

THE SOCIAL COST OF SERVICE CUTS

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Prepared for the Public Service Association of South Australia by
Catherine Earl
Research Fellow
Centre for Work + Life
University of South Australia

Executive Summary

Project brief

In the current economic climate, government is arguing for cuts and savings. The PSA's view is that this will be at the expense of vital services affecting social justice and welfare programs. This paper analyses the potential impact of cuts on areas that affect social justice, using the examples of child protection, allied health and rural services in South Australia.

Methodology and format of the report

This report consists of three stand-alone papers focusing on different parts of the South Australian public service. Each paper reviews relevant data from existing literature and research and includes original interviews with workers in some key areas of the SA public service. The data arising from the interviews is used to ascertain the significance of the themes identified in the literature review to the everyday experience of workers in the field. Therefore, the quotes used from interviews serve the purpose of illuminating current experience rather than providing generalisable findings.

Key findings

1. Child protection:

- 1.1 Statistics on notifications, investigations and substantiations of child abuse from the Australian Institute of Health and Welfare (AIHW) in 2007 and 2009, shows substantial increases in the core business of child protection services in South Australia.
- 1.2 Interviewees report that increased workloads have not been accompanied by sufficient resource allocation. The consequence of this situation and of the possibility of further reductions can only increase the number of children at risk who will not receive assistance from child welfare services.
- 1.3 The Guardian for Children and Young People (2008-09) and the Mulligan Inquiry (2008) express concerns about the current under-funding of the SA child protection system, and the significant negative consequences for children and young people experiencing abuse or who are in state care.
- 1.4 The strategy of de-professionalisation of child protection workers currently being considered in SA may be a cost saving measure. However the literature and data from interviews suggest that a reduction in professional qualifications

required for such work may be a false saving. The implementation of such a strategy may result in further difficulties in recruitment, lower retention rates and a potential deterioration in service quality.

- 1.5 A reduction in funding would have serious impacts on the community. Poor quality parenting is linked with poorer outcomes for infant and children's development (Australian Institute for Family Studies in Australian Institute of Health and Welfare 2009 p.61). Abuse and neglect has also been linked with 'lower social competence, poor school performance, impaired language ability, a higher likelihood of criminal offending and mental health issues' (Australian Institute of Health and Welfare 2009 p.62).
- 1.6 In addition to the immediate negative effects of abuse on individual children and their families, secondary effects cited by the Layton inquiry (2003) include social health and economic costs, and losses in productivity for individuals who have been abused. These losses in productivity for government and community are strongly associated with criminal activity, the uptake of illicit drugs and alcohol, homelessness, school truancy, low achievement and school withdrawal (Layton 2003).
- 1.7 The economic sense of a reduction in expenditure on social services has been questioned by Michael Rafferty (2008) an economist from the University of Sydney. Strengthening and maintaining social infrastructure is important because the long-term effects of not doing so are very expensive, for example costs of adult rehabilitation, remedial health services and criminal justice measures.
- 1.8 Under-investment in social services such as child protection affects the whole community in terms of future costs and quality of life, not just the targeted children and families directly involved.

2. Allied Health:

- 2.1 Allied health professionals come from a range of disciplines and provide a variety of services that assist with diagnosis and management of temporary or chronic health conditions, and reduce the need for hospitalisation or other intensive and expensive medical procedures.
- 2.2 A number of demographic shifts have occurred over the last few decades, which increases the need for the specialist skills of allied health professionals, for example the aging of the population.
- 2.3 The skills of allied health professionals are particularly relevant to chronic diseases on the increase in the community- such as diabetes, osteoporosis and cardio-vascular disease which, if inadequately treated or managed, can lead to a deterioration in health and the need for acute hospital care (Health Professionals Council of Australia Ltd. 2005 p.13; Allied Health Professions Australia 2008 p.8).
- 2.4 The allied health sector is facing a number of workforce issues nationally such as staff shortages, recruitment and retention difficulties, and heavy workloads (Allied Health Professions Australia 2008 p.2). The Health Professionals Council of Australia Ltd (2005 p.3) says there is widespread agreement among stakeholder groups that there is a 'critical shortage of allied health professionals' in Australia.
- 2.5 Allied health staff from different organisations in the state government sector report cuts in their service as a result of 'vacancy management strategies'. These strategies achieve cost savings by delaying the filling of essential

vacancies for considerable periods of time, effectively cutting the services able to be provided during that time.

