



Australian Government

The Treasury

Liaison Unit
The Treasury
Langton Crescent
CANBERRA ACT 2600

07 APR 2008

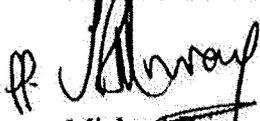
Mr Kevin Wilson
ACCC
PO Box 1199
DICKSON ACT 2602

Dear Mr Wilson

The attached correspondence from Senator Lyn Allison is being referred for the ACCC's attention and appropriate action, please.

If you have any queries, I can be contacted on 6263 2971.

Yours sincerely


Michael Price
Liaison Unit



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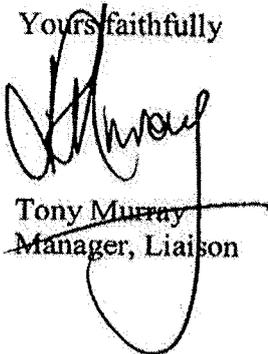
Electorate Officer to
Senator Lyn Allison
Senator for Victoria
1st Floor, 62 Wellington Parade
EAST MELBOURNE VIC 3002

Dear Sir/Madam

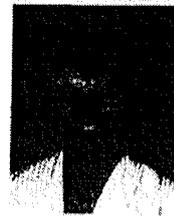
I acknowledge receipt of Senator Allison recent letter to the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs concerning Mercy Ministries.

As the matter falls more directly within the portfolio responsibilities of the Australia Competition and Consumer Commission, your correspondence has been referred to them for their attention.

Yours faithfully



Tony Murray
Manager, Liaison



6016

SENATOR LYN ALLISON

Leader of the
Australian Democrats
Senator for Victoria

PARLIAMENT OF AUSTRALIA - THE SENATE



Hon Chris Bowen, MP
Minister for Competition Policy and Consumer Affairs
M 1 24
Parliament House
Canberra ACT 2600

March 2008

Dear Minister,

Re: Senate motion on reference of Mercy Ministries matter to ACCC

Attached is a copy of motion I put up in the Senate on the 20th March 2008 in response to media reports of misleading and unprofessional behaviour on the part of Mercy Ministries in their dealings with vulnerable young women with mental health conditions. While the Government supported this motion in the Senate, unfortunately the Opposition did not support it and it was subsequently defeated.

Given that the Government supported the motion which requested that the Australian Competition and Consumer Commission (ACCC) investigate whether Mercy Ministries has engaged in misleading and deceptive conduct, I am requesting that as Minister for Competition Policy and Consumer Affairs you ask the ACCC to investigate this matter.

I would appreciate being informed about your response to this request and any progress made on these matters.

Yours sincerely,


Senator Lyn Allison

Correspondence Received - Office of the Assistant Treasurer	
Office Circulation	
<input type="checkbox"/> Assistant Treasurer	<input checked="" type="checkbox"/> To: Adviser - <i>JC</i>
<input type="checkbox"/> Chief of Staff	<input type="checkbox"/> Cc: Advisers -
<input type="checkbox"/> Diary Secretary	<input type="checkbox"/> DLOs -
25 MAR 2008	
Departmental Action	
<input type="checkbox"/> Acknowledge	<input type="checkbox"/> Briefing
<input checked="" type="checkbox"/> Substantive Response	<input type="checkbox"/> Speech
<input checked="" type="checkbox"/> Appropriate Action	<input type="checkbox"/> Refer to
<input type="checkbox"/> Information	<input type="checkbox"/> No Further Action
<input type="checkbox"/> Constituent Response	<input checked="" type="checkbox"/> URGENT
<input checked="" type="checkbox"/> Signatory	



PARLIAMENT OF AUSTRALIA - THE SENATE



**SENATOR LYN
ALLISON**

Leader of the
Australian Democrats
Senator for Victoria

Notice of Motion

I give notice that on the next day of sitting I shall move that the Senate:

- a) Notes the reports in the Sydney Morning Herald regarding concerns about the Mercy Ministries residential programs for young women suffering from psychological illnesses, in particular that despite advertising that residents would receive support from psychologists, general practitioners, dieticians, and social workers, former residents report receiving only an occasional visit to a general practitioner

- b) Calls on the Government to instruct the Australian Competition and Consumer Commission to investigate whether Mercy Ministries has engaged in misleading and deceptive conduct

Senator Lyn Allison
19 March 2008



Relevant Article

A HERALD INVESTIGATION

They sought mercy, but got exorcism and Bible studies

Ruth Pollard

A SECRETIVE ministry with direct links to Gloria Jean's Coffees and the Hillsong Church has been deceiving troubled young women into signing over months of their lives to a program that offers scant medical or psychiatric care, instead using Bible studies and exorcisms to treat mental illness.

