



Centre of Full Employment and Equity

The Impact on Community Services of Staff and Service Reductions, Privatisation and Outsourcing of Public Services in Australian States:

Case Studies of Biosecurity and Primary Industry, Child Protection and Housing

Report 2 Annexe

Report prepared for the Community and Public Sector Union (SPSF Group)

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Chapter 1 Case Study of Primary Industry and Biosecurity

1.1 Introduction

Half a million Australian jobs and over \$26 billion in total factor income are directly dependent on the viability of Australian primary production (Table 1.1). The viability of this strategically and commercially significant sector depends on maintaining a strong national commitment to agricultural research and development, from the conduct of scientific investigations in laboratories, to the trialling of new methods in the field and their appropriate adoption by industry. The development and enforcement of quality and safety standards in food and fibre production, animal husbandry, and other agricultural pursuits, crucial to preserving and extending Australian access to world markets, depends on maintaining readily accessible verification facilities and specialised technical support. The diverse nature of farming enterprises, from large-scale agribusiness to small-scale family operations, and the vast geographic distribution of primary industry, means that technical advice and support needs to be made available in many forms and locations to ensure it remains accessible to those who need it.

And while export competitiveness of Australian primary production depends on the maintenance of high technical standards, and continuing innovation, the productivity, sustainability, quality and hence marketability of Australian agricultural (including aquacultural) produce also requires effective control of invasive species and diseases. Maintaining strong ‘biosecurity’, defined as ‘the protection of the economy, environment and human health from the negative impacts associated with entry, establishment or spread of exotic pests (including weeds) and diseases’ (Beale et. al, 2008: 1), is of paramount importance. It extends well beyond ‘quarantine’, which is restricted to the consideration of disease and disease agents (Beale et. al, 2008:1).

Table 1.1 The value of Australian agricultural production and contribution to employee and other factor incomes

	Gross value of Agricultural Production (Smillions)	Employment (thousands)	Total compensation of employees (June 2010) (\$millions)	Total factor income (June 2010) (\$millions)
NSW	10116	126	1421	3863
VIC	12374	102	1259	6422
QLD	11514	106	1791	6550
SA	5677	48	777	3195
WA	5866	57	1460	4655
TAS	1286	22	359	1238
Australia	48439	467	7135	26248

(ABS cat.5220 – Australian National Accounts: State Accounts, 2009-10; ABS Cat 8155 – Australian Industry, 2009-2010).

In addition to the commercial significance of primary industries research and biosecurity, effective control of invasive species and plant / animal diseases also has important implications for public health, and socio-economic consequences extending well beyond the

immediate concerns of agricultural production. The natural environment is particularly susceptible to exotic pest and disease incursions, and poses an extremely complex challenge to protect, due to its greater biodiversity and the fact that it is subject to far less monitoring than commercially farmed land. Australia's capacity to protect its' natural heritage, and to develop sustainable and environmentally safe industries, depends on governments having the reliable, independent research, surveillance and compliance-enforcement capacity to assess risks and devise solutions that surmount zero-sum economic development vs environmental trade-offs.

For these reasons the maintenance of a robust, well resourced, independent, public-sector research capacity is of great national importance.

1.1.1 The role of the states in Biosecurity.

The Commonwealth and States are obliged to comply with the World Trade Organization's:

- Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement); and
- Agreement on Technical Barriers to Trade (the TBT) Agreement.

These do not require Australia to import anything that in any way compromises sanitary and phytosanitary (plant health) security, but neither does it permit the maintenance of a 'zero – risk' policy. It requires Australian governments to determine import permissions based on scientific evidence, and not to use arbitrary biosecurity measures as proxy trade protection devices. The focus is in determining an 'Appropriate Level of Protection'. The determination of an 'Appropriate Level of Protection' (ALOP) is reflected in guidelines that underpin biosecurity 'Import Risk Analyses'.

While Section 51 of the constitution (particularly 51.ix) could be used to empower the Commonwealth to take over biosecurity responsibility completely, this power has not been exercised and responsibility is shared between the Commonwealth and the States. The Commonwealth is primarily involved in pre-border and border related issues and the States and Commonwealth share responsibility for post-border issues. This entails the states being responsible for monitoring occurrences of disease and pest infestations and organising responses. It is generally considered that post-border intervention is potentially the most expensive and requiring of rapid response when outbreaks with the potential for significant harm occur.

1.1.2 The growing challenge

In the past, Australia's relative isolation as an island continent conferred a natural trade advantage in that it prevented many pests and diseases that are prevalent in other countries from becoming established here. However, emerging societal and environmental trends are increasingly undermining the effectiveness of this protection, increasing the need for a more comprehensive and effective response from all levels of government, and the numerous industry-based organisations (committees, industry councils, and other bodies) and research institutions maintained for this purpose.

Major reviews and reports on biosecurity were undertaken by the Commonwealth in 1996/7 (Nairn Report) and in 2008 the independent Quarantine and Biosecurity Review Panel report ('One Biosecurity: A working partnership' a.k.a. Beale Report) was released by the Minister for Agriculture Fisheries and Wildlife in December 2008. The 2008 review's terms of reference required the panel to provide recommendations on the appropriateness, effectiveness and efficiency of:

- a) current arrangements to achieve Australia's ALOP;
- b) public communication, consultation and research and review processes;
- c) resourcing levels and systems and their alignment with risk in delivering requisite services; and
- d) governance and institutional arrangements to deliver biosecurity, quarantine and export certification services.

The 2008 Report summarised reasons for expecting growing complexity in the management of biosecurity into the future:

- globalisation, which is integrating the world economy and increasing the volume and range of products traded internationally;
- population spread into new habitats and increasingly intensive agriculture, which increases the risk of zoonoses (that is, animal diseases capable of transmission to human populations) and complicates the ability to contain, and increases the impact of, a pest or disease incursion;
- growth in tourism, passenger and cargo movements, which increases the risks of exotic pest and disease incursions despite the best efforts of border security;
- the potential risk of agri-terrorism involving animal rights extremists or political terrorist organisations;
- increasing global movements of genetic material as farmers endeavour to increase productivity, which places particular demands on pre- and post-border biosecurity services;
- climate change, which adds to the spread of pests and diseases (expanding range or habitats, changing migratory bird patterns, and weather events supporting the spread of disease vectors);
- an emerging shortage of highly qualified plant and animal pest and disease professionals—partly associated with ‘baby boomer’ retirements and partly the result of competing career alternatives;
- physical constraints for border interception activities, especially at major passenger airports; and
- financial constraints, as governments allocate scarce revenue among many competing demands (Beale, et al, 2008).

To which we may add:

- Lobbying by domestically operating multinational agri-business to lower sanitary and phytosanitary barriers to gain access for their offshore produced output in which larger economies of scale would enable them to be more cost competitive (Weiss, et.al, 2007)).

The review recommended increased resources at the pre-border stage (to stop biosecurity risks entering the country), a ‘risk-return’ strategy at the border stage, in place of mandated intervention targets, which entailed less effort at low risk pathways of entry; and a significant increase in the post-border effort. Given the sharing of responsibilities between the Commonwealth and States at particularly the post-border level, the report warned:

It is vital that the states do not see the Commonwealth's additional post-border investment as an opportunity to step back from their own biosecurity obligations. Post-

border work has traditionally been a state responsibility. For example, the states allocate significant resources, in terms of staffing, infrastructure and program funding, to pest and disease prevention, surveillance, preparedness, incursion response and biosecurity management. It is estimated that in 2007-08, Queensland, South Australia, Victoria, the Northern Territory and the Australian Capital Territory spent over \$145 million on these activities (information sought by the Panel was not provided by the other states). This contribution is essential. During consultations with the Panel, states generally recognised the necessity of their continued involvement, several explicitly so.

The Panel's post-border recommendations will only strengthen the biosecurity system if state governments continue their post-border efforts. To ensure that this occurs, the Panel recommends that the Commonwealth's additional post-border investment be tied to an agreement with the states on appropriate matching commitments. In the Panel's view it would be preferable that the states increase their investment to match the Commonwealth to a significant extent (Beale, et al., 2008: 208-9).

This is reflected in Recommendation 74: "The Commonwealth's additional post-border investment should be tied to an agreement with the states and territories on appropriate matching commitments" (see also Recommendation 3).

The report advanced the proposition that a national biosecurity system should achieve a seamless continuum of biosecurity risk management, utilising a new National Biosecurity agreement between the Commonwealth states and Territories. This would entail an extension of Commonwealth's role involving:

- enforcing import permit decisions so that states cannot impose additional biosecurity measures;
- developing a traceability scheme on a risk basis so that animal and plant matter of greater biosecurity interest can be tracked across the border;
- managing emergency responses through national powers where sensible;
- harmonising biosecurity requirements for interstate trade in specified circumstances; and
- information sharing between jurisdictions based on a national biosecurity risk information sharing protocol and data sharing infrastructure (Beale, et al., 2008:xviii).

The need to maintain laboratory capability (recommendation 58)

The National Biosecurity Authority should ensure Australia has the laboratory capability and capacity to manage exotic pest and disease incursions of national significance. The Panel recommends that the Authority, working with the states and territories, should improve the quality and use of state and territory laboratories to support national biosecurity priorities.

The increasing complexity of biosecurity risk management and rising threats stems partly from international trade liberalisation measures that will make prevention of disease and pest outbreaks less certain, thus placing greater emphasis on post-border detection and remedial action.

Whereas the Commonwealth is required to increase its resourcing in these areas, it is also more important for the states to maintain and even extend their monitoring and threat-response capacity. A clear tension exists between this imperative and the clear trend toward 'smaller government' and outsourcing in state public sector management of recent decades,

acknowledged by the Beale review in noting the concerns of the Community and Public Sector Union submission :

‘Labour hire and contractor arrangements also devolve employer responsibility for professional development and training; outsource accountability of service delivery outcomes; public liability; and potentially offload employer OH&S responsibilities to other parties’ (Beale et al, 2008:204).

1.1.3 Introduction to Case Studies

Are the states rising to this challenge? Are they, in their embrace of the ‘New Public Management’, with its emphasis on the state ‘steering not rowing’, its predilection for applying private-sector approaches to questions of public governance, and for ‘market-based’ methods of service delivery, investing sufficient human and financial resources into meeting these challenges?

In preparing this study interviews were conducted with 23 departmental staff and representatives of other organisations whose anonymity has been preserved except where there was an explicit preference to be identified. Large amounts of instructive material has been excised in order to diminish the possibility of identification. While the objective of the study was to focus on the experience of current and former departmental staff, access was limited in some states and other sources of evidence have been relied upon. A study on Queensland has been deferred to a later opportunity, should better access to sources be established.

In contrast to the accompanying studies (on Child Protection and Housing), where relatively reliable quantitative data is available from which the extent of need and provision is discernible, the problem here is to determine the extent of something that is not being measured, such as the extent to which invasive species are establishing themselves, and to determine the veracity of claims as to the extent of need. To this end, a range of strategies and techniques have been employed.

Budget papers and annual reports are seldom transparent when it comes to the level of staffing and degree of effort being directed toward a particular function, particularly when that function has been subject to restructure and amalgamation with other functions over time. Parliamentary debates and estimates committees reveal some information, but the level of evasiveness in answering direct questions tends to produce more frustration than illumination for the researcher sifting through them.

In this study we have sought to supplement official material with a survey of media coverage of these issues during the period in question, and through interviews with operational staff and other stakeholders. These are also limited as sources, particularly in the intimidating climate of looming mass redundancies, because staff are reluctant to expose themselves to accusations of disloyalty to their employer. Even though they are daily witness to diminished services and widening disparities between what is officially professed by governments to be their commitment to quality service and the realities on the ground, staff are very measured in disclosing unpalatable truths. Interviewees are referenced by code (eg.A9) purely for the purposes of organising the material.

The following sections seek to integrate these sources to provide an overview for each state.

1.2 New South Wales

Over the past decade, the adequacy of NSW Government investment in primary industries research and biosecurity has frequently been criticised by a range of stakeholders, including

organisations representing primary producers, commercial and recreational fishers, public sector employees and those with strong environmental concerns. Throughout the decade these groups have frequently mobilised in opposition to threatened and actual cuts to research jobs and research facilities, as have the regional communities in which these jobs and facilities have been located, reflecting the range of socio economic impacts such closures have. To the staff and the communities in which they are located, they represent a significant source of income, attracting professional and technical people and their incomes to communities that are often struggling to remain viable. To the surrounding primary producers they constitute an accessible source of technical advice and support, relevant to the local environment and industries operating there, while more generally they indicate an acknowledgement of the public benefit in preserving the competitiveness and viability of trade-exposed primary industries.

This sensitivity creates a political problem for governments engaged in the rationalisation of the public sector generally, which they appear to surmount by obscuring the extent of decline in the human and other resources they are investing in these areas. This they do by presenting only a positive story in official reports, and through strategies like describing cuts as resource reallocations designed to improve service delivery. They obscure the facts that would prove service delivery standards decline with every funding cut.

1.2.1 The Department of Primary Industries (2004 – 2009)

Primary industries research and biosecurity was largely concentrated within the Department of Primary Industries that was established by the Carr Labor Government on 1 July 2004, by amalgamating the former Department of Agriculture, NSW Fisheries, Department of Mineral Resources and State Forests of NSW. Its' head office was established in the regional town of Orange. The Minister was Ian Macdonald MLC, who prior to this. was Minister for Agriculture and Fisheries.

In the lead up to its formation, rationalisation within its predecessor departments had already drawn criticism. A foretaste of what was to follow occurred in February 2004, when the then Department of Agriculture proposed to sell the Shannon Vale research station at Glen Innes, the Pearces Creek station near Wollongbar (collectively expected to return around \$1.4 million) and the Murwillumbah tick office, Minister Ian Macdonald told an estimates hearing:

The department has met and consulted with staff—of which there are not many—associated with these properties, and this has highlighted a number of issues, including future proposed research activity, relocation of staff, current use of properties to support research functions and the availability of alternative facilities.

