

Ruby Hutchison Memorial Address 2017

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When Alan first rang me to suggest that I come and deliver the lecture tonight he said you know, 'Come we want you to come, you're a woman, you've got insights on all these new markets'. I think it was about quarter to 5pm, and I had to dash because I have to do the 5pm day care dash every day to go get my toddler, and I said Alan, "I just don't have time for this. I'm a full-time working mum and I have a toddler, go away."

But Alan is a very persuasive man and he persuaded me that there would be a benefit in me coming on tonight and sharing some of my insights on some of the new markets that I've been writing about. And I think that there are definite challenges and definite opportunities for you guys as protectors of consumer interests and as regulators to really take a look at.

So Alan also mentioned that I did work briefly at the ACCC and there's actually a few faces that I definitely recognized from that time. So just out of uni in 2004 I joined the ACCC in the small business section to start with and then in mergers and adjudication. And all I remember was some bloke called Twiggy was trying to build a railway in West Australia. I can't even remember if he built it now but I certainly had a good time and it was a good start to my career.

I remember standing, the Canberra office back then was in Dickson, which I'm sure many of you would remember, and I was standing under that magnificent soviet-style building that we had there in the car park when I got the call from the SMH to say you've successfully got a cadetship, and off I went. I left but I definitely left on good terms, and it's great to be back with you today.

So I want to start by telling you a story. And I want to take you back; I want to take you back to 1909. We're in a small gold mining town of kilometers out of Perth in Western Australia, and a girl aged 17 is getting married. She's in her father's home; she's a good Catholic girl.

They have a small ceremony, and she marries a gold miner several years her senior. They go on to have seven children: three boys and four girls. But by the age of 31 the woman's husband has left her, by the age of 36 she goes to the courts to have her marriage annulled, and in the documentation that we have from that court proceeding the woman tells the court that the husband was never interested in the children. That she had always been the sole provider for the child and that the marriage was irreconcilable.

The woman spends the next 10 years - so at age 36, which is the age that I am now, which is what was so striking to me - she spends the next 10 years of her life raising those seven children making ends meet. We heard - and I think you know where I'm going with who this is - doing dress making and taking in boarders.

At the age of 46 she takes her second husband and takes his name: Hutchison. And of course becomes Ruby Hutchison, who we have come here tonight to celebrate. And in all the achievements that must have been celebrated over the years in this lecture, the fact that at the age of 49 she took herself off to Business College and at the age of 62 that she won a seat in the West Australian parliament and became the first woman in that legislative chamber...

I just go back to that early story of her life and I think what an incredible woman she must have been. Seven kids - I've got one and that is plenty, let me tell you. And to make a living for 10 years on her own, I just think she was a remarkable story and she was a remarkable woman and went on to achieve so much in her public life. But I think it's also fantastic to celebrate her private achievements and what a fantastic mother she must have been to get through all of that.

So my topic tonight to talk to you about is consumer rights in the new economy and so I've taken you back to 1909 - let's fast forward to today and there have been huge changes as I'm sure you know in our economy over the past century or so.

When Ruby was standing in her father's house saying, "I do", agriculture employed about one in four

Australian workers and manufacturing employed another one in five. Services, people performing services and selling those, only made up about fifteen per cent of employment.

Today about eight or nine in every ten Australians works in services, so that's a massive shift and we spend a lot of time talking about the decline of manufacturing and focusing on that, but what we really need to turn our minds to is what's come up in its place and this growth of the services economy. And as I'm sure lots of you in this room have grappled with, this presents entirely new challenges for regulators and for those who seek to protect consumers purchasing these new sorts of things.

So I wanted to just outline at the start a little bit of basic economics I'm sure you all know but if you pick up any economics textbook 101, you get a pretty good idea for what makes a good market. And that's what we're all here, we want good efficient markets that allocate resources effectively. I think economists do sort of just assume that free markets deliver that - it's not always true and you need four things to make a good market.

You need lots of buyers and sellers, you need low barriers to entry for new sellers, you need a product that you're selling that is fairly homogenous, and of course everybody needs to be very well informed and have access to perfect information about the features of that and quality of that product and the price.