Government agencies such as Centrelink have also been drawn into the controversy, as residents are required to transfer their benefits to Mercy Ministries. There are also allegations that the group receives a carers payment to look after the young women.

Mercy Ministries says 96 young women have "graduated" from its program since its inception in 2001. But many have been expelled without warning and with no follow up or support.

Three former residents who have felt the full force of Mercy's questionable programs are blowing the whistle on its

emotionally cruel and medically unproven techniques, detailing abuse including exorcisms, "separation contracts" between girls who became friends, and harsh discipline for those who broke the rules.

Naomi Johnson, Rhiannon Canham-Wright and Megan Smith (Megan asked to use an assumed name) went into Mercy Ministries independent young women, and came out broken and suicidal, believing, as Mercy staff had told them repeatedly, that they were possessed by demons and that Satan controlled them.

Only careful psychological and psychiatric care over several years brought them back from the edge.

Taking in girls and women aged 16 to 28, Mercy Ministries claims to offer residents support from "psychologists, general practitioners, dietitians, social workers, [and] career counsellors". These claims are made on its website, and the

programs are promoted through Gloria Jean's cafes throughout Australia.

But these former residents say no medical or psychological services were provided - just an occasional, monitored trip to a GP where the consultation takes place in the presence of a Mercy Ministries staff member or volunteer.

Instead, the program is focused on prayer, Christian counselling and expelling demons from in and around the young women, who say they begged Mercy Ministries to let them get medical help for the conditions they were suffering, which included bipolar disorder, anxiety disorders and anorexia.

When the *Herald* asked Mercy Ministries representatives whether they told young women that the symptoms of their mental illness or eating disorders were due to demonic activity and



They sought help, but got exorcism and the Bible

From Page 1

that residents were forced into exorcisms, they offered no denial.

"Mercy Ministries staff address the issues that the residents face from a holistic client-focused approach; physical, mental, emotional. The program is voluntary and all aspects are explained comprehensively to the residents and no force is used," the executive manager of programs, Judy Watson, said in response.

Throughout its website, decorated in hot pink tones with images of happy young women who have been "saved", Mercy claims to offer its residential programs free. Yet the services are not free - young women on unemployment benefits are "asked" to sign them over to Mercy, while others are asked to make a donation for expenses.

Mostly funded by Gloria Jean's Coffee - which said last night it did not plan to change its sponsorship arrangements - and supported by the Hillsong Foundation, Mercy Ministries says it has a 90 per cent success rate, but when asked to provide evidence of the program's outcomes, Ms Watson said that research was under way and not yet available.

Not only does Mercy Ministries appear unconcerned by the allegations, it is mounting an aggress-

ive expansion campaign. Peter Irvine, its former managing director, now director of corporate sponsorship, confirmed it was opening houses in Adelaide, Perth, Townsville, Newcastle, Melbourne and another Sydney house, in the southern suburbs.

Ms Johnson spent nine months in the Mercy Ministries house in Glenhaven before she was expelled. Close to committing suicide and her eating disorder worse than ever, she was admitted to a psychiatric unit and has spent three years trying to recover from her ordeal.

Ms Canham-Wright and Ms Smith tell similar stories from their time in the Sunshine Coast house, and all continue to suffer from the effects of Mercy Ministries' unconventional program.

They are concerned that as more houses are due to open, partly because there is a desperate shortage of affordable services for people with mental illness.

"This could be really dangerous... Mercy has the potential to be inundated with people... [who will] fall for the advertising and out of desperation reach for Mercy," Ms Johnson said.

"Here in Perth people with eating disorders are very limited when it comes to treatment.

When you reach 18 there are no government-funded inpatient treatment options for anorexia, except for a general public psychiatric ward where there is no expertise on these issues."

The federal Minister for Human Services, Joe Ludwig, said the Government would investigate. "I am very concerned about these serious allegations, and I have asked Centrelink to investigate its payment arrangement," he said.

The Australian Competition and Consumer Commission, the NSW Health Care Complaints Commission and the Queensland Office of Fair Trading have also indicated they will investigate if they receive complaints from the women.

Allan Fels, dean of the Australia and New Zealand School of Government and former chairman of the Australian Competition and Consumer Commission, said if Mercy Ministries had made false claims about its services it would be in breach of the law and could face injunctions, damages and fines. "Both the federal Trade Practices Act and the relevant state fair trading acts would seem to apply to the situation since income is being received by Mercy Ministries. Both laws prohibit misleading and deceptive conduct."



The Mercy Ministries house in Glenhaven. Photo: Brendan Esposito



Naomi Johnson... still devastated three years on. Photo: Erin Jonsson