Alternative arrangements are available to overcome these issues. In the case of Shannon Vale field station, all proposed research plans for the use of this property can be met from other research stations—for instance, Glen Innes, Grafton and Temora—or through leasing arrangements for the use of co-operative farming properties. One permanent staff member is located at each of the Shannon Vale field station and the Murwillumbah tick office. Arrangements will be made for the relocation of these two staff members within the immediate vicinity of the disposed properties. These arrangements have been discussed with staff and they have expressed no concerns with their relocation. There will be no loss of jobs at these locations in connection with the disposal of these properties. In the case of Pearces Creek field station, only the part of the property that is excess to requirements will be disposed of. Pearces Creek provides office accommodation and storage facilities and is currently used for grazing and to

make silage for the dairy herd at Wollongbar Agricultural Institute. The accommodation and storage facilities will remain at the property, and alternative grazing activities will be undertaken at Duck Creek field station, 15 kilometres from Wollongbar. Proceeds from the sales of these properties will be used to fund priority, front-line research and extension activities throughout the State (PAC5, 2004a).

The enhancement of laboratories at large institutions (at Wagga and at Elizabeth Macarthur Agricultural Institute) was cited as the net benefit of the closure (GPSC5, 2004a).

These arguments become less plausible over time as the locations to which staff and functions are relocated are themselves subject to relocation, or when it transpires the funds are not reinvested. At the 2004-5 estimates hearings just seven months later it emerged that the funds arising from the sale of the Shannon Vale station and other properties were used to pay for redundancies and other recurrent expenditure entailed in the departmental amalgamation of July 2004 (that created the Department of Primary Industries) (GPSC5, 2004b).

The Hon. RICK COLLESS: Minister, did you not give an undertaking that money from the sale of these facilities would be re-channelled into improving research facilities at other research stations?

The Hon. IAN MACDONALD: I will have to take on notice that question in relation to Shannon Vale. I add that Shannon Vale was done well before the amalgamation and the release of the 20:20 vision program that I announced at New South Wales Farmers. Shannon Vale was an earlier sale (GPSC5, 2004b).

Yet the same pledge was made minutes later:

The Hon. DUNCAN GAY: That indicates that you are selling \$25 million worth of assets?

The Hon. IAN MACDONALD: We hope so—our plans are to do that—of surplus and assets that are not being fully utilised and it will be directed into upgrading our research facilities (GPSC5, 2004b).

2003-4 expenditures for the components of the Department Primary Industries, being the year prior to amalgamation, was \$399 million, comprising:

- Department of Agriculture: \$285.7m
- NSW Fisheries: \$57.7m
- Department of Mineral Resources: \$55.4m

Forests NSW, being a public trading enterprise (PTE), paid Treasury a dividend distribution comprising the declared dividend plus tax equivalents paid in lieu of taxes otherwise payable to the Commonwealth. The projected 2004-5 budget for the new department was \$370.4 million (BP3,2005:15-5). The objectives for the amalgamation, according to Ministerial statements and Treasury documents, were to:

- achieve budget savings - \$36.9 million in the first year, rising to \$54.7 million in the second year, then gradually over the years to \$58.1 million for the fourth and subsequent years;
- give rural NSW a stronger voice in government;
- provide better service to customers and stakeholders (AONSW, 2008:21).

A workforce plan presented to staff a week before the amalgamation was due to take effect, contained seven elements:

1. Co-location of DPI offices in the same or nearby towns;
 2. Re-location of under-utilised officers to better-equipped sites;
 3. Consolidation and centralising cross-agency functions;
 4. A flatter structure with fewer senior managers;
 5. Increased revenue streams across all four agencies;
 6. The focus of resources on core business across all four agencies;
 7. A general voluntary redundancy program ... (NSWLC Hansard, 23/6/2004:9950)
- The details of the first 2 items:

Co-location of Offices

These centres include Ballina/Wollongbar, Cobar, Cooma, Forbes, Mildura /Buronga / Dareton, Orange Queanbeyan and Yass.

A number of additional co-locations are currently being examined further and will be recommended subject to an assessment of contractual obligations and associated costs and benefits.

Re-location of Under-utilised Offices

A number of operations have been identified as potential re-locations.

The dairy research function at Wollongbar is recommended to be relocated to Elizabeth Macarthur Agricultural Institute at Menangle, the research function at Deniliquin to Yanco, and the Agriculture functions at Grafton to Wollongbar, Glen Innes and Armidale.

Functions at the Temora Agricultural Research and Advisory Station, Lockhart and Balranald are recommended to be transferred to Wagga; Duck Creek Field Station and Lismore Chemical Residues Laboratory to Wollongbar; Mullumbimby to Murwillumbah; Somersby Field Station and Gosford Horticultural Research and Advisory station to Menangle, Richmond and Tocal; Deniliquin Field Station and Deniliquin Agricultural Research and Advisory Station to Yanco (research) and Finley; Gloucester to Taree; Manilla to Tamworth; Singleton to Tocal; and Windsor to Richmond. ... (NSWLC Hansard, 23/6/2004:9950)

The amalgamation was expected to reduce 'duplication in management, corporate support and other non-front line positions'. The rationalisation of landholdings was an ongoing feature of the department's rationalisation:

The Hon. DUNCAN GAY: Why and how were Grafton, Gosford, Temora and Deniliquin agricultural research facilities originally selected for closure under this plan?

Mr GLEESON: There were a number of reasons. The reasons for each were different but essentially they have been outlined in the work force management plan. Essentially, the basic underlying reason for each was that we could do the job of the DPI in front of us without those assets. We had enough capacity throughout our other assets and what we wanted to do was to increase the utility of the assets that we had and reduce the maintenance burden overall while still maintaining services (GPSC5, 2004b).

These plans were undermined to some extent when 'the program to make savings by closing selected research centres had to be modified to address stakeholder concerns that local research capacity would be lost' (AONSW, 2008:22). For example, the ABC reported at the time:

Four hundred protesters have gathered on the steps of the New South Wales Parliament to voice their anger at job cuts in the state Department of Primary Industries. The Government's planning to cut spending on the DPI by \$150 million over the next three years, leading to the loss of 350 jobs, many of them in regional areas...

"Staff from the DPI have so far staged protests at six research stations across the state, which are earmarked for closure as part of the budget cuts... Staff can apply for voluntary redundancies, with the first round of letters accepting or rejecting the applications due out today. DPI staff say if the cuts go ahead, the future of agricultural research in NSW will be ground down, and farmers will ultimately suffer" (ABC, 2004).

This opposition seemed effective in delaying the closure of facilities at Grafton, Trangie, Gosford, Temora and Deniliquin which had initially been proposed for sale in the 'Towards 2020' asset rationalisation and reinvestment strategy announced in July 2004. The Minister, unions and farming organisations agreed to 'work together over the next three years to attract funds to support industry research, the target being to match the government investment at each location' (DPI, 2005:28). The asset rationalisation strategy still proceeded, entailing:

- Disposal of The Entrance office, laboratories at Lidcombe, part of Temora Agricultural Research and Advisory Station, part of Wollongbar Agricultural Institute (dairy, leases for surplus properties on the Queensland/NSW border were terminated, Lismore chemical residue laboratory closed with diagnostic capacity transferred to the Wollongbar Centre.
- Dairy science shifted to Elizabeth Macarthur Agricultural Institute (EMAI) which was upgraded to support a dairy research program in partnership with Dairy Australia.
- Forests NSW staff were relocated to the former Grafton Agricultural Research and Advisory Station while 700 hectares were leased to Forests NSW for research activities involving forestry plantations.
- The motor vehicle fleets of the former departments of Fisheries, Agriculture and Mineral Resources were rationalised and incorporated into one fleet with operational savings of approximately \$0.45 million per annum (DPI, 2005:46).

A total of 330 staff accepted voluntary redundancy packages during the DPI's first year of operation, at a cost of \$25.3m (DPI, 2005:46). In reviewing the amalgamation, the Auditor General noted that the expenditure reduction objective was substantially met in the first year, by increasing Forest NSW's annual dividend distribution to the NSW Government by \$20 million (i.e., a 'saving' that could have been made without amalgamation) (AONSW, 2008:21).

The Science and Research Division within the new department was described in its first annual report as the 'largest Government provider of science and research services in NSW with 900 professional and technical staff undertaking science-based research in 23 centres of excellence and stations' (DPI, 2005:28) A year later (2005-6), the Science and Research Division was reported to employ 'over 800 professional and technical staff' (DPI 2006:35) who raised 50% of the division's \$80.9 million budget from industry, Commonwealth Government and other external sources.

The Division's role was to:

- provide strategic science to enhance the growth, sustainability and biosecurity of NSW primary industries;

- undertake research and development;
- advise on research and science policy and issues;
- coordinate research investments and foster alliances and develop innovative solutions and technologies;
- underpin creative solutions to enhance public policy (DPI, 2005:28).

It was also announced that as of July 2005, NSW DPI would contribute \$71 million to six new cooperative research centres (CRCs) to which the Australian Government would contribute \$159 million. The proposed centres were to focus on:

- Australasian Invasive Animals;
- Beef Genetics Technologies;
- Cotton Catchment Communities;
- Internationally Competitive Pork Industry;
- National Plant Biosecurity;
- Sustainable Forest Landscapes. (DPI, 2005:29).

The surveillance and regulation enforcement aspects of biosecurity were located within a separate ‘Biosecurity, Compliance and Mine Safety’ Division.

The case of the Shannon Vale Research Station was cited by the Opposition as exemplifying a cumulative strategy of leaving research officer positions unfilled over successive years until a point was reached that the government could say that a negligible amount of research was being performed there and could therefore be closed without significant loss of amenity. This prompted efforts by the opposition to determine how many positions had been left unfilled in previous years at other research stations. The Minister and his officials were evidently reluctant to assist their enquiries, given the standard of responses their enquiries received. When questions as to the staffing levels over recent years of several research stations were taken on notice at the September 2004 estimates hearings the written response in every case was ‘The Department does not maintain records on this issue for the period in question’ (QON, 2004).

Efforts to account for overall decline in agricultural division staffing numbers met with similar ‘stonewalling’. In the 2005 estimates hearings the question was put:

The Hon. RICK COLLESS: Can you explain the 30 per cent decrease in the Department of Agriculture staff over a 10-year period from 1995 to 2005? That decline was from 3,093 in 1995 to 2,081 in 2005.

The Hon. IAN MACDONALD: I will write to you in relation to that but you have to remember that the arrival of computer technology, the merger of departments—

The Hon. RICK COLLESS: Come on, I am talking about livestock officers and people like that who are not there any more. That is what I would like an explanation for.

The Hon. IAN MACDONALD: I will answer (GPSC5, 2005).

The whole written answer: “The figures provided do not equate with Departmental records” (QON, 2005).

Budget papers provide some insights in terms of full time equivalent staff for different divisions, but as these are clustered differently, from one year to the next, it is not possible to gain a definitive picture, particularly as casual employees are not recorded.

The 2004-05 budget papers provide some measure of agriculture and fisheries full time equivalent (FTE) staff rationalised in the initial formation of DPI:

Table 1.2 Full time equivalent staff (revised): Department of Primary Industries

	2001-2	2002-03	2003-04	2004-05
Agriculture	2327	2329	2209	1899
Fisheries	425	435	430	415
Mineral resources	392	399	391	391

Source: NSW Budget paper 3, Primary Industries, 2004-5.

Rationalisation of accommodation continued in locations where NSW DPI had more than one office following the 2004-05 amalgamation. During 2005-6 a further eight co-locations and relocations at Cobar, Singleton, Orange, Deniliquin, Armidale, Inverell, Grafton and Sydney CBD/West Pennant Hills occurred saving in excess of \$1 million per annum. 72 staff accepted redundancy packages under an ongoing staff rationalisation program (DPI 2006:58).

The rationalisation of land holdings appears to have played a consistent role in plans to fund the upgrading of research facilities. In May 2006, Minister MacDonald announced a decision to sell the Orange Agricultural Institute and the relocation of its '140 – 150' staff into a joint facility with the Orange campus of the Charles Sturt University. No undertaking could be got from the minister that sale funds surplus to the requirement of building new offices on the Charles Sturt site would be reinvested in research or even remain within the Department of Primary Industries. The Minister undertook that no positions would be lost in the relocation, which was expected to take place within three to ten years. The move never transpired but staffing was reduced to 114 by 2007/8 according to the departmental website (GPSC5, 2006; QON, 2006).

Because of the breadth of geographic locations that need to be covered by agricultural technical staff meant that they were very thinly spread, even the failure to fill one or two positions can leave large agricultural areas unsupported, disrupting programs of long standing.

The Hon. RICK COLLESS: Have you received a letter from the Coonabarabran District Council of the New South Wales Farmers Association about the position of the technical officer at Coonabarabran?

The Hon. IAN MACDONALD: I could have, but I do not specifically recall.

The Hon. RICK COLLESS: Are you aware that the district agronomist at Coonabarabran is responsible for the Coonabarabran and now the Coonamble agronomy district because the district agronomist at Coonamble has not been replaced? That agronomy region involves 1.7 million hectares and 1,400 farmers. Are you aware that it is the role of that technical officer to site, sow, maintain, harvest and collect data from 31 crop varieties and agronomy research trials, 21 long-term pasture and fertiliser trials, six oil seed and pulse trials and five dual-purpose grain and grazing trials? That is a total of 62 trial sites. ... This officer will be required to implement those trials starting in January next year so there is a certain amount of urgency to this issue (GPSC5, 2007).

The department's 'Towards 2020' program, entailing the reinvestment of funds from asset sales, saw the opening of a new \$1 million hi-tech research facility at the Cronulla Fisheries Research Centre of Excellence in February 2007. Named the H C Dannevig Fisheries Laboratory after the Norwegian scientist who founded the original Cronulla laboratory in 1905, the facility was used in the Wild Fisheries Program, which studies the biology and status of key commercial and recreational fish and invertebrate species (DPI, 2007:60). The reinvestment program also provided enhancements to research facilities at Wagga, Tamworth, Narrabri and Port Stephens (DPI, 2007:12).