So that all sounds like a really good idea and when we've been dealing with an economy that's based on producing products and selling those we meet quite a few of those conditions that you have a clearly defined product, it's a widget if the dishwasher, you can read the features. You can look at it, you can take it home, and you know if it doesn't work because it doesn't clean your clothes.

And you can be fairly well informed as a consumer. The markets that we traditionally have been dealing with don't do so well in Australia on the number of buyers and sellers we tend to have product markets to go into two or four banks or groceries sellers, or petrol retailers. But the problem has mostly been that, and not that it's been particularly hard for consumers to figure out how much a dishwasher costs or whether it works.

The big challenge now with the move towards the services economy is the situation is reversed in a lot of the services markets that I'm going to talk about. So housing, childcare and disability care are of the three things I really want to talk about tonight. You've got no shortage of suppliers.

There's no shortage of people who think they can look after a kid, look after a disabled person, or you know rent out their house to someone. But the problem is that the product they're providing isn't homogeneous and consumers have a really hard time trying to judge whether the service is going to match their needs.

So we've got a real change in the problems that consumers are confronting and obviously that's something that you guys, as supporters of consumers and as regulators, are going to need to keep up with. So now I'm going to go into a shopping list of my three biggest bug bears and things I want you to fix for me, because I have the microphone.

My number one - and if you've read any of my columns you'll know that for several years now I've been writing about the benefits of renting, how it frees you up to move, to find a job that you need, you know the advent of 3m hooks means you don't even have to worry about asking for a nail in the wall. And as I've been writing those articles, house prices of roughly doubled, and as it turns out it was a really bad idea. Not that I ever really had the money to buy, but if I could go back and write those things again I probably should have told everyone to go and buy immediately. But I didn't so I know I'm part of this, I'm part of the generation who will be renting for the foreseeable future if not forever and in preparing for the speech and in getting a chance to look at Ruby's life I was really taken by what a passionate advocate she was all those years ago for the rights of tenants.

And we do know, I was looking at electoral roll data that in that 10 years that she was a single mother, she did move many times. I couldn't quite figure out whether she ever owned or if she was always a tenant but she definitely suffered from the sort of insecure housing that lots of Australians - and not just young Australians, many older people too - are suffering in the private rental market.

So CHOICE has done some fantastic work on this and I commend you for it, there was a survey of renters in Australia in which I think was the first of its kind to really ask renters what's it like to be a renter today. And I think I was pitching this story to my editors when I came to write it as fear and loathing in the private rental market, because it's not pretty. It's not surprising, but it was not a pretty picture. Half of the tenants that were surveyed by CHOICE said that they faced discrimination when they were trying to find a place to live, one in five lived with either a leak or mold on their walls because they were too scared to ask for repairs, and half of all the renter's surveyed feared that they would be put on a bad tenants register if they fell afoul of their landlord.

So that is a lot of fear and loathing for what will be the majority of people pretty soon. According to the Melbourne Institute this is the year when the number of, the proportion of Australian individuals who own their homes will be in the minority. That always confuses people because we always talk about renters versus owners in household numbers. So renters only make up about a third of households, owner households...

Out of households, seventy percent are owner-occupied. But there's a lot of people living in those homes, their name is not on the mortgage or their name is not on the property title. So it's actually this is the year that owners will be in the minority and people renting or couch surfing or living with their parents will be the majority.

And they have so far been a rather silent majority and I think that it's time for that to change and I'm very very encouraged that CHOICE is looking in this area and I'm not familiar with anything that the ACCC has done but I'm very happy to be corrected, I look forward to that.

But just in case you were looking for something to do, here's a plan I prepared earlier. I have a four-point plan for how I want to radically reshape the housing market for renters and the fundamental problem with renting is: it is actually a service provision, landlords are providing a service, but I don't think many of them really understand that they are. You know, you've bought your retirement nest egg, you may as well get somebody in and let them live there for a little while, while you watch it go up in price, and retire into the sunset.

So the first and the most fundamental problem I have with the rental market is that it's not recognised you know this is a housing service that people are spending a lot of money on and not getting a very good deal because if someone doesn't know they're providing a service to you they're probably not going to provide you with a very good one.

So my number one of my four-point plan is not anything that any of you can do anything about, and I don't think anything is actually going to happen, but we need obviously tax reform of the housing market, and I do look forward to seeing whatever it is that Scott Morrison is going to come up with in the budget and I know I commend the Victorian government for their recent attempts to look at the problem.