2.6 This is an environment of increased need where action is required to boost the availability of allied health professionals across the state. Any consideration of cuts in these services is likely to result in increased demand for more expensive and intensive medical services, and a decrease in the quality of life of vulnerable South Australians.

3. Rural Services:

3.1 Government policy and programs are essential in slowing, stopping and/or alleviating the negative social impacts of rural decline. Currently, the South Australian government funds numerous services provided to regional and rural areas in education, health, social welfare, roads and infrastructure, but these have not yet eliminated access issues or reduced the pace of deterioration identified over a decade ago.

3.2 Barrett and Spoehr (2007 p.29-30) identified the potential economic and social impacts of funding cuts to one rural service, TAFE SA, arguing that the loss of public service jobs was a 'hollowing out' of high waged and skilled employment in these communities, and contributed further barriers to the education and skilling of local people.

3.3 Deteriorating access to services in rural communities has been seen as having a compounding effect (Beer and Keane 2000 p.74), making the regional areas less attractive for business and further contributing to high unemployment.

3.4 The community members left behind from rural decline are often 'the aged and the vulnerable'. Lawrence and Williams (in Alston 2000 p.31) point out the irony of this situation given that these are the people who have high needs to access human services.

3.5 The work of the researchers and reports and the anecdotal experience of government workers in rural areas demonstrate that the failure of rural service systems has real impact on the quality of life for people living and working in these areas.

3.6 The New South Wales Council of Social Services has stressed the need for 'long term investment in communities' to tackle the multilevel causes of social disadvantage in rural areas (New South Wales Council of Social Services 2004 p.10). This report and another by Mission Australia both recommended the need for governments to instigate detailed rural impact statements and consult with communities as a part of its decision-making processes relating to proposed service withdrawals and delays (New South Wales Council of Social Services 2004 p.12; Mission Australia 2006).

Concluding remarks

In summary, my examination of these three areas of government responsibility indicates a reduction in staff numbers or increase in workload would significantly impair necessary services. Research indicates an increasing need for these services because of changing demographics, and further long-term costs would result from a lack of adequate early intervention. Workers in these areas report a current inability to meet the needs of our community. Services such as child protection, allied health and rural services contribute to a strong social fabric. Weakening these services would have a significant negative impact on all South Australians.

THE SOCIAL COST OF SERVICE CUTS: CHILD PROTECTION

In June 2009 the Treasurer of the South Australian government announced the establishment of the Sustainable Budget Commission to recommend strategies to achieve reforms saving \$750 million over three years, \$150 million in 2010-2011, \$250 million in 2011-2012 and \$350 million in 2012-2013 (Foley 2009). At the time, the Global Financial Crisis (GFC) was predicted to have a devastating impact on the state government's revenue. However within a year it was obvious that the financial impact was not as great as had been forecast. Despite this, the government continued with the Budget Commission, assuring parliament and the general public that such a commission would 'better focus expenditure' on 'better services for the community and increased investment in infrastructure' (Foley 2010). More recently, the South Australian Treasurer, Kevin Foley, outlined that the Budget Commission would 'attack' some areas of the public sector and services that the government 'simply can't afford to provide' (Ritorto 2010).

Prominent academic from the University of Adelaide, John Spoehr (2010), has already questioned the need to make job cuts in any area of the public sector given revised and more positive predictions of government revenue. He suggests the Sustainable Budget Commission needs new terms of reference to refocus their work on relevant and current challenges, such as an aging workforce. This problem may be exacerbated by public sector employment cuts, which encourage staff to take voluntary redundancy packages. These packages are often most attractive to experienced staff seeking early retirement and are therefore likely to drain skills from the public sector, which are very difficult to replace.