Outbreaks of serious animal diseases such as equine influenza highlighted the diminished capacity of the department to respond in that in meeting the emergency, staff were taken from programs as removed as fisheries (42 staff) and forestry to deal with it, and 150 temporary staff employed (QON, 2007). Questions raised as to whether past closure of the Rydalmere, Armidale and Wagga veterinary laboratories compromised the capacity of the department to respond were dismissed by comparing Elizabeth Macarthur Agricultural Institute testing capacity from 150 samples per day in 1999 to 600 per day in 2007, including the introduction of robotic DNA testing (GPSC5, 2007).

In 2008-09 the department made significant changes in response to the November 2008 mini budget, including voluntary redundancies and executive appointments. The Central Western Daily (12/11/2008) reported:

Within hours of treasurer Eric Roozendaal's announcement of billions of dollars in cuts to the state's budget, Primary Industries Minister Ian Macdonald said there will be a "modernisation" of the DPI. It will include the closure of DPI offices in Alstonville, Berry, Condobolin, Glen Innes, Gosford, Griffith, Jindabyne and Temora as well as a voluntary redundancy program that would likely see more jobs disappearing from Orange.

No target has been set for staff reductions in Orange, a spokesperson for Mr Macdonald said yesterday, but frontline job losses would be minimal (Brennan, 2008).

Listeners to the ABC Country hour were possibly confused by Minister Macdonald's explanation for the cuts, given his reiteration that they were occasioned by the global financial crisis:

Well the Government is facing an economic crisis which has been brought about by this global financial situation, that's impacting all governments right around the world, and our budgetary situation has declined dramatically because the amount of revenue we're obtaining from normal raising methods have declined dramatically because of this crisis (Vidot, 2008)

And yet, when asked if the money that was to be saved would go towards filling up holes in the NSW budget, he replied:

No, it will be retained by the Department of Primary Industries. That's two million dollars less we need to find. That is money that is useful and used by the department... every bit of money we save from not having to run buildings, so many different buildings across the state, every cent we save that means more staff and more research and extension can be conducted.

Interviewer: But doesn't it actually mean less staff because the department is looking to have 200 voluntary redundancies?

Well we're looking towards having a number of redundancies. These though are voluntary, we're not going to force anyone to leave the department, its purely a voluntary process (Vidot, 2008)

Throughout this period, research staff were placed under increasing pressure to raise external funding in order to keep their jobs, which grew from \$35 million in 2003 to \$135 million in 2009. The tenure of departmental staff funded from external sources thus became a matter of concern, with the Minister reporting that as of August 2009 the former Department of Primary Industries had 477 temporary and 192 permanent officers funded by external sources funded by 'over 50 major funding programs'(QON, 2009). Minister MacDonald expressed the view in one hearing that a factor driving research station consolidation was the preference of funding sources to invest in programs conducted by teams of personnel, rather than research stations with, for example, one scientist (GPSC5 2009).

Public outcry and organised political opposition has seen foreshadowed closures of research stations not eventuate, as when eight stations earmarked for closure following the November 2008 Mini-budget were preserved on account of commitments for greater community and industry support. The recreational fishing industry agreed to take responsibility for the Gaden Fish Hatchery, so sparing it from sale. The land on which the Berry research station was located was subdivided and part of it sold; the Condobolin and Glen Innes Research Stations were saved through industry agreements to assist in attracting more funded research opportunities (GPSC5, 2010; QON, 2010). Staff thus were left under the pressure of securing research funding in order to protect their jobs and their research projects.

Proposed laboratory closures at Orange and relocation of services to Elizabeth Macarthur Agricultural Institute (EMAI) prompted critical press releases from the Australian Veterinary Association in March 2009 arguing that the moves would undermine the capacity of the state to respond to a serious biosecurity outbreak (AVA, 2009).

The closure of the regional veterinary laboratories would occur sometime before June 2009, while the projected \$43 million upgrade of the EMAI facilities is a five year project. There are staff members who were relocated to EMAI after the closure of the Armidale and Wagga veterinary laboratories that are still housed in demountables. Why are the laboratories being closed before EMAI upgrades are completed?

Profitability of the Regional Veterinary Laboratories

The Minister stated in a media interview that the reasons for closure of the laboratories were because they were not profitable. Profit generation is not the goal of these laboratories, rather it is disease surveillance and protection for our primary industries. Over the last couple of years, these laboratories have been downgraded with large numbers of samples, except those for Johnes Disease, being redirected to EMAI, a governmental policy that has lead to the unprofitability that they then use as an excuse to close down the laboratories. In 1985, the NSW Government in an attempt to make savings, closed the Wagga Wagga regional veterinary laboratory. A subsequent inquiry found the closure did not result in any saving.

The closure of the regional laboratories is all part of the NSW government's program to strip costs from the Department of Primary Industry. Over the last few years there has been a "continued decline of our veterinary resources in the government sector, in food and other large animal practice and especially in the laboratory". It is of concern that government already has plans to sell the site of the Orange laboratory for housing development (AVA, 2009).

During this period a new approach was adopted in relation to agriculture extension (the field application of research and its transfer to primary producers) by creating regional teams based on climate and catchment zones (DPI, 2009:3). The coordination of the NSW government response to drought and locust plagues were major issues for the department during that year, while its principle investment in future research was the commencement of a five year 56.67 million dollar upgrade of the Elizabeth Macarthur Agricultural Institute (EMAI) at Menangle NSW. 2009 was to be the final year of the DPI owing to a restructure and a renewed round of departmental amalgamations.

Table 1.3 Department of Primary Industries & Forestry NSW Staffing 2004-09

	2004-5	2005-6	2006-7	2008-9
Permanent FT	2487	2681	2713	2466
Permanent PT	136	141	139	180
Temporary FT	618	593	591	450
Temporary PT	118	126	143	160
Contract SES	29	19	16	15
Contract - non SES		4	4	
Training positions	12	12	11	12
Casuals	316	349	360	289
Total	3716	3925	3977	3572

Source: Department of Primary Industries & Forestry Annual reports 2004-09

Annual reports (Table 1.3) indicate an overall net loss of 144 staff during the life of the Department of Primary Industries, largely through reductions in temporary full-time staff offset by increases in permanent and temporary part-time staff. The paucity of identified training places (0.3%) is significant in the context of concerns expressed in the Beale report over skills shortages in these areas.

1.2.2 Industry and Investment NSW (July 2009 – April 2011)

In July 2009 the Labor Government of Nathan Rees (from September 2008) created a new department of Industry and Investment (DPI, 2009:3) by combining:

- Coal Compensation Board;
- Game Council NSW;
- Former Department of Primary Industries (including Forests NSW);
- Former Department of State and Regional Development (including Tourism NSW);
- Former Department of Water and Energy (Energy component);
- Screen NSW (formerly called NSW Film & Television Office);
- NSW Food Authority;
- NSW Rural Assistance Authority;
- Mine Subsidence Board.

Ian MacDonald remained minister responsible for Primary Industries, which retained its 'department' title within the new organisation despite being technically a division. In

November 2009, MacDonald was demoted along with others as a consequence of factional conflict within the Rees government, and subsequently resigned from cabinet (as Minister of State Development) over travel expense irregularities, and then from the parliament while under investigation by the Independent Commission Against Corruption (ICAC). He was succeeded as Minister by Steve Whan (8/12/2009 – 28/3/2011). Nathan Rees was subsequently displaced as Premier in December 2009 by Kristina Keneally.

Industry and Investment NSW was claimed in its first annual report (2009-2010) to demonstrate the NSW Government's commitment to providing 'better, more integrated services and less red tape' by bringing the primary industries departments together with other agencies, including Tourism NSW and the NSW film and television office. 'Our new Corporate Plan leverages the strengths and organisational capabilities of each of our divisions and agencies towards our joint vision of industry and investment growing NSW' (I&I, 2010:1). The recently released (Jan 2012) NSW Commission of Audit Interim Report reviews the succession of 'clusterings' that the Department of Primary Industries undertook, saying of this iteration:

It had seven different finance, payroll and IT systems which took about two years to integrate onto one platform based in Orange. During this period the Department reduced staffing numbers by over 300 FTE to meet budget requirements, with one third of these from corporate support functions (NCOA 2012:27).

Eighty three voluntary redundancies occurred across the Industry and Investment Department, producing ongoing savings of \$5.5 million per annum, 17 being from the Primary Industries Division. Agency representatives emphasised that 'frontline' positions were not to be targeted for redundancies, and that the focus was on exploiting administrative economies of scale arising from the amalgamation of Primary Industries with other agencies (GPSC5, 2010). The department envisaged expending 146.5 million (recurrent and capital) in science and research during the 2010/11 financial year (QON, 2010; I&I, 2010:5). Provision was made for \$11 million in redundancies (T&I, 2011:310).

The plant disease Myrtle Rust was first detected on April 23 2010 at a cut flower growing facility on the Central Coast, and was subsequently confirmed in 32 other sites across NSW 'mostly concentrated around the Gosford-Wyong area and the Sydney basin, with some trace forward along the mid North Coast and south to Nowra'. Minister Steve Whan said at the September 2010 estimates hearings 'So far we have not found myrtle rust in any eucalyptus but it would be a serious concern particularly to the plantation forest industry if it got in' (GPSC5, 2010). The established practice for dealing with such infestations is to a) contain and destroy infected plants and the line of plants which included the infected plants b) treat the infected property with a systemic fungicide effective against Myrtle Rust; and c) impose legal obligations on the property regarding treatments, plant and equipment movements and reporting. The department sought to contain and eradicate the disease (QON, 2010).

After the Minister estimated in a public accounts hearing that the department had around 150 extension officers around the state, details subsequently provided in writing indicated the department had 58 agronomists and 45 livestock officers (ie.,103) in over 35 regional locations in NSW. The Biosecurity Branch budget was \$46.5 million (QON, 2010).

Science and research activities (Agriculture fisheries and forestry) were presented as a discrete budget item in 2010-11 budget papers for the Department of Trade and Investment, indicating a clear intention to cut research staff costs by 10 per cent.

Table 1.4 Budget outlays for Biosecurity / Fisheries / Science 2009 - 2011

Agriculture and Biosecurity		Net cost of services	Total expenses	Employee related
Actual	2009 - 10	150,427	177,907	64,454
Estimated	2010-11	162,838	191,019	58,030

Fisheries and Compliance		Net cost of services	Total expenses	Employee related
Actual	2009 - 10	42,849	69,584	43,342
Estimated	2010-11	38,386	65,799	38,873

Science and research (Agric, fisheries forestry)		Net cost of services	Total expenses	employee related
Actual	2009-10	90,350	144843	95,435
Budget estimate	2010 - 11	81612	137576	85932

Source: Budget papers 2010-2011

Staffing numbers are also provided under this divisional configuration

Table 1.5 Staffing levels Biosecurity / Fisheries / Science 2009 - 2011

	Actual 2007-08	Actual 2008-09	Forecast 2009-10	Revised 2009-10	Forecast 2010-11
Agriculture and Biosecurity	673	620	628	604	596
Fisheries and compliance	567	439	440	421	416
Science and Research Activities (Agriculture, Fisheries and Forestry)	1046	1001	981	927	914
Mineral Resources and mine safety	365	361	345	352	348
Totals	2651	2421	2394	2304	2274
Forests NSW	537	470	470	470	470

Source: Budget papers 2010-2011

Here we see clear evidence that the overall reduction in staffing levels has been shared by the science and research areas of the organisation. Unfortunately, under the next iteration of this department, science and research staff are again reported under the other functional areas.

On 25 February 2011, in the lead up to the March State election, the Shadow Minister for Primary Industries (Duncan Gay) issued a press release describing a high-level cabinet submission he had obtained, drawn up by Treasury, Premier and Cabinet and Industry and Investment, proposing to cut \$55 million from the department and implement \$30 million worth of redundancies. It also proposed closure of 12 agricultural research stations and 43 offices “which are classified in the report to Cabinet as 'subscale relative to other sites.’” The report also indicated that 430 staff had left the department since 2005 (Gay, 2011). Mr Gay gave an undertaking that a coalition government would not cut regional jobs:

When will the slash and burn stop? Agriculture should be at the forefront of our economy, while Labor should not be treating rural and regional families and communities like second class citizens... Only a NSW Liberals & Nationals Government will help restore the status of agriculture in NSW by creating a stand-alone Department of Primary Industries, with a full commitment to retaining front line staff. (Gay, 2011)

1.2.3 Department of Trade and Investment, Regional Infrastructure and Services (NSW Trade & Investment) (April 2011 - current)

In April 2011 the department was again restructured following the March 2011 election of the O'Farrell Liberal-National Party Coalition government, becoming the NSW Department of Trade and Investment, Regional Infrastructure and Services, (TIRIS) a.k.a. 'NSW Trade and Investment', with Andrew Stoner its lead Minister and Katrina Hodgkinson Minister for Primary Industries. Though only actually a division, Primary Industries was again ascribed the title of 'Department'. Its responsibilities included agriculture, fisheries and biosecurity, the NSW Office of Water, the Crown Lands Division, the Soil Conservation Service (T&I, 2011:5). As per the previous year, provision was made for \$11 million in redundancies (T&I, 2011:310). The 2012 NSW Commission of Audit summarised the present configuration thus:

DTIRIS now services four Ministers and staffing numbers have doubled to about 8,700 FTE. The budget has also doubled in size to be in excess of \$2.4 billion. After completing a corporate services integration resulting from the last amalgamation, Trade and Investment now has six different payroll, ICT and finance systems being operated by:

- Trade & Investment at Orange;
- former Communities NSW;
- former Land and Property Management Authority;
- former Department of Climate Change and Water;
- ServiceFirst for Office of Water;
- ServiceFirst for Catchment Management Authorities.

The Department has not been able to prepare a consolidated monthly report since May 2011. This is due to a lack of coordination, competing demands on the other service providers, and end of financial year and Treasury budget preparation happening at the same time (NCOA, 2012:27).