But just so you know yes, we do need to get rid of negative gearing, yes we do need to reduce the capital gains discount, yes we do need to axe stamp duty, and yes we do need a broad-based land tax. But I'm not going to wait to that to happen before we try to do something else to help tenants and shift some of the power towards them.

Now there are several reviews going on at a state level of tenancy legislation and that's something that I will bring to your attention. The most important thing that I've come to believe that could help tenants is to remove from the state-based legislation the no grounds eviction, so people always want to help renters with something, think 'you just have some longer leases and then people can stay in their homes for longer, they'll be happier'.

But that's not a solution because you can just as easily end up in a home where you've got a bad landlord who doesn't want to help you and you're trapped in a longer lease. So really when you talk to the experts, if we want to improve housing services for renters is removing this no grounds exemption, because if you are a tenant that asks for a lot of repairs or says no I don't want to rent hike I don't think you should charge me that... They know that the landlord can just wait a little while, wait till your fixed period is gone, and then just kick you out for no reason.

So that is something that I definitely think needs to be top of mind. And the other, the third thing that I really want to come back to, is this idea of bad tenants registers. And I said that half of renters live in fear of being on a bad tenants registry and a lot of people that I know fear being on them. And they should be worried - we have a problem with these national tenancy databases. So these are privately run data organisations, they talk to real estate agents who do in tenants who they feel, you know, left the property in a poor state or didn't pay the rent on time or any other number of misdemeanors - and the incentives are completely out of whack, in that these private database operators, they just want their database to be bigger so that they can go to the real estate agents and say we've got the biggest database.

And if you look at some of their websites they try to sell subscriptions to their website to real estate agents by offering them box seats at the Sydney Showground or whatever it is - to see Justin Bieber or something. It's that that shonky end and if you're a group of people who are worried about shysters and shonky people, I just casually suggest that somebody needs to have a look at these private tenants registers and I'm definitely going to write some stories on that too.

Of course the real experts in this area are the tenants unions and they are going to need more resources and more support to help to help renters who are consumers too, so if I could leave you with a message on housing: renters are consumers too. They're consuming a service and they're getting a very poor one in many cases, so if you could just fix that that would be great.

My second bug bear, the second thing I want you to fix which costs me as much money as my rent each week, is my child care. So I've got one son in daycare full time, we pay a hundred and fifty eight dollars a day for him to attend care, which adds up to seven hundred and ninety dollars a week - of which I get 7,500 back from the childcare rebate but anyway - just give you the magnitude of that.

That was on par with the rent that we were paying as well, so if you want to talk about the things that are really hitting hip pockets right now, childcare for the certain section of the community who's having to pay it at this point is right up there. And I mean I think this is something that Ruby would have been very interested in. I know she grew up in a time where you raised your kids and then you had your career. Well guess what, we're doing it all, we're having it all - and we're supposed to be doing it at the same time. And we've got time to deliver speeches, so it's okay. So there's a lot of focus on childcare costs but what I want you to take away from this is that's not actually what parents are really interested in.

We're interested in quality and it's very hard to know what is a good quality childcare center for your child. So when I first dropped my Henry off at daycare he was six months old, he couldn't sit up let alone give me great feedback on the quality of care that he was receiving.

I spent quite a few mornings kind of crouching behind this glass panel that they had. The carers thought that I'd left but I was really sitting there watching to make sure that they were looking after him and I once dived back in because I saw that one of the carers was feeding Henry and another child and I thought that they were using the same spoon and we'd all get the diseases you get from daycare... Anyway complete paranoia, completely guilt wracked, completely not okay with having to leave my kid and go to work.

So if we want our women to storm the workforce, that's fantastic, if we want them to be productive and useful members of the workforce, which we do, we need to do something about childcare and something to reassure parents that they are getting the best care possible. And now two years later I'm now fairly confident that Henry is having a good time, in fact I know that he is, and he's getting fantastic care. But it was just by fluke, it just happened to be that we got into that child care center.