This paper highlights the potential impact of further service and job cuts on one key sector of the South Australian Public Service, that is Families SA, the child protection section of the Department for Families and Communities (DFC). Reductions in services in this area, which like many social services is already under-funded, would have significant impacts on staff, clients and the broader community.

A major problem in obtaining adequate resources for the child protection services of the Department of Families and Communities is that the consequences of under-funding are often not tangible for a number of years, and governments have short-term political agendas matching their elected time in office. Elected governments may not be in power in ten years time to claim credit for improvements or to wear the blame for deterioration relating to longer-term investments in public services.

DFC has a commitment to the National Framework for Protecting Australia's Children and its focus on primary/preventative approaches to child protection (Council of Australian Governments 2009). However the workload of the tertiary (or crisis) sector of child protection continues to increase. Levels of reported child abuse and neglect have risen in recent years, resulting in an increased workload for departmental staff. Comparing statistics on notifications, investigations and substantiations of child abuse from the Australian Institute of Health and Welfare (AIHW) in 2007 and 2009, shows substantial increases in the core business of child protection services.

Increased child protection workload of Department of Families and Communities, Government of South Australia

	2007	2009	Increase
Notifications	10 506	14 033	34%
Investigations	3 581	4 006	12%
Substantiations	1 463	1 830	25%

** Statistics from the AIHW National Child Protection Database cited in AIHW Australia's Welfare 2007 and AIHW Australia's Welfare 2009.*

This increase in workload has not been accompanied by increases in resources and funding. Effectively this results in cuts in services provided to children needing protection. A child protection worker stated,

...the cases we don't get to would shock the average person to their core. The vast majority of child protection notifications are not responded to by Families SA.

This situation exists with current resource levels and the consequences of further reductions could only increase the number of children at risk who will not receive any assistance. New funding in the child protection area has been focused on the non-government sector involved with primary and secondary child protection services and support. Therefore this growth has had no effect on reducing the workloads of Families SA staff.

The 2006-07 Guardian for Children and Young People's (GCYP) annual report describes South Australian child protection as displaying 'signs of system failure and evidence of under-investment' (in Mulligan 2008 p.360). The GCYP annual report 2008-09 (Guardian for Children and Young People p.7-8) describes de-funding of important services for vulnerable infants, that were aimed at early intervention and prevention of problems associated with abuse and neglect. Also, despite findings related to the positive nature and effect of good relationships between children and young people in care and their child protection social workers, GCYP found there was still evidence that one in five children are not even allocated a specific social worker, making these connections impossible. Consultations commissioned by the Mulligan inquiry also emphasized the importance of social workers in the life of children and young people in care, and stated that these young people directly reported that 'having a good social worker was one of the most important things for children in care' (Mulligan 2008 p.391). Despite these findings a frontline worker in Families SA describes workload issues that precludes intensive and time consuming 'one on one' relationship building with all children in need.

The problem is related to the spiraling number of child protection notifications and the lack of increases in the number of Families SA workers

The de-professionalisation of child protection workers is a cost saving measure being considered for implementation in South Australia as in other states and territories. A new project is underway in DFC to identify alternative qualifications, other than the traditional professions of social work and psychology, that may be considered suitable for targeted recruitment. Ainsworth and Hansen (2006) who have researched this strategy, highlight that while there may be benefit gained by diversity of perspectives,

there are a number of problems with recruiting workers who have little knowledge or training in “good practice” in child protection. These potential recruits from other disciplines are considered more likely to accept bureaucratic and legalistic organizational culture and practices, as they may not have allegiance to external professional ethics (Ainsworth and Hansen 2006 p.39). A lower level of qualification can justify a lower level of remuneration. However lowering professional qualifications in an environment of increased workloads of a complex and vulnerable client group may be a poor strategy, and may act as a further disincentive to the recruitment of qualified professionals in these human service fields. A Families SA practitioner reported that,

Psychologists require a masters degree [in Families SA]. There has been pressure in the past to lower this standard but this would discourage other psychologists with masters degrees in applying, it reduces the perceived value of their work. Families SA now has less difficulty attracting psychologists than previously. Hiring non social work staff will lead to a reduction in social workers applying. We should learn from other states' experiences with this.