On 18 August, a few weeks before the September 2011 budget was presented, the O'Farrell government announced 11 of the 33 researchers at the Forest Science research centre, operated by the public trading enterprise ForestsNSW at West Pennant Hills, would be offered redundancies or otherwise have three months to redeploy to another department. Staff were reportedly shocked that such an announcement would be made in National Science week. "This will decimate the state's capacity for research in these areas" one told the Sydney Morning Herald (Nicholls & Patty, 2011). A management training exercise in 2007 concluded that Forests NSW investment of around \$8.5 million was well in excess of comparable state forestry operations, and that much of the research conducted at the centre did not directly contribute to the business performance of ForestsNSW. The research budget was reduced to \$1.5million while \$0.8m would continue to be contributed to other research agencies.

Box 1.1 The Forest Science Centre

The Forest Science Centre, located in the Cumberland Forest, continues the research role undertaken by Forestry Commission of NSW's Division of Wood Technology that was established in 1936 to determine and promote suitable construction applications for timbers native to NSW. It performed a vital defence role during the Second World War in testing timbers on a 24 hour basis for use in aircraft manufacture (DPI, 2012).

It was relocated from its Sydney location in 1972 to make way for the Sydney Cove re-development, to its present location in the Cumberland Forest, established at West Pennant Hills by the Forestry Commission in the 1930s for experimental forestry. In 1976 it was renamed the Wood Technology and Forest Research Division, incorporating regional research centres at Bathurst, Coffs Harbour, Eden, Tumut and Wauchope. The research agenda covered Entomology; Forest Ecology; Hydrology; Pathology; Plywood and Veneer; Silviculture, Soils and Nutrition, Timber Engineering; Forest Products Utilisation and Forest Conversion Section (DPI, 2012).

In the following decades of public sector retrenchment, restructures and re-organisation, the wood technology research focus was reduced to 'a single timber engineer position and some minor wood production research'. Parts of the Forest Research and Development division were split off into the Department of Primary Industries following its establishment 2004, with around 18 staff offered transfers to Grafton and Coffs Harbour, four of whom made the move.

The Forest Science Centre has thus been where those researchers that remained with ForestsNSW were located.

On August 19, 2011, during National Science Week, the O'Farrell Government announced that 11 out of the remaining 31 science researcher positions would be cut from the Forest Research centre.

The SMH reported:

'A number of senior scientists were told they could reapply for a reduced number of positions within the unit. Others were told they had two weeks to apply for voluntary redundancy. Alternatively, they could seek redeployment within three months after which they would be forced to take redundancy.

Ms Hodgkinson said last night the cuts had been under consideration for four years after "benchmarking" was carried out by Forests NSW against similar forestry companies. She said \$1.5 million would still be spent on forestry research by Forests NSW and that two new positions had been created (Nicholls & Patty, 19/8/2011).'

The ABC reported the Labor spokesman Steve Whan saying "They were elected on a promise that they would not cut jobs in the Department of Primary Industries and they very specifically said they wouldn't be cutting research jobs" (ABC, 2011).

Professor Mike Archer of the University of NSW, former head of the Australia Museum, described researchers employed at the centre as unique in being able to embark on long-term research projects, unlike scientists working at universities within the confines of three-year grants.

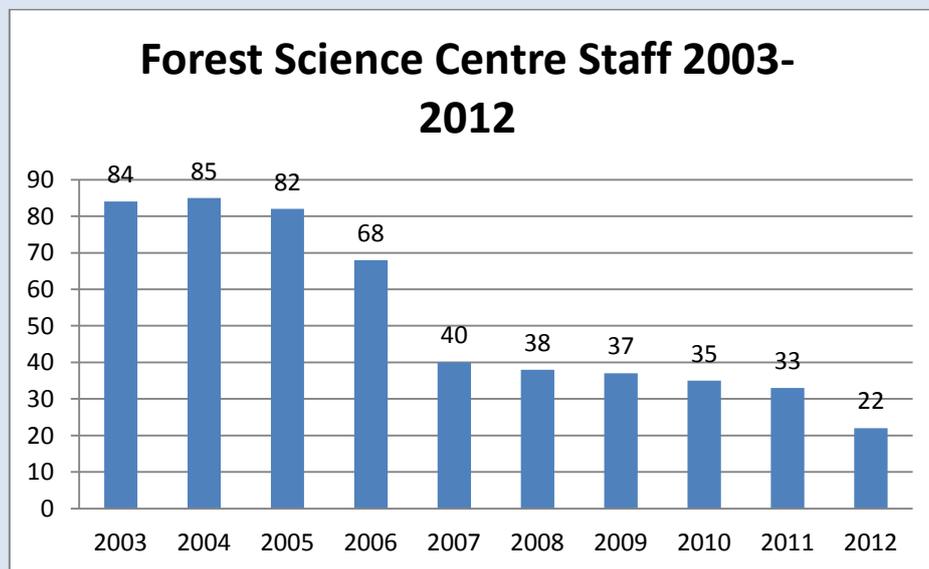
‘Some of their projects have been going 10 and 20 years,” he said. "They are producing understanding about changes in the land resulting from the way we use it in a way that no other researchers can demonstrate because none of the rest of us have this capacity to do these kinds of long-term studies. And it is long-term studies that are precisely what we need at this point." Professor Archer said the decision would "cut the throat of the expertise that is generating so much information that we need now. This is not the group to sacrifice. (SMH, 23 Aug, 2011).’

The former Minister (Steve Whan) moved a motion in the Legislative Council condemning the cuts pointing out:

‘...while Forests NSW is moving to a structure that is commercially competitive, there is still public interest research, which in previous years under a Labor Government was funded directly through a grant to Forests NSW. A fundamental principle of this is that even in a business enterprise there can be public interest research into a variety of areas through direct grants. The interesting thing is that in this year's budget papers the grant to Forests NSW for the public interest work that it does is still there. Many forests research staff are questioning why their jobs have been cut when the direct grant for the public interest side of the work that Forests NSW does is still listed in this year's budget papers. One has to wonder at the reasoning behind that (Legislative Council Hansard, 16/9/2011:5843)’

The Forest Research Centre provides a rare opportunity to track the actual staffing of a defined unit, by virtue of its publishing the names, positions and locations of its staff, including administrative and ancillary staff on an annual basis. Figure 1.1 provides an overview.

Figure 1.1 Forest Science Centre Staff 2003.-2012



Sources: State Forests of NSW Research and Development Division Annual reports 2002-2010,

We see the quantum reductions occurred during 2005-06 and 2006-07, during the life of the Department of Primary Industries. Forests NSW shed 75% of its research capacity over a decade, as its operation was increasingly narrowed to the objective of generating revenue.

The research that was discontinued related to preservation of forest biodiversity and habitat, including studies into forest bat and frog populations, and to monitoring tree health crucial to the bee industry. While the management of ForestsNSW may have legitimately considered funding such research was not their concern, authorities within the scientific community have condemned the government for not continuing to support the research through another of its primary industries research programs (SMH, 23/8/2011) (See Box 1).

More consternation was soon produced with the release of the budget and the announcement that the Cronulla Fisheries Research Centre of Excellence with 147 staff would be relocated to Port Stephens on the NSW north coast, Coffs Harbour and Nowra. While staff had been offered assistance to relocate, for many it is impractical owing to family commitments. The government have emphasised that it accords with pre-election undertakings to decentralise government operations, and that the facility is old and incapable of renovation. Staff deny that the centre is not fully functional and point to a \$1 million upgrade of its facilities to mark its centenary of operations in 2005. \$10,000 was spent on the celebration (QON, 2005).

The decentralisation explanation is also inconsistent, staff have complained, with plans to relocate 40 of them to elsewhere in Sydney and Wollongong.

Other motives have been suggested for the relocation:

Greens MP Cate Faehrmann said there was growing evidence the decision was based on political ideology and an attack on fishing science. “Your research helps determine [fish] size limits and bag limits, which [Premier] Barry O’Farrell doesn’t want you to be doing so efficiently,” she said.

Ms Faehrmann said she had heard that before the election, National Party Leader Andrew Stoner had told a public forum at Laurieton, near Port Macquarie, that the people present knew more about fisheries management and fishing than those at the Cronulla centre. Professional fishermen had also been going around saying Cronulla was to be “smashed”, she said (St George and Sutherland Shire Leader, 23/2/2012).

Staff submissions to the Minister have challenged her assertion that the move would place researchers nearer the locations from which the state’s fishing industry operates, that the Cronulla centre is not state-of-the-art, and that the Port Stephens facility is of comparable quality (given the brackish character of its water). They also argue that it is the largest employer in Cronulla and its impact of its closure will be significantly detrimental (SCF, 2012).

1.2.4 New South Wales: Summary

The clear picture that emerges from this survey of what successive NSW governments have done and are continuing to do in this area of public policy contradicts what the most important recent report on this question (Beale, 2008) urges all states to do, namely not to reduce their capacity in this area.

In debates over the Forest Science Centre redundancies, government spokespeople such as the former shadow Minister for Primary Industries (now Minister for Roads) Duncan Gay, have summarised Labor’s track record in office as having removed 660 positions from the Primary Industries portfolio since 2004 and closed ‘45 Department of Primary Industries offices, stations and research facilities since 1995, representing over 30 per cent of the total department’ (NSWLC, 7/11/2011).

While entirely justified in highlighting Labor's hypocrisy and poor track record in office with relation to this portfolio, this does not justify the present Government further compromising the biosecurity and primary industries research capacity of NSW.

The O'Farrell government is not justified in using the policy objective of decentralisation as a mask for further diminishing staff and facilities that are dedicated to this work. Decentralisation does not require facilities be closed in metropolitan areas or major regional centres in order to expand public investment in rural districts. The government has rightly acknowledged long term neglect in this portfolio. Their awareness of the extent to which their political opponents ran down public provision in this area for more than a decade obliges them to either declare Labor were right in doing so, or to reverse the cuts Labor made, and expand provision in this area.

In terms of what themes emerge in this survey, clearly the raising of revenue from the sale of land seems to have been a strong incentive for the closure of research facilities. This was greatly assisted by prior cuts to staff and functions at targeted centres in order to make a case that 'not much research was being conducted there'. Opposition suspicion that this was an undeclared strategy led to regular efforts to establish the extent to which positions at various facilities were left unfilled.

The policy of 'decentralisation' has the potential to be used for this purpose whereby properties nearer the metropolitan areas, such as the prime real estate and heritage listed facilities at the Cronulla fisheries centre, are sold for potentially large sums and replaced with far cheaper rural properties. The price differential of the land may be a considerable inducement, irrespective of the harm such a move might cause to longstanding research programs and how many high quality staff are lost along the way.

1.3 Western Australia

1.3.1 Introduction

The following case study reviews the evolution of the Department of Agriculture in Western Australia drawing on a range of public sources, including an excellent departmental history by former Director General Noel Fitzpatrick, published in 2011, interviews with past and present officers of the department, annual reports, budget papers and press clippings.

It reveals the demise of the organisation as a source of informed advice and practical support to Western Australia's agricultural industries, and its progressive abrogation of post-border biosecurity and long term primary industries research.

We begin by considering the department's role in developing Western Australian agriculture in the post-war period.

1.3.2 The rise and fall of Commonwealth support 1950 – 1994

Western Australia's Department of Agriculture evolved from simple beginnings in the 1890s to provide regulation, co-ordination and financial / technical support to that state's widely dispersed farming community. Its' staff of agricultural advisors and inspectors grew slowly before WWII, but steadily rose as a significant service in the post-war period. A major contribution to expanding the science-based development of national agriculture after the Second World War was made by the Commonwealth Extension Services Grants to the states, which directly supported much of the research that underpinned Western Australia's

agricultural development during the 1950s and 1960s, acknowledged in hundreds of research papers and conference proceedings.

A statutory Agriculture Protection Board (APB) was established in 1950 giving farming industry representatives significant influence over the strategic management of biosecurity functions. It was responsible for determining which plant and animal species should be 'declared' to require a specified level of management (eg. prevented entry to the state, eradication, population reduced or contained). It had the power to authorise persons to search properties, issue control orders, and carry out remedial work. Its functions and powers were revised by the Agriculture and Related Resource Protection Act 1976. This imposed an Agricultural Protection Rate on all pastoral lands, which were matched dollar-for-dollar by the State Government, and 'used to provide landholders assistance to control declared pests through coordinated control programs such as aerial baiting of wild dogs, culling feral donkeys and declared plant control' (Biosec, 2012). The board was connected to regional districts through 20 Zone Control Authorities which reported on biosecurity issues in their area, directed local action, conveyed biosecurity information and were in turn represented on the Board. Where once this employed several hundred staff, it was progressively subsumed within the department from the mid 1990s onward (APB, 2005). It was finally dissolved in December 2010 with the implementation of regulations under the Biosecurity and Agricultural Management Act 2007(BAM).

In addition to the board's staff, the department employed a dispersed workforce of graduate extension officers, field technicians and inspectors, many in one-person district offices, to support growers and manage invasive species and plant / animal diseases. In the mid 1970s, to better support and coordinate their work, the department adopted a regional office structure that consolidated the one person offices, giving field staff access to better facilities (autopsy rooms and farm machinery) and more opportunity for skill and expertise to be mutually shared and developed.

By the early 1980s the value of WA agriculture reached \$2 billion annually, around 20 per cent of Australian gross agricultural product with 25% of the state's workforce associated with agricultural production (150,000 jobs) (Fitzpatrick, 2011:93).

In 1981 the Commonwealth Extension Services Grants program was discontinued by the Fraser Coalition Government, in response to which state governments including the WA government covered the shortfall for a short period, but further cuts in revenue sharing with the states saw the Department of Agriculture cut research / extension services in 1981/82. Noel Fitzpatrick, Director General of the Department from 1971 to 1984, marks this moment as the beginning of the withdrawal of public resources for agricultural regulation and support. It continues to this day.

While the 1981/82 season saw record gross value of agricultural production, the total resources available for maintaining the department's research and extension functions did not keep pace with inflation. This resulted in some departmental functions being scaled down. This included less activity at Avondale Research Station, reduction of laboratory services available from the Division of Animal Health and withdrawal of fruit and vegetable quality inspections at the Metropolitan Markets

The overall outlook was for greater contributions to come from the rural industries for maintenance of research. This trend was emphasised by comments at federal level that agriculture was overfunded. Subsequently, funding for CSIRO was redirected from agriculture to other activities, particularly the environment (Fitzpatrick, 2011:95)

The ‘comments’ at the Federal level are presumably connected with the debates surrounding the Balderstone Report (1982) that arrived at the conclusion the government should withdraw support for agriculture, to leave room for the free market.