It was arranged through my husband's work and off we went - there wasn't a very rigorous process that went on there and I'm lucky that it turned out well for us. But it doesn't turn out well for every parent and if you really want to scare yourself as a parent go on to the state-based child care assessment agencies, and they're different in every state and that's part of the problem, and you can find stories of kids... it was a kid who was left on a bus for two hours because they sort of forgot about him and there was action against that daycare center... and all sorts of stories that you probably don't want to read but should receive a lot more attention than they do get.

And I take responsibility for that as the media, we need to turn a spotlight on that but I think there's also things that can be done from a regulatory point of view. So I mentioned there, but the main problem with childcare is that it's this overlap between state governments and federal governments - which because it's Australia that's what we do, that's the blame game that we play - so currently it is still a state government responsibility to go into childcare centers and assess them.

They're overseen by a federal agency which was set up by Kate Ellis as Childcare Minister, so if we doubt the importance of having females in Parliament, don't. That was a very fantastic legacy from Kate Ellis to set up this body which is called the Australian Children's Education and Care Quality Authority or ACECQA which I am sure that none of you have heard of, and actually none of the parents that I know have had heard of either.

And they do actually have a website where you can go on and exercise your informed consumer choice and it's called StartingBlocks.gov.au but nobody's heard of that. No parent that I've ever spoken to has heard of that. The thing runs on the smell of an oily rag and ACECQA has an annual budget of 14 million dollars a year, and I was shocked to line that up with how much the government is going to spend advertising its new child care changes, which was 16 million dollars set aside to advertise that, but less than that to fund the body which is responsible for going into childcare centers and making sure that children are being cared for appropriately and making that information available to parents.

So I've written about that, I feel quite passionately about that, it's easy to say more money more money more money. But I think we're going to need to pour some more money into really empowering parents and consumers of child care services to make informed decisions.

As we know that not only just gives you peace of mind that you're getting a good centre, but it starts to weed out the bad providers when people can access that information. And there are centers in

Australia that are rated 'significant improvement required', which is a terrible indicator and if you have your child in a center that is rated significant improvement required to get them out. But nobody knows even about those ratings so there's definitely needs to be some more resourcing and childcare, so if you could fix that too I'd really appreciate it. Even though I understand that that's not traditional areas for bodies like CHOICE and the ACCC to get into.

My third and final area that I want to put forward to you as a priority and as another service market that consumers are being forced to navigate, is the area of disability care. And I understand the ACCC has been doing some things in this space and that's fantastic.

For other consumer advocates here tonight to honour Ruby, let's talk about Ruby. She was actually the founding chair of the Epilepsy Association of West Australia which is something that's not usually celebrated about her but there she is at the forefront of consumer rights for disabled people.

And I was really interested to discover that one of the biggest remaining surviving providers of disability care in Western Australia is a group called Nulsen Disability Care, and Nulsen was the Health Minister in Western Australia in the 1950s - and so that organisation bears his name because he was a supporter of disability care, but it was Ruby who set up the meeting between concerned parents of children with intellectual disabilities - which was with the origin of that care group - and the Health Minister. So she didn't get any credit for it and the credit went to Emil Nulsen - but Ruby was instrumental in setting up what is now one of the biggest organizations for supporting disabled people in Western Australia, which I find fascinating.

And you know if you need any more encouragement to get into this area, there you have it. So we should all be interested in providing services to people living with disability I'm sure we all are but things are changing rapidly.

The NDIS I'm sure you've all heard of the National Disability Insurance Scheme is really exciting and for those of you that lose faith in our government's ability to actually implement and roll out policies that improve the lives of Australians, if you need something that helps you sleep at night and to read about in between all the bad headlines, read about the NDIS.

It's going to be one of the most radical reshapings of disability care in this country's history and it runs on principles that I'm sure you'll all be very interested in. So we're moving, completely reshaping, the

way we're going to fund care for disabled people, from a provider funding model where the money goes to the hands of the disability support organisations service providers, and putting that money directly into the pocket of the people living with disabilities themselves and turning them into consumers.

So there's going to be four hundred and sixty thousand Australians living with disability who will be registered with the NDIS when it's up and running in a few years. It's upon us, it's 2019 I think. If you think about that that's about half a million Australians about to go shopping for the first time - and if they don't need support, nobody does. And they do need support and this is what I want to talk to you about finally here.

