors who want to donate food, because we do not have the ability to purchase a fridge so we can open our doors to the public and say, 'Come in and use whatever you want to use.' Then there would be no shame because you could just walk in and you would not have to tell your story, because sometimes you just do not want to.

The CHAIR: Thank you. Are there any more comments? I am conscious that time is beating us at the moment. I will say thank you so much for coming in, providing your submission and giving us direct evidence about what you have experienced on the ground with actual people seeking assistance. We will definitely take your submission into consideration in relation to our recommendations going forward, especially in relation to investment for social services ensuring a holistic approach and also increasing financial input for individuals. Thank you very much for coming in.

Witnesses withdrew.