Under the pressure of declining revenues, a functional review of the department was begun in 1984 coinciding with the appointment of a new Director General. It reported in 1987, prompting changes to the executive structure including the appointment of seven regional directors, responsible for the Kimberley, Arid Pastoral, Northern Agricultural, Central Agricultural, South West Agricultural, Great Southern Agricultural and South Coast Agricultural Regions. This consolidated the move to regionalisation, in that regional offices were empowered to direct their resources towards addressing issues of significance to their region. Pastoral land inspectors were also transferred to agriculture from the Department of Land Administration. While annual reports indicated nominal increases in funding between 1984-1989, allowing for inflation there were actually reductions of around \$6 million in real terms over the period (Fitzpatrick, 2011).

1.3.3 The ‘New Age’ thinking

In 1990 the (Labor) Minister for Agriculture, Ernest Bridge, approved a policy (provided for in the 1988 Agricultural Act) of full cost recovery for services delivered to individual land managers where they could not be said to benefit anyone else, discounted in proportion to whatever degree of ‘public good’ they could be said to have, as when work entailed diagnosing a suspected invasive species. Farm management / improvement information and agricultural research of general use would not be charged for (Fitzpatrick, 2011:97-98).

There was now a need to follow the ‘new age’ management structure of identifying objectives and reporting formally against those objectives. As a result the department adopted a formal system of program budgeting and management. Outcomes had to be related to stated objectives. This process was designed to increase accountability to Parliament and the department’s clients. It was the beginning of more formal reporting requirements which over the years appear to have detracted from the value of the department’s reports. The process seems to have failed to recognise both the professionalism of the staff and the uncertainty of innovative research. The Director noted that the reduced resources would increase the focus on front-line country services (Fitzpatrick, 2011:99).

The reduced resources prompted a significant loss of experienced staff through redundancies that saw the loss of 78 positions. The concentration of national research capability in the eastern states in areas of immediate interest to Western Australian agriculture, such as grain, wool, beef and biotechnology, saw disproportionately less Commonwealth and industry funding directed into WA, undermining the state’s ability to maintain and develop its research capacity relative to the size of the industries it was servicing (Fitzpatrick, 2011: 101).

The election of the Court (Liberal) government in February 1993 gave rise to another review of the Department of Agriculture (the Hussey Review) which reported in October 1994. The following month the Director General resigned over differences with the Minister (Monty House) on the implementation of the report’s recommendations. The influence of corporate management consultants and large agribusiness on this review were evident in the composition of the review teams that businessman Roger Hussey was to chair, one for the agriculture portfolio comprising departmental officers and:

- Mr Stan Dorman - livestock producer/exporter, Dale River Transplants
- Mr Peter Hackett - farmer and agricultural consultant

- Mr John O'Donnell - management consultant, Kadmos Group
- Mr Chris DeLima - general manager, Competitive Food Supplies Pty Ltd
- Mr Peter Tan - food exporter to Asia.

While another team looked at the fisheries portfolio comprised:

- Mr Murray France - director, Kailis and France Pty Ltd
- Mr Ian Finlay - rock lobster fisherman, Jurien Bay
- Professor Bob Lindner - dean, faculty of agriculture, University of WA
- Dr Mike Williams - management consultant, Deloitte Touche Tomatsu
- Mr George Gauci - general manager development, CRA Ltd
- Mr Rob Williams - general manager (WA) Goodman Fielder Ltd. (House,1993)

Apart from recommending the reorganisation of the department into four divisions (Policy and planning; Programs; Technical and Regional Support; Corporate Services), the review led to further cuts and gave rise to significant outsourcing. In line with advice from transnational business consultancy Deloitte Touche Tomatsu, the report recommended adoption of a funder / purchaser / provider model for the department. This entailed designated 'funder' parts of the department (policy and planning) allocating funds for specific programs to 'purchaser' parts of the department, which 'bought' services from 'provider' parts, such as administrative support from Corporate Services and program delivery services from Technical and Regional Support. Establishing internal price signals enabled price comparison with external commercial offerings, thus promoting outsourcing introducing 'contestability' to the department's operations (Fitzpatrick, 2011).

Another outcome of the 1994 Hussey Review was that the Agriculture Protection Board and the Rural Adjustment and Finance Corporation (RAFCOR) were formally merged with the department in July 1996, adding 257 Full Time Equivalent (FTE) staff and 25 FTE staff respectively to the department's 1613, totalling 1893 FTE. The Department was renamed 'Agriculture Western Australia' and in November 1996, 119 staff were subsequently given redundancy packages:

The loss was a significant and unfortunate outcome of the review, particularly as it included a number of senior and experienced officers who were the leaders, mentors and trainers of younger staff (Fitzpatrick, 2011:144).

Fitzpatrick dismisses suggestions made in subsequent reports that achievements in following years (eg. higher state agricultural yields) reflected the impact of the 1994 review 'except possibly to slow them down through loss of key staff' (Fitzpatrick, 2011:145). The purchaser-provider model was discontinued after 2001 with the election of the Gallop Labor Government:

This system proved to be administratively clumsy and unsuited to a research organisation. It was finally abandoned after a change of government in 2001. Department personnel reported that it also reduced cooperation and sharing of short-term workloads between programs (Fitzpatrick, 2011:146).

1.3.4 The decoupling of the department from farming communities

An enduring legacy of the 1994 review was the overlay of the program funding model over the regional structure, in that authority over what was done in regional offices shifted to each program's designated 'leader', who may have been located at head office or in another region. Perhaps more destructive of the department's sense of purpose, and of its perceived value by the farming community was the directive issued in the mid-90s for extension officers to discontinue one-on-one advice and practical support to individual farmers,

attributed to pressure from the WA Treasury. The instruction to staff was to direct landholders to employ private contractors to undertake the work.

It appears that this policy was based both on the same logic that resulted in charges being made for all services by the department which were for the benefit of the individual farmer and contained no public benefit. There appears to have been no recognition of the importance of raising the efficiency of 'second tier' farmers who did not have private advisers, or the importance of transfer of knowledge, particularly of current issues from farmers to field staff. It effectively ignored the value of such services in maintaining contact with the farming community and advertising the department's problem-solving role (Fitzpatrick, 2011: 271).

This is a view that was reinforced in interviews with current and former staff who saw the impact of this decision first hand. One recalled that his role once entailed:

...a direct service to farmers where farmers would ring up if they had a problem, generally with water or erosion or salinity, and we would go out. My job was to go out and do an on-site inspection and discuss options to address these issues. When the Liberal government got in ... Richard Court's government. [...], they pushed that privatisation agenda very strongly. And primarily, the government decided that if farmers wanted on-site advice from experts, then they could pay for it with private consultants, so that all stopped. One on one farm advice all stopped and we don't do that any more, and we haven't for quite a while. Which is a bit of a shame, because the Ag department has lost its shape and vigour and perception in the community, because a lot of farmers don't know what we do anymore (Interview A4, 2011)

The practice was not restricted to biosecurity management:

The perception was then that we were only allowed to address contact groups. Farmers were encouraged to form catchment groups. Which generally involved between 10 and 15 farmers and looked at addressing a whole lot of 'ag' issues. So then for about 10 years, if farmers wanted the Ag department involved, they had to actually form a catchment group, or a pastoral improvement group, or whatever their interests were. A water conservation group. And then we would go out and address the group. And as I said, that generally involved between 10 and 15 farmers, but anything up to 30. Anything more than 30 we found was pretty unmanageable. So what happened then was we looked at those sorts of bulk group sorts of things, and there was like 700 catchments in the states, so there was plenty of work there (Interview A4, 2011).

The impact on staff capability of this absence of practical hands-on one-on-one engagement with landholders was described by one interviewee:

I feel that what is happening is that as we [have] become an organisation that basically reads out of a text book, we haven't got any on-ground ability to do the work. So we provide advice to a land manager on how to control a particular pest, but we do not have the operational capability or knowledge to impart the correct way to undertake the control operation, because we haven't got any operational skill. We haven't got any expertise in that area, we're just reading out of a text book. And we're expecting other components of industry, the pest control industry, to have those skills, and my belief in that is that, because we're the agency that says 'this is how it should be done', that we should be skilled in performing those tasks at the same time.

The other area, the way our charter is, is that we need to train land holders to do particular tasks and how to control particular species, so how can we train them if we ourselves don't have that knowledge, that expertise, and we're not continually carrying

out those tasks, there's no way in the world that we can then teach our clients to do it (A12, 2011).

And by another:

And the other thing is that all the new graduates that come out now are somewhat removed because they don't have real contact with any farmers. The farmers' often refer to the new agricultural graduates now as 'whiteboard experts'. ... Pretty good at drawing flow charts and telling you what should happen, but if you point to a weed on the ground and say what's that, they say I dunno. There's a bit of on ground stuff that's changed (A4,2011) .

And another

It cut off a source of training. It cut off a source of feedback. It cut off a source of keeping you in tune, in line, up to date with contemporary agricultural issues [...] Whereas that's the sort of stuff you used to talk about over the kitchen table when you'd go visit, and quite often you'd stay for lunch. So you talk about all that periphery stuff around agriculture - that doesn't happen anymore because you don't have that direct contact with them. The only time I'm out there is if a guys' dug an illegal drain and [that's not very conducive to talking] (A6,2012).

1.3.5 'Defacto Privatisation'

The consequence of progressive staff attrition that has been underway for two decades is that less support is being accessed by farmers, despite the assertion that the private sector will take up the strain. With the withdrawal of one-on-one services by the department, smaller farmers have foregone technical support due to the costs associated in hiring consultants, and the qualitative differences in services offered by profit-seeking operators, particularly in relation to their willingness to service smaller and remote properties in a timely manner. This phenomenon is recognised by both major parties. Liberal member Paul Omodei, for example, acknowledged that cutting these positions would effectively give rise to a privatisation of services and increased costs to farmers, when he questioned the loss of 120 people from the department in 2001:

Obviously these people are providing services to people in agriculture. Is this a way of the Government privatising the agricultural department in a de facto fashion? Let me qualify that by saying there are a lot of very good people in the agriculture department who finish up as consultants providing exactly the same service as they were previously in the department. I just wonder what your view is by the Government shrinking the budget for agriculture. Is it pushing people that normally would be working for the agricultural department out into the private sector? De facto privatisation. Perfect description I think.

... I bet you my bottom dollars that those guys pop up providing services to people in agriculture at a greater cost than before (WA Legislative Assembly, 25/9/2001: 167-194).

The government to which he belonged had previously declared that a 'major achievement' for 1998-99 had been that '70,000 hectares of search and control activities were outsourced to private contractors' (BP2,1999: 109-110). His point that this development was increasing costs to farmers is supported by observations of departmental staff:

The other impact of that is that the cost of that control has increased. Instead of being, if the department contracts labour its around 60 dollars a fifteen minute period, which

sounds a lot, but in reality its probably reasonably cheap, because if you get a contractor in and he may be based 2 or 3 hundred kilometres away, you need to pay his mileage. He's not exactly going to come over and do the job when you want him to, because he's going to try get other work in the area. So you see, its a kind of snowball effect (A4).

While interviewees routinely prefaced their comments by saying they did not like to denigrate private operators, they drew attention to the differences in motivation between departmental staff and private operators and how this reflects on the quality of the work these motivational differences produce:

I hate to run colleagues down in that side of the industry, but why are they there? They're there to obviously make an income, to make a dollar at the end of the day. So they've got a vested interest in it. Whereas, a government inspector is not going to make a dollar out of whether the job is done or not, he's still going to make his dollar, and his interest is the fact that he's achieving a desirable outcome for the environment or the industry. At the end of the day he can go back to his community and say 'we reduced the size of that infestation, or we removed that pest from the environment'... There's two different areas, there's no conflict of interest, you're not dealing with particular companies, so to speak, you haven't got any of that, you're there to do a job and at the end of the day, you want to reduce the size of that infestation or remove that pest from the environment, you haven't got any other motive (A12).

While there is little doubt in the minds of experienced departmental staff that these moves have damaged the standing of the department in the eyes of the farming communities they once supported, they are equally clear that these decisions were not taken with reference to the needs of the farming community:

What farmers really need, what they want, is the old service where the individual will come out stand in the paddock and discuss areas. And generally, I think political parties have said those days are long gone. If you want that to happen you have pay a private consultant. And unfortunately, most private consultants don't offer that sort of service. They offer a whole farm, they either have an applied toll where they say you pay me 10 grand a year and I'm exclusively yours, there's no current service where you can ring someone up and say, I just want someone to come out and spend half a day on my farm, driving around looking at stuff and giving me options and suggestions on what to do. So yeah, the Ag. Department has gone down a political road rather than an actual Primary Industries road (A4).

The decline in the practical / operational involvement in staff in direct farmer assistance not only obliges farmers to bear higher costs of employing consultants and private pest controllers, the commercial interests of private contractors are not necessarily consistent with effective biosecurity. One departmental officer considered the main change in his role to have been:

...that in the past we used to be able to undertake work to control a particular declared species, so if a land holder or a land manager wasn't in a position to control that particular pest himself, then the department, or the officer, had the ability to go and carry out that work himself and then recoup the cost of it. The department's moved away from that, they've basically said that their officers will not carry out operational work unless there's a market failure, so basically meaning that there is no private enterprise able to carry out the work.

That may be fine, from my perspective, in larger areas, more built-up areas, where industry has the ability and the will to carry out those works – because they’re usually small scale, they’re not large scale, or have a hell of a lot of money in them (Interview A12, 2011).