It sounds good in theory, it sounds fantastic. Consumers can exercise choice and discipline, and reward good providers and shame bad providers and turn their backs on people who are not providing a good product. That doesn't work at the best of times with consumers and for these consumers that we're talking about; we know that of the people who will be registered with the NDIS - in the first year seventy percent of those will be suffering from some sort of intellectual difficulty, seventy percent, so the majority of people are having difficulty with intellectual processing in their daily lives, be it severe or just mild.

How are these guys going to be able to navigate the new markets that they're now being told that they are empowered consumers and they should go shopping for these services? It's a very worrying concept and without the right support there's going to be huge, huge problems that I hope will never eventuate - but that they could. So what we essentially have in a system is a huge demand shock, and so if we don't get supply to respond, economics tells us a lot of that money could just go into higher prices.

So consumers paying higher prices for their support services. That would be terrible. The ACCC knows that this is happening and has been working with the supply side of the market to make sure that that there can be supply comes on to meet the new demand and a lot of money is also being put aside to help disabled consumers know about the system, know their rights, know how much money they've got, and who they can potentially spend it with.

So this is what I think, there is a fantastic opportunity for CHOICE and the ACCC to get in there as people who have been advocating for consumers, to share your knowledge with these with these new groups that will be new consumers.

So there's money going to disability support organizations themselves to run workshops to inform consumers, there's also money going to people with disabilities themselves to spend on getting advice about what sort of services would best meet their needs, and if there's anybody who's ever done any work on financial advice and I'm sure I know that there are - there should be a red flag for you immediately, this is something that we need to make sure that disabled people are not getting conflicted advice.

For example you spend a little bit of your budget that you've been given getting advice about what services to purchase, who are you going to ask? You might ask your local disability support organization or provider and hey presto you've signed up with their service. And I feel like there is it is almost a stigma to suggest that a disability support service provider might not act in anything but the good best interests of their clients, but they might not.

And that is something that's going to need to be focused on to make sure that these new consumers are getting fantastic advice about quality products and services that they can purchase. So it's not all doom and gloom and the market is delivering some interesting solutions in the area of disability care and just one that I wanted to bring to your attention is a new website called clickability.com.au which is kind of like a TripAdvisor for disability support services.

So this just sprung up from the marketplace, it was set up by two Disability Support Workers. People with disabilities can get on there and rate their service provider and share their reviews and other people can benefit from that information. So that is gold standard and that's a fantastic innovation and somebody's got to help them with that, and there needs to be more prominence on that particular project. But I do still harbour a lot of concern that with the new scheme there's going to be waste.

There's going to be inflated prices and there's going to be shonky people out there who will try to rip off people with disabilities. It doesn't seem like a nice thing to talk about but when you have a massive new honey pot of money and there is more money going into the sector, you're going to attract some bees and I think that's something that regulators and consumer groups need to really be focused on.

Sounds like a bit of a downer - it's going to be very exciting and there is more money going into the sector and it's going to help people - but this is one we can see coming and we need to get ahead of that in the area of disability care.

So just fix housing, fix childcare, and fix disability care and I'll give you a gold star. So I bring those topics together because they are all new services that consumers and myself in particular have tried to consuming more of that.

And I keep using the word 'consumer' because although they are services they really need to be brought into the consumer rights movement, and it's very easy to rest on one's laurels and think that one is providing fantastic advice on products. Product safety and that is all very important, but this is where the money is and this is where consumers need to be protected in in the new economy.

So I am not telling you all stuff that you don't already know I hope, and I know that this is on the agenda for the Congress tomorrow, to explore some of these new markets in more depth and I'll tell you I'm very much looking forward to hearing what you come up with. And I think there is real opportunity to get ahead and help consumers in these markets, so although I'm appealing to you as somewhat of a vested interest - that I want to improve services for things that I'm actually consuming - it will actually help a lot of people.

And I was really fascinated to delve into some of Ruby's history and to find out that these are things that she... you know, I guess everybody who stands up here he tries to discern what Ruby would want... But I think she would as a single mother want good care for children.

And I think as someone who did suffer insecure housing in her lifetime she would want better support for renters. And as a passionate supporter of disability care I know that she would want for that to be a special area of focus for you. So don't just do it for me, do it for Ruby.

I hope you have a fantastic tomorrow and I hope that some of that information is helpful for you and I look forward to hearing what you come up with and I wish you all the best, thanks.