Therefore it seems that a reduction in professional qualifications required for such work may be a false saving resulting in further difficulties in recruitment, lower retention rates and potentially a deterioration in service quality.

Any reduction in services as a result of funding cuts would necessarily result in difficulties in meeting national commitments, such as the National Framework for Child Protection (The Council of Australian Governments 2005), which provides basic principles for service delivery in child protection. Reductions in funding would also involve renegeing on past policies and commitments relating to increased positions, funding and capacity in the child protection sector, which resulted from a recognition of resource deficit (Liddell et al. 2006 p.24). In their national review of developments in child protection in 2005, Liddell et al (2006 p.25) concluded their brief description of South Australia's child protection system by noting that underneath the rhetoric there was little evidence that SA was serious about protecting children.

The impact of abuse on children's development is significant. Growing up in Australia: the Longitudinal Study of Australian Children links poor quality parenting (characterized by parental hostility, lack of emotional warmth or low parental self-efficacy) with poorer outcomes for infant and children's development (Australian Institute for Family Studies in Australian Institute of Health and Welfare 2009 p.61). It is also acknowledged that abuse and neglect may result in 'lower social competence, poor school performance, impaired language ability, a higher likelihood of criminal offending and mental health issues' (Australian Institute of Health and Welfare 2009 p.62). A Families SA practitioners stated:

The vast majority of women with a diagnosis of borderline personality disorder and of women in gaol have experienced child abuse. All mental health clients I worked with during my training reported histories of child abuse.

Children with histories of abuse and trauma struggle to maintain employment and often become welfare dependent.

The Layton inquiry (2003) identified these down stream effects of child abuse and neglect, and the significant costs to the community of not investing in child protection. In addition to the immediate negative effects of abuse on individual children and their families, secondary effects cited include social health and economic costs, and losses in productivity for individuals who have been abused. These losses in productivity for government and community are strongly associated with criminal activity, the uptake of illicit drugs and alcohol, homelessness, school truancy, low achievement and school withdrawal (Layton 2003). Caseworkers make similar comments:

Money spent in child protection will save money with regard to mental health services, gaols, and drug and alcohol issues further down the track.

Fix child protection; fix many of society's problems

Many increases in government spending since the GFC have been in physical infrastructure projects. The benefits of these projects may be more immediate and tangible, both economically and in community outcomes. However, Michael Rafferty (2008) an economist from the University of Sydney points out that reduction in expenditure on social services may make poor economic sense because long-term effects are so expensive, for example in terms of adult rehabilitation, remedial health services and criminal justice measures. Strengthening and maintaining social infrastructure is just as important as physical infrastructure although it is not as immediately evident. The effects of under-investment in social services such as child protection affects the whole community in terms of future costs and quality of life, not just the targeted children and families directly involved. The social problems created by an under-investment in social services are hard to mitigate at later adolescent and adult life stages, and are very expensive both in lost productivity and increased health and other social costs. A Families SA caseworker summed up the reasons for inadequate funding when they stated:

It's simple; there are no votes in child protection. The client families resent our existence and the rest of the community has no idea of the scope of the problem and the subsequent costs to them.

THE SOCIAL COST OF SERVICE CUTS: ALLIED HEALTH

The announcement in June 2009, by the Treasurer of the South Australian Government Kevin Foley, that the Sustainable Budget Commission would recommend strategies to achieve public service reforms saving \$750 million over three years (Foley 2009) may have significant impact on the community. At the time, the Global Financial Crisis (GFC) was predicted to have a devastating impact on state government revenue, however the better than expected financial results from the GFC has called into question the need for an 'attack' on services. There have been suggestions from one prominent academic from the University of Adelaide, John Spoehr (2010) that the Sustainable Budget Commission needs new terms of reference that would increase the relevance of the Budget Commission's work. Spoehr (2010) fears that service and employment cuts may exacerbate issues related to the aging workforce and skills shortages through unnecessary reductions in expenditure.