So that the downfall of doing things that way is that we don’t have access to people to carry out those works, which means that the control of a particular declared species is not carried out, I suppose, to the best effect. It also means we spend a lot of time trying to facilitate the control, where you go out and you inspect a particular area and say, ‘yes, that particular species is there, and a land manager needs to control it’, and then you’re continually going back and saying ‘well you haven’t done it yet’ and he’s saying ‘yeah I haven’t done it, but I haven’t got the tools, or I can’t find anybody to do it, or, there’s always excuses, and we end up running backwards and forwards five or six times, when in effect, we could have been there, done the job, given them a bill - jobs done (Interview A12, 2011).

1.3.6 Staff numbers 2001 - 2011

At this point we consider the extent to which staffing levels have fallen over the past decade. Though extracting meaningful data on staffing through public accounting documentation is generally a tortuous affair, the Western Australian budgets and departmental annual reports are unambiguous in their reporting of significant reductions in staffing. Table 1.6 presents a compilation of Annual report data on total employees (permanent, contract & casual) by function from 1999-2011, with total Full Time Equivalent (FTE) as reported in budget papers presented for comparison.

Table 1.6 Total Employees by function

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Professional	673	619	637	561	601	674	693	703	657	632	586	546
Technical	462	452	445	431	491	478	454	431	392	345	306	255
Inspectorial	217	222	266	321	122	133	132	137	125	115	107	110
Administrative	342	309	300	306	352	327	354	336	344	301	293	279
Wages	59	66	61	65	61	51	54	53	47	43	40	24
Annual Report Totals	1753	1668	1709	1684	1627	1663	1687	1660	1565	1436	1332	1214
Budget FTE	1718	1704	1709	1592	1450	1663	1541	1587	1565	1437	1332	1266

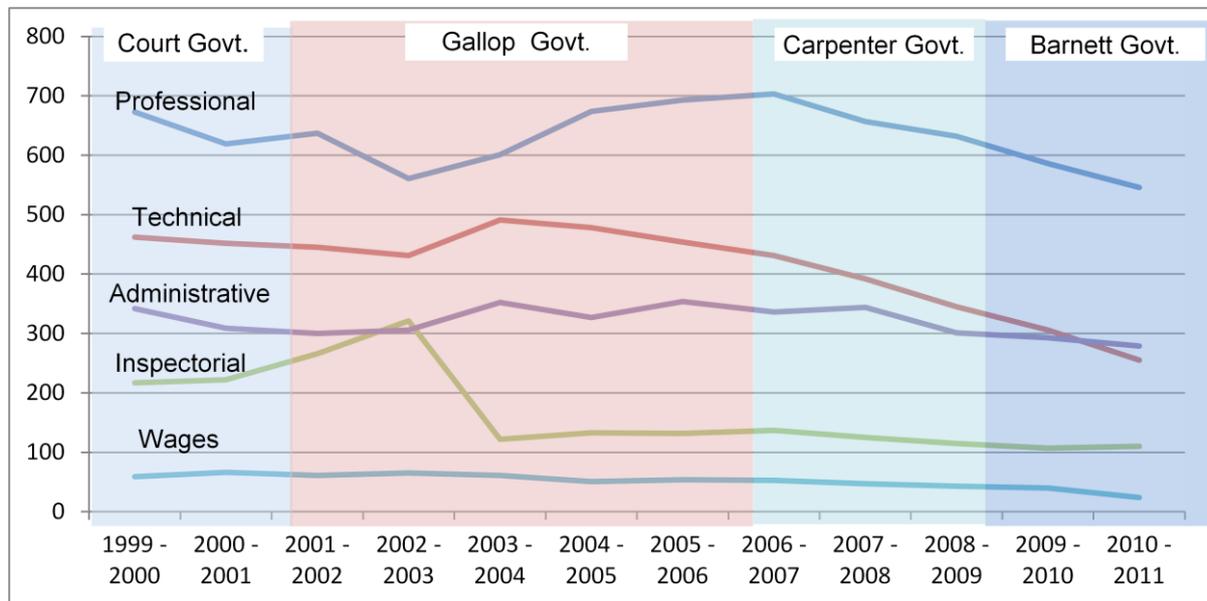
Source: Dept of Agriculture and Food Annual Reports 1999-2011 and Budget Paper 2 for the same period.

Figure 1.2. Presents the same data as Table 1.6 (above) in graphical form, and relates changes in staffing level to the relevant government holding office.

While this data affords some insight into the distribution of staff classifications, being a headcount it does not reflect actual hours of employment. Over the course of a year, staff levels rise and fall, and casual workers hours are varied affecting the measure depending on

when it is taken. Therefore average full time equivalent staffing levels afford a more reasonable basis of comparison. Table 1.7 presents data also derived from annual reports (1999-2011) of Average Full Time Equivalent (FTE) staff, along with the staffing level allowed for in the budget for that year, along with the annual high and low points in staffing levels (which ceased being reported after 2006-07).

Figure 1.2 Total employees 1999 – 2011 by function



Source: Dept of Agriculture and Food Annual Reports 1999-2011.

During the course of a year actual staff numbers rise and fall, and it is not uncommon for approved positions to not be filled. Budget papers thus present different figures for actual persons employed over this period, and while usefully they provide a breakdown of staffing numbers for what the department considered its key ‘outputs’, unfortunately these were revised over time limiting the usefulness for longer-term comparisons. Table 1.8 reports Full Time Equivalent staff as at 30 June for 1999- 2011 derived from budget papers against these output areas. Precisely how these different measures of staffing align is difficult to determine, but what is clear is the steady reduction in the numbers of staff employed in delivering the department’s programs.

Table 1.7 Average Full Time Equivalent Staffing Levels, Budget Target, Annual High / Low.

	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11
Average FTE	1704	1669	1590	1450	1492	1527	1585	1499	1436	1332	1214
Budgeted staffing level	1718	1608	1553	1517	1383	1430	1449	1598	1591	1500	1350
High level during year	1758	1677	1653	1506	1506	1575	1638				
Lowest level during year	1666	1611	1565	1382	1481	1484	1534				

Source: Dept of Agriculture and Food Annual Reports 1999-2011

The period presented in these tables, it should be noted, follows significant retrenchments of the 1990s.

In relation to Figure 1.2: The 2000-01 annual report acknowledged marked reduction in professional and administrative roles. The rise in inspectorial positions over the following year was in relation to a foot and mouth disease campaign, while their subsequent sharp decline during the term of the Gallop administration reflected the transfer of 204 state quarantine staff (192 FTE) to the Australian Quarantine Inspection Service on 30 November 2004 (WA Legislative Council, 9/11/ 2004: 7633-7634). Later this was described as

...the return to the Commonwealth government of about 130 FTEs who had been seconded from the Australian Quarantine and Inspection Service to work on a contract we had arranged to provide services to the federal government (WA Legislative Assembly [estimates] 9/6/2005:374 – 387).

No one appears to have questioned whether the commencement of this contract was used to cover staff losses at the time it was commenced. A brief coinciding rise in technical and administrative staff during 2003 – 2004 was subsequently reversed with a progressive attrition in professional and technical capability during the terms of the Carpenter and Barnett administrations.

Each year explanations of net staffing figures entailed accounts of gains and losses with the commencement and cessation of inter-governmental and industry-funded programs, and for ‘one-off’ programs directed at what appear to be chronic issues, such as wild dog abatement. Staff transfers to other agencies, as with the transfers to AQIS in 2004, or of staff in corporate restructures, as when 20 administrative staff were relocated to the Office of Shared Services in 2006-7, have also explained variations (WA Legislative Assembly, 14/9/2006: 6110). Predominantly, the non-replacement of staff who retire or otherwise leave the department has produced a steady level of attrition

Table 1.8 Full time equivalent staff by output area 1999-2011

	1998 -99	1999- 00	2000- 01			Variation end - start			
1. Industry market development	812	812	750			-62			
2. ecological sustainable	344	344	394			50			
3. Protect	562	562	560			-2			
Total	1718	1718	1704			-14			
				2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	
1: Food and fibre industry development	741	703	790	711	710				-31
2: Agricultural resource management	276	304	379	337	342				66
3: Biosecurity	575	443	494	493	535				-40
Total	1592	1450	1663	1541	1587				-5
				07 - 08	08 - 09	09 - 10	10 - 11		
1: Land Management	359	320	248	228					-131
2: Production System Solution	800	703	602	570					-230
3: Industry and Regional Support	93	74	178	211					118
4: Market Development	241	266	179	182					-59
5: Community and Environmental Risk Management	72	74	125	75					3
Total	1565	1437	1332	1266					-299

Source: Western Australia budget papers 1999 – 2011.

When during estimates hearing on 20 May 2003, Liberal spokesperson Paul Omodei noted ‘we are seeing a reduction of 143 full-time equivalents over two financial years, and by any measure that is a major reduction in the activities of the Department of Agriculture’, the explanation it prompted revealed the volatility of inter-governmental funding on which departmental positions relied:

Mr F.M. LOGAN: Many of the full-time employee placements occurred as a result of commonwealth funding, which has now dropped off. That was for particular programs. A number of the full-time employees were contract-type employees whose contracts came to an end and were not renewed. Also, a number of programs changed. For example, the Queensland Department of Primary Industries program was not renewed. There is a natural ebb and flow in any agency and any job in terms of the number of employees.

Mr B.J. GRILLS: The tide is out (WA Legislative Assembly Hansard, 20/5/2003: 140b-148a).

The tide continued to head out during the rest of the decade, with 28% of the department’s positions (490 FTE staff) being removed from the department between 2001 and 2011 (see Table 1.8).

1.3.7 Biosecurity and Agriculture Management Bill 2007

Having been on the legislative drawing board from 2001, Labor's Biosecurity and Agriculture Management Bill 2007 and accompanying Acts, consolidated some 17 previous acts and foreshadowed the replacement of the Agricultural Protection Board, by this time little more than a legal shell and an advisory panel, with a Biosecurity Council that was to continue the industry representation and advisory role. This entailed the establishment of Industry Funding Schemes, which shifted greater responsibility for biosecurity, financial and otherwise, on to agricultural industries empowering industry groups to raise levies on industry members to manage different biosecurity issues (Legislative Assembly, 31/8/2006:5573-5574).

In 2007, the Department and the Commonwealth Grains Research and Development Corporation (GRDC) created a private company, Intergrain, which took over the development and marketing of wheat varieties, work formally undertaken by departmental employees.

This decision was taken in the light of two significant changes to the commercial environment for crop breeding in Australia:

1. The de-regulation of the grains industry in Australia; and
2. The increasing capacity for breeding programs to be commercially viable from revenue achievable from Plant Breeder's Rights protected varieties, through End-Point Royalties (Intergrain, 2012).

In August 2010, Monsanto became a minority shareholder (along with DAFWA and GRDC) and more recently, Intergrain has also taken over the DAFWA's barley development program (Intergrain, 2012b). An informal telephone survey by the Community and Public Sector Union (CPSU) in 2011 that explored staff concerns surrounding the impact of research privatisation revealed:

A lot of their concerns are that private enterprise will be interested in the quick research projects. So they will be happy to step in for something that will produce a dollar quickly, but they're not going to look at the long term sustainability effects and impacts on the land into the future, because that's not where the profit lies (A3, 2012).

The steady attrition of staff over two decades, the loss of practical capacity, the abandonment of long-term research, the decoupling of the department from direct engagement with farmers, had already deeply weakened the Western Australian government's capacity to support small to medium farming operators and maintain vigilant biosecurity, when the Barnett Government was elected. The cumulative effect of short term thinking, that has seen the loss of capacity to prevent noxious weeds and animals from establishing themselves is now being taken by the Barnett Government to its logical conclusion. It is attempting to abandon the field altogether.

1.3.8 The Barnett Government

The potential for the Biosecurity and Agriculture Management act to facilitate further withdrawal of the government from primary industries research and biosecurity was not substantially advanced by the time of the election of Barnett Liberal Government in September 2008, but it provided a platform for subsequent wholesale abandonment of government responsibility in this crucial public policy area. Whereas as Opposition spokesperson, Terry Redman expressed his concern in 2005 that:

The level of funding towards the control of declared plants has dropped approximately 40 per cent over the past 10 years. We should not underestimate the impact of biosecurity breaches on agriculture. The amount of transport in and out of the state and imported products have the potential to introduce diseases from overseas (WA Legislative Assembly, 21/6/2005:3098 – 3134).

As Minister he has presided over the most significant functional and staff cuts of the decade, a clear withdrawal of governance, which informed observers consider will have dire implications for future generations. This is despite the clear urging of the 2008 Beale review on biosecurity for the states to avoid reducing their capability in this area, given the damage resulting from previous under-investment, the rising threat of invasive species and diseases, and the certain knowledge that Australia's international competitiveness in agriculture will be significantly damaged if we fail to protect it (Beale, et.al, 2008).

In his account of changes to the department through the 1980s and 1990s, Noel Fitzpatrick notes the frequency with which incoming Ministers and Directors General declared the department was to embrace a supposedly new emphasis on supporting industry and economic development. Given that the department had always existed to support the productivity and profitability of agricultural industries, he expresses some confusion as to what, precisely, was ever new about this repeatedly restated objective (Fitzpatrick, 2011). The present Minister has in a sense, continued this tradition, explaining in May 2009 that:

...agriculture deserves a better direction than the direction it has had in the past': it is to become an 'economic development agency.

In developing that plan, we developed five key priorities, largely to redefine or re-centre the agency as an economic agency. Those five priority areas included plans to improve the long-term profitability; to develop an effective natural resource management policy; to build industry capacity to adapt and grow in the changing environment in which we find ourselves; to improve market access for Western Australian product; and to promote a positive profile for the WA food and agriculture sectors (WA Legislative Assembly, 26/ 5/ 2009: 136b-146).

Staff are confused as to how this objective differs from that which the department had pursued in the past, and even more by its incongruence with what is actually happening on the ground.

They keep telling us that we're an economic development agency. And nobody can really tell us what that means. I get broadly supporting new agricultural industries, but they don't seem to care too much about the existing big agricultural industries that we've got. It's all about generating new investment and new industries... We always did that, they've just made that a larger role and basically the staff and resources have been cut back from biosecurity and the general work that we used to do (A6).

If agriculture 'deserves a better direction', farmers and the public in general might reasonably suppose this would entail making things better for the agricultural sector. It has entailed deep staffing cuts according to the CPSU:

In recent years they've gone through a restructure that first started about 2 and half years ago. They changed their focus from being a research and development organisation and are now called an economic development organisation. So from that point of view the research seems to play a less important role. The other thing that has happened is there has been a reduction in staffing levels quite recently and that has an effect on the biosecurity staff as well. Officially they had 141 voluntary redundancies,

last April (2011). If we actually look at the impact that's had, there's probably been another 193 if you include casuals and contracts as well...

But a lot of the experts have [...] been let go. Like the senior entomologist has been let go, the weather station expert they let go, the person who was the most expert on bees and bee research has gone (A3).

Experienced staff see the assumptions underpinning the new 'focus' of the departments as dangerously simplistic, particularly the assertion that private land managers will control the invasive species that economically impact on their operations, and if it does not impact on them, it doesn't matter. They point to a fallacy of aggregation in the reasoning:

The farming industry itself will only deal with the pest that affects their bottom line. So, if there's a pest on a particular property, and it affects his bottom line, then he's going to control it. If the next door neighbour has got a slightly different farming system, and that particular pest doesn't impact on his economic bottom line, then he's not going to control it. So I think it's more of a case of how that particular pest doesn't impact on that particular business, but impacts on the industry as a whole, and on the environment as a whole. See, you need to treat it as a whole, not - and this is the bottom line of the department - I suppose it's saying in effect, if it's economic then the industry will control it. But not every farming enterprise has the same business model. Different pests will impact on them all differently. So the cost benefit analysis has to be done as a whole not on an individual basis (A12).

The privatisation of governance over agriculture and biosecurity prepares the ground for big agribusiness to consume smaller operators, shifting the stewardship of Western Australian agriculture from people closely connected to the land and farming communities to distant, and often foreign boardrooms. Where the department was once respected as a neutral source of advice, in preference to the company representatives that invariably pushed their product lines as the solution to every problem, the department is no longer there for them.

...farmers are always suspicious because, you know, particularly if Monsanto are out doing trials. What they used to like about the Ag Department was it's neutrality to issues. And now that everything goes to the private sector - not that I'm bagging the private sector - but you know the bottom line is that they've got an agenda to pursue and there's always that hint of doubt. And farmers are suspicious of, like, Monsanto with the GMO's, genetically modified organisms, now ... if you buy GM canola, you have to sign a contract saying that you will only use Monsanto chemicals and Monsanto fertilisers and bend over backwards for Monsanto, and you're only allowed to use their products. So they stitch you up every which way, it's a condition of them supplying this particular seed.

[Do you think there is merit in that perception? Do you think that big agribusiness is favoured by the shifts that have happened in the dept?]

Oh yes there is no doubt about it. We're going down the same way as America. It seems to be the way that privatisation - more and more of our culture now is industry funded by the private sector. I'd say probably 20% of our research staff are now funded by private industry... One of their barley breeding programs has just recently been sold to the private sector and is now being run by a private company, sort of in house... there's a little bit of a sharing opportunity with the Ag department [a reference to Intergrain Pty Ltd] (A4).

The government claims that it is taking a strategic decision to maximise the impact of its resources, by shifting away from farm inspections or direct responsibility for managing

infestations that are substantially established, and increasing its border surveillance where its efforts have greater effect. In reality it is simply shedding resources and running down the state's capability to manage the issue, as emerged in this exchange between politicians and officials at the May 2009 estimates hearings:

Mr D. Collopy (official) : The greatest benefit we can achieve from investing in biosecurity is at the end of the spectrum that deals with managing the risks of new, harmful organisms coming in and impacting on the state before those organisms get here or very shortly after they get here. Traditionally and in the past 20 years we have gradually moved resources largely from managing species that are widespread in the countryside to managing pests before they get into the state. For example, 15 years ago we made probably more than a thousand inspections a year of properties to enforce compliance with the control of Paterson's curse; whereas most of our investment now is in biological control. Because Paterson's curse occurs in over eight million hectares of the south west and on more than 7 000 properties, it is therefore no longer a pest that can be effectively managed by regulation; it has to be managed better by science and biological control. We have moved more resources into border biosecurity, thereby protecting ourselves at the border by preventing new organisms coming in, and also doing risk analysis to give us a better lead on what are the emerging risks and managing them before they get here. The member will therefore see a decline in the number of properties inspected, but the inspections that are made are far more targeted to the higher benefit end of the biosecurity continuum, rather than spending a lot of resources on managing pests that are already well established.

... Over the past 15 or 20 years [the department] has gradually migrated to a preventive focus through investing more in quarantine, border security and biosecurity. For instance, we did not have 24-hour checkpoints at Eucla and Kununurra 15 years ago; we now do. Those checkpoints are resourced by people who previously carried out on-farm inspections. Many of those pests are now very widespread, so our resources are going continually towards prevention.

Mr D.A. TEMPLEMAN: So we have given up!

Mr D. Collopy: No, we have not given up at all.

Mr D.A. TEMPLEMAN: That has occurred with locusts and starlings. Page 872 shows a reduction in animal pest programs for locusts and starlings. We have thrown in the towel!

Mr D.T. REDMAN: I might add that under the budget allocation of the former government the member's government in 2008-09 \$16.6 million was allocated to the APB [biosecurity]; my government has allocated \$16.677 million. The member referred to giving up resources; in this instance, there has been an increase.

Mr D.A. TEMPLEMAN: It is not a significant increase at all.

Mr D.T. REDMAN: In this environment, what sort of increase is the member expecting?

Mr D.A. TEMPLEMAN: I am expecting, if we are talking about international trade and all those associated issues and we are facing an increased risk from exotic pests being introduced into Western Australia, that our priority would be to increase what we are doing, both within the state and at our borders, to address these threats. The budget clearly shows that there has been no increase and, in fact, that the government is cutting

back on a number of the programs that were being delivered in Western Australian agricultural regions

...

Mr D.T. REDMAN: The government is faced with a very different set of circumstances financially from a state perspective from what the previous government faced late last year. Even in those circumstances, this government has been able to maintain the level of funding in this division.

Mr D.A. TEMPLEMAN: But the department is losing 200 staff! (Legislative Assembly, 26/5/2009: 146-148).

Research staff have also been subject to cuts in pursuit of budget savings required to meet the government's three per cent 'efficiency dividend', despite the claimed focus on driving agricultural productivity. A number of research programs were halted for 12 months in 2008-9, and staff reductions made as then department head Ian Longson attempted to explain:

In order to yield that efficiency dividend and look at moving staff to higher priority project areas under the government priorities, we are bringing about a reduction in the number of staff, and that is illustrated in the forward estimates further on in the papers. We are bringing down the staff numbers in the department from approximately 1 650 to 1 450. That will free up some operating money to address some of the higher priority areas. We have been able to achieve that reduction in staff, not by affecting permanent employees, but by not renewing contracts when they come up for renewal, and by reallocating staff to the high priority project areas. That process has gone on since January, and the numbers of full-time equivalents are shown in the forward estimates (WA Legislative Assembly, 26/5/2009: 146-148).

Longson's 5 years as Director General ended within days of this statement after discussion with the Minister 'having regard for the proposed future direction of the Department' according to Minister Redman (Redman, 2009).

A series of questions placed on notice in February 2011 revealed that so few as 50 FTE departmental staff were engaged in biosecurity surveillance, comprising 16 FTEs engaged in surveillance for plant biosecurity, 11 FTEs for livestock biosecurity and 23 FTEs for invasive species including European House Borer surveillance. It also confirmed the department had restructured its bio-surveillance functions so that they 'are now mainly industry-focused to facilitate [the] claim and maintain freedom from key pests and diseases' (Legislative Council, 15/2/2011:108), and that this restructure had resulted in a loss of positions. Confirmation was also given that it had resulted in reduced surveillance of 'social insect pests' such as European wasps, and that out of a \$38 million budget, only \$6.5 million was dedicated to biosecurity surveillance across plant and livestock sectors (WA Legislative Council, 15/2/2011:108).

One practice the government has employed in recent years to minimise the political backlash for ongoing reductions in service is to create the illusion that it is still delivering services it has actually withdrawn, by ordering staff not to admit to the public that services are cut.

We've really been instructed by the department to not say that 'no we don't do that anymore'. It's just less staff doing the same job. So farmers aren't going to get the same level of service...

The department would say nothing's been stopped. And every year they produce a list of, like, 'go to' people. So if you get a question about a particular issue, this is the

person that you talk to. But regrettably, those people might be responsible for advice for 2 or 3 areas. Whereas previously they were an expert on one area

[What are the consequences of that?]

Increase in workload for staff that are here. A lot of our biosecurity officers are being forced to cover much bigger areas than they used to. A lot more travel and time away from home. There have been some office closures in the department which has made it very hard for some areas to be serviced properly (A4)

While the maintenance of a large website with images of field staff and researchers carrying out research, and contact numbers for information, etc., preserves the appearance of an extensive range of services, the hollowing out of the department has not gone entirely unnoticed. In August 2011, for example, acting WA Farmers Wool Council President Ed Rogister vented his frustration at the lack of hands-on involvement of the department in regulating better sheep lice control practices, claiming the department had ‘dropped the ball’ since 1993, and that ‘Mr Redman has decimated DAFWA’ (Cattle, 2011). He said:

We may as well not even have a department’, he said. ‘You only have to come into the Albany DAFWA office and see that there are corridors there with no lights on at all because all the employees have gone.

The whole department from the Director General Rob Delane down needs to be changed. Mr Delane came out and said the department wanted to become an economic agency and he didn't want the department getting its hands dirty anymore. So what do we want an agriculture department for then? (Cattle, 2011)

Staff are mindful of the perception that successive reductions in staff and services have made their organisation irrelevant in the eyes of their principle client group, to the extent that farmers don't know what they actually do anymore. They're also demoralised with the inability of doing their jobs properly given the cuts they have sustained over years.

Go back 15 years ago, there was at least one officer in every single shire in the state. So now we've gone from that to one or two officers looking after half a dozen shires.

So effectively what that means is that your surveillance for incursions of declared pests in a particular region is non-existent. We're reactive rather than proactive, so we don't actively go there and encourage people to be on the look-out for certain pests and diseases, give them information on that. Basically what we're doing is we're responding to a phone call (A12).

This diminution in effectiveness of control weighs heavily on staff who know what was once considered manageable:

...[It's] Frustrating, because you go out there now and you can see small infestations, or infestations that are a declared species, that are quite small, and I'm talking plants here, and going back five or six years ago, and that were controlled, and we were preventing their spread. So you were having a positive outcome for the environment and for the industry as a whole. And you go out there now to those same areas and they've spread extraordinarily, because you can't facilitate proper control.

By the time you get the control done its too late. You've got seed set, you've had a big rain event, water has run all the seed down the bloody road...(A12)

1.3.9 Summary: Western Australia

In 2000, while in opposition, the future (Labor) Minister of Agriculture extracted an admission from the (Liberal) Minister that staff allocated to wild dog control in the Kalgoolie Zone Control area had been effectively halved by the Liberal government over its seven years in office (4.9 FTE to 2.4 FTE) (Legislative Council, 21/11/ 2000: 3416). Within a year, as Minister, Kim Chance was conceding that the department had reduced staff by 120 over the preceding 12 months, though he couldn't say from what parts of the department (Legislative Council, 19/9/2001). A week later, departmental officials explained the staffing reduction (reflected in a 7.5% cut to operational cost) was the consequence of producing a:

...priority and assurance dividend and that resulted in a reduction of services, but in the main the majority of reductions in activities within the organisation took place in non-recurrent items or items that *did not result in us not doing things that really should have been done* [My italics] (WA Legislative Assembly, 25/9/2001: 167-194).

Of course, there were many things that really should have been done as was conceded by officials a few minutes later. Liberal Paul Omodei, for the opposition, quizzed officials on the absence of adequate management of invasive plants on state controlled land, beginning with an observation of past practices:

I think that successive governments have failed in protecting agriculture and the natural environment in Western Australia from the incursion of plants, weeds, not only in agriculture but also in the forest estate. If you look at the activities of the Agriculture Protection Board -and I refer to days gone by where if, for example, blackberry was a declared plant, if the farmer did not spray that weed then the Agriculture Protection Board sprayed it and charged the farmer - we had a situation where you had farmers, particularly in the south west, where they had to spray the blackberries on their side of the fence and the state, whether it be DOLA or CALM or whoever, on their side of the fence you had blackberries 40 feet high, totally infesting whole river systems and creek systems and whatever.

He later continued:

You could quite well say, "What did you do when you were in Government?" I tell you what, we failed as well, and I think it is a reflection more so on the bureaucrats responsible for the protection of agriculture and our natural resources than it is the pollies. The pollies go around and - it is your job, it is your job, and these weeds, Director General, are out of control. I tell you, it is getting to a point that if we leave it for another couple of years it will cost not only tens of millions, it will cost you hundreds of millions of dollars. There are weeds choking out natural vegetation on roadsides, spreading into farms causing huge costs for farmers, and we as Governments, successive Governments, have failed. We need to grab it by the neck now and what I am suggesting to you, Minister, and asking the question: will you approach the federal Government and your leader and treasurer to see if we can get a significant [commitment] - and if that means some kind of corporate sponsorship or special trust or whatever, it needs to be done (WA Legislative Assembly, 25/9/2001: 167-194).

The officials conceded, it was a huge challenge and would require a 'whole of government' response, and that they would look into it. What did they do? They cut more staff out of the department's biosecurity workforce so that the plant infestations on public land established themselves on private land, and subsequently declared them beyond control. As for the Liberal party, the next time it gained office it removed more positions, and announced the

department would no longer ‘get its hands dirty’ with infestation management, and put its resources into maintaining a few inspection points around the second largest sub-national land mass in the world.