This paper highlights the potential impact of further service and job cuts on a key sector of the South Australian public health system, that is allied health. Allied health professionals are tertiary qualified health workers who work alongside medical staff in the health sector. They come from a range of disciplines, although there is little consensus over which professions make up allied health. From a review of key allied health stakeholder organizations, Ridoutt et al (2006 p.8-9) found a list of occupations that were nominated in one or more stakeholder definitions as allied health professionals. They were audiology, dietetics and nutrition, occupational therapy, orthotics, orthotics and prosthetics, physiotherapy, podiatry, psychology, speech pathology, social work, diagnostic radiography, exercise physiology, medical imaging technology, music therapy, optometry, pharmacy, radiation therapy and therapy aid.

Allied health professionals provide a wide range of services that assist with diagnosis and management of temporary or chronic health conditions, and reduce the need for hospitalization or other intensive and expensive medical procedures. They work in a number of state government departments including the South Australian Department of Health, the Department of Families and Communities and the Department of Education and Children's Services. Allied health professionals are frontline staff providing services directly to the public. Using ABS census data from 2001, the Australian Health Workforce Advisory Committee (2004 p.15) provides a profile of allied health professionals as primarily female and relatively young, although this general profile changes for specific occupational groupings.

A number of demographic shifts have occurred over the last few decades, which increase the need for the specialist skills of allied health professionals, and their workload. For example, there have been increases in the numbers of people diagnosed with chronic conditions and disabilities in most age groups in Australia (Australian Institute of Health and Welfare 2003). Declines in the prevalence of severe disability in other OECD countries have been attributed to a range of factors associated with better health care, including the provision of allied health services (Australian Institute of Health and Welfare 2003 p.111). Access to services from allied health professionals can slow progression or ease the consequences of chronic disease and disability through rehabilitation, support with health related behaviors, assistance with

devices and facilitative environments (Australian Institute of Health and Welfare 2003 p.110). Despite this acknowledged contribution, state government employed allied health professionals report that:

The most vulnerable people in the community use state government health services because they can't afford private services.

These people are desperate to be independent and fearful of being forced into care, but they cannot obtain the full range of services necessary to support a safe return home after hospitalisation.

The aging population in Australia means the number of people living longer with chronic disease or developing age related conditions is also increasing, causing a demand for the care and skills that help manage such conditions (Duckett 2005 p.202). Allied health professionals play an important role in maintaining health as people age. There is evidence that community based programs in strength training, gentle exercise, nutrition and social support help older people stay healthy and happy longer (Allied Health Professions Australia 2008 p.8). Also, less expensive allied health treatments often produce comparable or better results than purely medical or surgical interventions for some health conditions (Allied Health Professions Australia 2008 p.9). For example, a preliminary study of the effect of increased allied health intervention on the Neuroscience patients from The Royal Melbourne Hospital found that there was a positive effect on their discharge destination and functional outcomes (Boyd et al. no date). This indicates that allied health can play a significant role in reducing medical costs and improving quality of life. However, in South Australia allied health professionals report difficulties in meeting the demands for their services.

The service is already at full capacity and we are hounded by referring doctors but we can't put people in the machine two at a time. We need more staff and equipment just to keep up with current demand.

Even the most serious patients are not always properly assessed and supported, meaning they remain in hospital for unnecessarily extended periods.

Patients need to have scans so they can be discharged, but they may have to wait an extra four to five days at \$1200 per day, just because of a lack of resources.

The skills of allied health professionals are particularly relevant to chronic diseases on the increase in the community- such as diabetes, osteoporosis and cardio-vascular disease- which if inadequately treated or managed can lead to a deterioration in health and the need for acute hospital care (Health Professionals Council of Australia Ltd. 2005 p.13; Allied Health Professions Australia 2008 p.8). Comments from practitioners include:

Since 2007 there has been a 50% increase in demand for services in our area.

Funding reductions result in higher hospitalisation and increased demands on carers. Delayed services means people are discharged from hospitals into unsafe environments.

The involvement of allied health professionals has the potential to reduce pressure on doctors who are currently in short supply. Much current health policy is medically-focussed emphasising medical and hospital services, rather than incorporating broader multi-disciplinary approaches that involve primary and preventative care (Health Professionals Council of Australia Ltd. 2005 p.7; Allied Health Professions Australia 2008 p.15). This approach is slowly changing as the lifestyle and cost benefits of allied health services are appreciated.

Unfortunately the allied health sector is facing a number of workforce issues nationally such as staff shortages, recruitment and retention difficulties, and heavy workloads (Allied Health Professions Australia 2008 p.2). The Health Professionals Council of Australia Ltd (2005 p.3) say there is widespread agreement among stakeholder groups that there is a 'critical shortage of allied health professionals' in Australia. On the ground, one practitioner described the effects of this situation on recruitment:

There were no applicants for our advertised positions. People are aware of the culture and the lack of support and training available, and just don't apply for the jobs. Staff are always asking when will there be more staff, more resources. It's very stressful.

In 2005-06 the Victorian state government recognised the important role of allied health professionals in the health sector and the significant workforce issues they faced. The Victorian Allied Health Recruitment and Retention Program identified four key areas of focus which were rural scholarship support, professional support, locum support and building regional capacity, and coordination for allied health workforce recruitment and retention (Reed and Reed 2009). Describing issues in South Australia, the report says that there are skills shortages in a number of allied health professions across the state including podiatrists, pharmacists, physiotherapists, radiation therapists, and sonographers (AHWAC in Reed and Reed 2009 p.12). There is also a significant under representation of allied health professionals in rural and remote areas of South Australia, where occupational therapists and speech pathologists are particularly difficult to recruit. The South Australian Department of Health has undertaken a number of initiatives to encourage new graduates of relevant health disciplines to relocate to these areas (Reed and Reed 2009 p.12). However allied health professionals report:

Resourcing is never enough to do the job properly.

Currently there is a struggle to provide only essential services.

There are not the basic numbers of qualified professionals to meet community needs and the ratio of professionals to patients is high. This causes staff burnout.

There is not the scope to meet new identified needs because of current work pressures. However, the success of medical treatments can be

jeopardised if not consolidated through the support of allied health services.

Allied health staff from different organizations in the state government sector report cuts in their service as a result of ‘vacancy management strategies’. These strategies delay the filling of essential vacancies for considerable periods of time, effectively cutting the services able to be provided during that time.

Staff are not encouraged to talk about service cuts, even when they know there are budget cuts. Budget cuts mean positions are just not filled, for many, many months. Six to eight positions are vacant right now- this is how they save money. ...Waiting lists are blowing out- doctors say they need the service in the next three weeks but it isn't available for ten weeks. ...People have to work harder, work overtime- people leave!

The strategy of not filling vacancies as quickly as possible and not backfilling people who are on leave has effects on staff relationships and on patient care. In addition, allied health professionals report they are now being told by management to reduce overtime, which is a further cut to services.

Stressful abusive interactions result between staff when essential services cannot be delivered- this causes enormous stress.

We are blackmailed on a daily basis to work beyond paid hours.

Many patients become highly emotional when they are told of waiting lists.

The allied health professionals interviewed were demoralised by workloads and by the belief that their skills and contribution were not well understood. They had little voice in decision making about resource allocation.

Allied health are sometimes not represented at executive levels in acute hospital care and therefore the consequences of budgeting may not be fully understood in decision making.

Allied health is a forgotten area- it's offensive how resources are allocated.

This is an environment of increased need where action is required to boost the availability of allied health professionals across the state. Any consideration of cuts in these services is likely to result in increased demand for more expensive and intensive medical services, and a decrease in the quality of life for vulnerable South Australians.

THE SOCIAL COST OF SERVICE CUTS: RURAL SERVICES

The South Australian Labour Party's regional policies for 2010, state that the current Premier Mike Rann will 'ensure that regional communities remain vibrant, vital places to live, work and visit' (South Australian Labour Party 2010 p.1). The Strengthening Regional South Australia policy document highlights jobs, health, education, roads and infrastructure as particularly important to people living in non-metropolitan areas. However, this government also remains committed to the Sustainable Budget Commission and public service reforms, saving \$750 million over three years (Foley 2009), despite the potential impact on the community. A better than expected financial result following the Global Financial Crisis has called into question the need for an 'attack' on services. One prominent academic, John Spoehr (2010) from the University of Adelaide, has suggested the Sustainable Budget Commission needs new terms of reference to increase the relevance of its work, and to ensure that reforms do not exacerbate issues related to the aging workforce and skills shortages, through unnecessary reductions in expenditure.

This paper focuses on the State's provision of services in rural and regional South Australia, and the community impact of funding pressure and/or service reductions. Concerns about rural decline in Australia are widespread, and are frequently attributed to the effects of globalisation and market deregulation that are influencing Australian and other Western countries' economies. The director of the Centre for Rural Social Research at Charles Sturt University, Professor Margaret Alston (2007), described the impact of these forces in rural Australia, in the following way:

The social impacts of these forces in rural areas have been significant, resulting in major demographic shifts, a downgrading of, and declining access to, services, an increasing proportion of rural people living in poverty, and growing numbers of socially excluded rural people left often without the most basic services needed to sustain an adequate quality of life. (Alston 2007 p.195)

Alston's (2007 p.195) list of the social trends emerging in this environment include; accelerated ageing of the rural population, poorer health and education standards in comparison with metropolitan populations, attrition of social services and infrastructure and declining employment opportunities.

The response of state and federal governments to global demands (on both the right and left of politics), has been the adoption and promotion of neoliberal policy. Alston (2007 p.195) disputes the appropriateness of neoliberal policy in areas of health and welfare, where the market is unable to deliver access to equitable services for the most vulnerable.

Government policy and programs are essential in slowing, stopping and/or alleviating the negative social impacts of rural decline. Currently, the South Australian government funds numerous services to regional and rural areas in education, health, social welfare, roads and infrastructure, but these have not yet eliminated access issues or reduced the pace of deterioration identified over a decade ago.

Reporting findings from a Regional Forum sponsored by the Federal Government in Whyalla in 1999, Beer and Keane (2000 p.69) highlight that access to adequate services (medical, educational, financial, community and social) was identified by the Forum Steering Committee as a significant issue in the Spencer Gulf region of South Australia. Citing contributing factors closer to home, Beer and Keane (2000 p.70) argue that the privatisation and commercialisation of state utilities and the cutting of state and federal programs had exacerbated access issues. An example given was the reduction of federal subsidies to assist children in rural and remote areas with inadequate access to state education institutions, to travel to metropolitan areas for schooling (Beer and Keane 2000 p.70). More recently Barrett and Spoehr (2007) demonstrated the potential economic and social impacts of funding cuts to rural TAFE SA. Barrett and Spoehr (2007 p.29-30) argued that the loss of public service jobs was a 'hollowing out' of high waged and skilled employment in these communities, and that it would be another barrier to the education and skilling of people who may not be able to 'overcome the tyranny of distance' to enrol in educational courses in metropolitan or other areas.

Beer and Keane (2000 p.74) concluded that deteriorating access to services has a compounding effect, making the regional areas less attractive for business, further contributing to high unemployment. Similarly, Alston (2007 p.195) points out that it is at times of social stress that rural communities have a greater need for state services, but paradoxically it is at these times that access may reduce.

Essential services are often more expensive and less reliable in rural Australia, with people needing to pay more for services such as transport, mail and telephone systems (Alston 2000 p.31). Economic rationalism has seen the curtailing of government services such as post offices, court houses, hospitals and rail networks (Alston 2000 p.31). A Mission Australia report (2006 p.22) discussed the importance of these services to the 'institutional capital' of rural communities, providing critical contributions to local economies. The report further identified a number of state services such as public housing, which are described as frighteningly inadequate in some rural areas (Mission Australia 2006 p.22-23).

The compounding effect identified by Beer and Keane (2000) above, means that the community members left behind are often 'the aged and the vulnerable'. Lawrence and Williams (in Alston 2000 p.31) point out the irony of this situation given that these are the people who need most access to human services. One community member told of his frustration in accessing inadequate services.

All the services around here are cut back to the bare minimum. There are always long lines. You'll wait three quarters of an hour, to be told 'there's a phone over there, you need to ring someone for advice'.

Surveys of rural living standards in Australia and elsewhere suggest that perceived negative factors associated with living in rural areas, such as isolation and transport problems, can be offset or tolerated when compensated for by income, public services and lifestyle (Nutley 2003 p.58-59). If these compensating factors decline, feelings of isolation are likely to increase.

In 2004, the New South Wales Council of Social Services (NCOSS) commissioned research into the perceived decline in rural infrastructure in that state. The research was in response to the NSW Government's Mini Budget, which had announced delays and cuts to services in some rural areas (New South Wales Council of Social Services 2004 p.5). A number of trends were identified by the research including patterns of decline in the provision of key social and economic rights to health, housing, education and freedom from violence, significantly at the same time as there has been increasing demand for such services (New South Wales Council of Social Services 2004 p.3).

For some human services areas at least, there has been both an increase in demand and a decrease in provision occurring at the same time. This raises issues regarding capacity and sustainability of service systems. It suggests that current funding patterns are failing to keep pace with expressed demand, and have little chance of meeting unmet need. (New South Wales Council of Social Services 2004 p.3)

The research also found that local communities felt disempowered by state agency restructures that demonstrate a lack of local control over human service policy (New South Wales Council of Social Services 2004 p.3). Alston (2000 p.29) also described this phenomenon, linking reduced access to state resources with a sense of 'powerlessness, loss of dignity and inability to act autonomously'. Alston (2000 p.29-32) argues that the major cause of rural poverty has been the failure of governments to provide equitable access to resources, particularly services, employment and income opportunities, and accuses governments of 'ignoring the poverty of rural Australians'. A state public service worker told of the constant threat of service and job cuts and its affect on staff moral.

Staff members at the smaller sites are in fear. Everyone is all doom and gloom, worrying about a possible close down.

From an investigation of the elevated suicide rates in Australian small inland rural towns, Judd et al (2006 p.211) also suggest that in some areas a loss of infrastructure and public amenities (for example, schools, hospitals or banks), at times caused by centralisation of services, can have a social and collective psychological impact on the remaining residents in the town. They argue that significant economic and social changes like these can reduce community members' sense of social cohesion and participation.

The quotes from the rural service worker below demonstrate a lack of engagement with decision-making regarding resourcing strategies and the increased workload of remaining staff members when services are reduced.

I've seen centralisation do the full circle, the services that went out to smaller locations are now coming back again.

There are services, positions that we had here. Now they're gone, it's very hard. I mean you go online or call. I mean they're down there and we're here. The fairies don't do it, so someone here has to, otherwise it doesn't happen.

The work of the researchers and reports, and the anecdotal experience of government workers in rural areas demonstrate that the failure of rural service systems has real impact on the quality of life for people living and working in these areas. The NCOSS report of 2004, drawing on information from the Australian Institute of Health and Welfare, identified that some specific health outcomes and statuses are directly attributable to a person's rurality (New South Wales Council of Social Services 2004 p.8).

Numerous recommendations were proposed by NCOSS from the findings of the research. NCOSS particularly stressed the need for 'long term investment in communities' that reflected the multilevel causes and potential remedies of the social disadvantaged experienced by Australian's living in rural communities (New South Wales Council of Social Services 2004 p.10). Another recommendation stated the need for governments to instigate detailed rural impact statements and consult with communities as a part of its decision-making processes relating to proposed service withdrawals and delays (New South Wales Council of Social Services 2004 p.12). Mission Australia (2006) recommends a similar approach with 'strategic, robust and comprehensive impact assessments' required to assess the interrelated and sometimes unintended impacts of government policy decisions on rural and regional communities.

The under funding of rural services has significant impacts on rural communities. Social justice issues arise when examining the inequity in access to basic human services and the outcome of this for the health and quality of life of people in rural communities. It is difficult to see how savings from cuts in services can be realised without further negative consequences for the vitality of regional and rural South Australia. A more thorough investigation of the social impact of service 'reform' (reduction) is needed, prior to implementation.

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