The biosecurity threats facing Western Australia’s \$13 billion agricultural sector and its natural environment have been well understood by successive oppositions, governments and officials for decades and yet all have moved further away from addressing them, reflecting a complete abrogation of responsibility. No informed observer, certainly no one interviewed for this study, considers the biosecurity arrangements of the past decade to have been adequate. Most insiders have raised the possibility of a large scale biosecurity threat, like the locust plague, and there not being enough people skilled and organised to deal with it.

Some interviewees have expressed the view that the demise of the department stemmed in part from the electoral redistribution that established ‘one vote one value’ in the Western Australia Legislative Assembly in time for the 2008 election, suggesting this has undermined the electoral significance of rural voters. As we have seen, however, the progressive undermining of the Department’s capacity to support rural industries, particularly the smaller farmer, has been underway far longer than this, arguably since the early 1980s. Fitzpatrick (2011) understood the sentiment to have first emerged from the federal sphere, that the state should not play the engaged and supporting role to farmers that it once did, that as commercial operators they should fend for themselves, and seek what advice and practical support they needed to remain viable, from private consultants in ‘the market’. This was a principle espoused by the Balderstone Report (1982), influenced by the submissions of the Productivity Commission’s fore-runner, the Industry Assistance Commission (IAC). This sentiment has been repeatedly expressed as the basis for withdrawing public services that would have enhanced the viability and security of Western Australian agricultural enterprises, regardless of the size of their operation.

The ideological principle at work here, a consequence of the ‘new public management’ and the spurious economics in which it is grounded, is that economies (and by extension, societies) work best when state intervention is minimal, and when markets are relied upon to regulate and coordinate people and their access to resources. The heightened exposure to biological risks and the impact of poorly controlled invasive species on the sustainability and productivity of Western Australian agriculture, let alone the wholesale destruction of indigenous fauna and flora by human-introduced invasive species, is the legacy of dogmatic application of this ideology over the past 30 years. While the private sector unquestionably has a role to play in meeting these challenges, the restoration of a large, capable, skilled and permanent biosecurity and primary industries research and extension workforce has to be seriously considered if these trends are to be reversed. Such a move would boost the productivity, marketability, viability, and profitability of Western Australia’s agricultural businesses, large and small, and the regional and remote communities they support.

1.4 Tasmania

The Department of Primary Industries, Water and Environment (DPIWE) was formed in 1998 with the amalgamation of the Departments of Environment and Land Management and Primary Industry and Fisheries. Since the 1980s, departments involved in supporting and regulating Tasmanian primary industries have been subjected to significant rationalisation, in line with developments in other states.

What follows is based on interviews with several current and former staff, and the Chief Executive of the Tasmanian Farmers and Graziers Association (TFGA), who reflect on

aspects of the present state of public sector capacity in Tasmania, in relation to biosecurity and support for primary industries.

Staffing with the output groups of the department engaged with services to primary industries and biosecurity are presented in Table 1.9. This is not a definitive account because services to agriculture (broadly defined) are delivered across several entities, but it signifies a gradual diminution of staff over the decade. Interviewees report that the most significant reductions occurred in the 1990s. As the last of these case studies we have undertaken, we are struck by both similarities and dissimilarities of the Tasmanian situation with the mainland states.

Table 1.9 – DPIWE Output groups Primary Industries & Biosecurity FTE (1999-2011)

Output Group	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Food Agriculture fisheries	256.2	300.9	279.3	288.8	283.7	283.4	281.4	125.6	122	84.94	81.99	54.34	56.22
Biosecurity & Product integrity	0	0	0	0	0	0	0	158.5	173.1	182.5	172.1	159.7	155.6
Combined FTE	256.2	300.9	279.3	288.8	283.7	283.4	281.4	284.1	295.1	267.4	254	214	211.9

Source: Department of Primary Industries Water and Environment Annual Reports (1999-2011)

1.4.1 Managing with less

The demise of Commonwealth support for agricultural extension services, in line with the ‘user pays’ and small government fetishism of the Balderstone Report (1982) affected Tasmania as much as it did the other states. Tasmania’s primary industries departments do not seem to have escaped the common lot of having to manage with dwindling resources from that time.

...there's fewer people. There's been increased workloads, and responsibility, and there's not the degree of specialisation that was there many years ago. In some areas, the problem is now we're getting down to critical levels of staff. What has happened over that 20 year period or so, is that every year there has been a need to have cost savings of 2-5% in each area. So what has happened is there are simply fewer resources, which has increased the workload and meant there's not the resources to do things as in the past (E4).

Tasmania has followed a national trend

... We used to have...a lot of extension people in areas where we simply don't have anyone now. In other areas like dairy and pasture reduction, red meat and vegetables and horticulture there are fewer resources, but I don't know that we could say that we are more drastically reduced than what has occurred in other states (E4).

Consistent with other states, Tasmania moved away from one-on-one extension services to farmers, beginning with the adoption of ‘user pays’ strategies following the withdrawal of Commonwealth funding in the 1980s. As with other States, withdrawal of government resources has prompted industries to form their own regulatory and support bodies funded by levies, fuelling growth in private consultancies.

...the first thing that we had probably 25 years ago, was that we introduced fees for services. So the idea was that if you were providing advice on a one on one basis, then that was charged out at an hourly rate. And that didn't raise the amount of money that

it actually cost to provide the services. The government then decided that there was obviously conflicting needs for resources across states so and the private sector became more equipped (E4).

Moves to concentrate dwindling research resources that are now underway in other states, such as the location of primary industries research institutes in universities, were adopted early on by Tasmania.

When I first joined the Department of Agriculture it was in a research development and extension role. At the same time there were activities going on at the university and in a limited way at the school of agriculture and it was decided, with declining resources, it was decided that it would be better to align our state government's efforts with that of the university, so that's when they formed the Tasmanian Institute of Agricultural Research. So from that, the people that were involved in research development and extension work in agriculture, moved over to the university. So it's a streamlined activity, but it's also meant that it's a more consolidated resource available for that research and development work (E4).

Staff operating in this field during the 1990s were subject to amalgamations and restructures many times, where staff from different areas had their functions combined, and then their numbers reduced, generally causing organisational capacity to run down over time.

... people weren't replaced in the branch as they retired. There's just continuing attrition of numbers over those years and the research station had a big number of people and they went through that, made people redundant, and a skeleton crew was left essentially (E2).

Precarious forms of contract and casual employment, now so commonplace throughout the public sector, have given rise to similar practices as in other states, such as disrupting projects to avoid people qualifying for permanency:

There's rules that you can't be on contracts forever. If you have had a couple of contracts, they've got to make you permanent. The Union won that rule. And so they just terminate people before they get a chance to do that and then they employ new people, or employ people again somehow. That's a bit upsetting I think (E2).

The efficiency losses that stem from so much energy being dissipated in people constantly having to chase work has been mentioned by interviewees in most states:

One of the problems of course, and this is well known, if you've got a contract, what you're doing as soon as you get your contract, you start to think where's my next job. And a lot of people do tend to - very well qualified people, will get out when they can get themselves a new job, part way through their contract (E2).

1.4.2 The loss of public sector capability

The use of contracts and reliance on short term funding for tackling complex issues, means that staff have less opportunity to get a handle on the roles they are expected to perform, which compromises their effectiveness and the relationship they have with industry stakeholders. Signs of this are evident in the nature of the relationship department staff of today have with farmers:

We've gone from often a long-standing specific expertise to a very rapid turnover of lower level staff without that history... the average stay of somebody in a government department these days is less than 2 years... [going back a decade or so] There were people who had long histories... (Davis, 2011)

Staff are very aware of this issue and find it a significant source of stress:

I've had that experience, and it is hard to get up to speed, to really have the knowledge you need to match the farmers and really lift farmers beyond where they are now, you know. It's not like the farmers are stupid. It's quite hard. You're looking to bring to them knowledge that's greater than their existing knowledge. Really it's going to take me a long time to really develop knowledge of the system they're working with that really provides them with a lot of value...(E2)

Not only does it require time in a role to acquire knowledge and skill, but with fewer staff, those that remain are also expected to be authoritative in a wider range of matters.

...some of these areas are quite specialised, so we used to have a whole range of people years ago who specialised in animal reproduction and others in nutrition and things like that. Well now days what we have is people that cover all of those fields and they are more commonly termed a generalist. We don't have that detail knowledge there so there's a potential to perhaps not be on top of the detail where we might have had officers in the past (E4)

Another issue is that where once the public sector was a net supplier of skilled workers to the private sector, training more professionals and tradespeople than it actually required, public service mimicry of private sector practices since the 1980s has included leaving it to others to train the nation's workforce. It is the principle cause of the lack of skill formation capacity in Australia (Cook, et.al, 2008). The difficulty here is that the public sector is not always in a position to buy the skills it requires ready formed in the market.

...when I joined the agency many years ago, the new appointees were often a new graduate. They would work in an area under the guidance and leadership of a very experienced person. Now what happens is that the agency attempts to appoint well skilled people, but in some instances, obtaining those skilled people is becoming more difficult. Especially within the salary constraints that you have to operate in. So for instance if you're wanting an experienced veterinarian, you're not going to, or unlikely to, attract somebody who's highly skilled into an area where the salary range is quite restricted.(E4)

The consequences of this are that members of the public, such as farmers, are subject to questionable decision-making that can have enormous impacts on them. Sometimes the problem stems from insufficient familiarity with the laws and regulations inexperienced public servants are administering (Davis, 2011). But also, as reported elsewhere, one tendency for inexperienced staff involved in enforcing compliance with laws and regulations, as happens with environmental regulation and biosecurity for example, is to apply guidelines more rigidly and punitively than is typically the case with more seasoned operators who can offer wider options for achieving the required compliance. Most particularly, long standing relationships of mutual trust and knowledge sharing are likely to lead to better cooperation and compliance, than can be achieved by people on contract thinking about their next career move.

... an everyday farmer can't deal with that. They shouldn't have to deal with that. But it's become more of a regulatory punitive approach, whereas in the past it was more collegiate...

[as a national trend] ... and not just in biosecurity, its a broader thing. Most of the departments have been so badly emasculated that basically you're left with a very rarefied group of policy people who rarely get out of their office and wouldn't know a

farmer if one jumped up and bit them on the ankle. And a bunch of regularly rotating 'Ronnie regulators' (JD).

Staff are understandably frustrated and embarrassed by some of the situations they have been placed in, where on the one hand governments present an image of having experts and commitment to addressing an issue, while staff doing the work are given barely enough resources to maintain appearances. This situation is so demoralising that some recall a sense of relief when governments dropped the pretence and axed their services altogether.

Now to keep our jobs we had to stay relevant. Unless somebody's barracking for you to the minister, you're just as likely to not be relevant. So if we'd have done a really good job, I believe farmers [industry groups] would have put the resources we needed [into our program], and our image would have been better. But in fact [the government] were sort of just keeping this research station kicking over, because the government had surreptitiously removed the resources that really were needed to run it. ... It was degrading our ability to do our jobs well. So I think it [made us] irrelevant and [was] damaging to the provision of services. So I thought it was a good thing, [laughs] when they finally got brave enough to get rid of it (E2).

Here, as in other states, former staff speak of their own complicity in hiding the true condition of the public service from the public.

...there is an element of pretence. So they put you into a position and it's vastly [under-resourced] - it's a government pretence to some extent, that they're making a contribution. I think it's going to have a continuing downward effect on the value the community put on the public service. [In the previous program I was delivering] there was a huge element of pretence going on. So that's the impact. The government uses us in pretending to deliver solutions for the farming community. A lot of it they do a minimum amount to look like they're doing something and, well, I get to keep a job. I think that's the downside, and I think that the public service is in some way taking the heat. ... I think that sometimes the public service does a bit of pretending for them, and I think we're going to cut our own throats in continuing to downsize. And I think the Unions ought to be doing more to ensure our reputation remains strong among the public than they do (E2).

There are some issues, of course, that we cannot to be just pretending to manage.

1.4.3 Tasmanian Biosecurity

Tasmanian agricultural produce attracts premium prices significantly because of its pest and disease free status. If a serious incursion did occur in one product line there may be brand-tarnishing effects in others. The cost to industry would also be significant in terms of meeting the compliance requirements that would be imposed on everyone in that commodity area, and some markets may as a consequence be closed to Tasmanian products, even markets elsewhere in Australia (E4). But whereas a state like Queensland, that has been at the frontline of pest and disease incursions for many years, has built industry and government capacity to deal with potentially catastrophic incursions on a regular basis, Tasmanian agriculture has traditionally been considered naturally well protected because it is an island, and away from tropical habitats and highly populous neighbours.

Industry organisations such as the Tasmanian Farmers and Graziers Association (TFGA) are less sanguine about the post-border preparedness of the State (government and industry) to handle a serious incursion, and even consider current pre-border and border protection inadequate. Jan Davis, CEO of TFGA feels that in relation to biosecurity:

...there doesn't appear to be the awareness that would develop the sense of urgency that we need to have to make it work properly.

What I see is an exit over time by government from what I consider to be their appropriate responsibilities in pre-border and border biosecurity. And then when we get post-border outbreaks, the government goes 'ah - it's all too hard'. And we get, often, very little support for eradication programs. Which means that ultimately, producers are left bearing the cost of these things. Whether it be an actual out of pocket cost, or whether it be an increased production cost, or whether it be a need to vary enterprise cost, it just goes on and on (Davis, 2011).

Apart the complacency arising from the relatively few serious incursions that Tasmania has had to deal with in the past, in comparison to the mainland states, another disconcerting aspect of the situation is the vulnerability arising from the diversified nature of its farming systems, that would complicate management of a serious biosecurity event.

...our risk factors are a lot higher, I think because of that lack of preparedness, and because of the diversified nature of the farms, the risk factors are higher. It's a very interesting and quite unique farm sector here. If I were a vegetable farmer in Queensland, I would probably only grow vegetables. And I'd probably only grow 3,4, 5 types. ... Certainly if I were a dairy farmer on the mainland, I wouldn't do anything but dairy. Every farmer here in Tasmania has multiple enterprises within their businesses and so even a dairy farmer will do pastures or they'll have beef cattle, or they'll have sheep, or they'll grow pyrethrum, or they'll have a potato paddock out the back. What that means is there is much more movement between farms and on farms. And there's much more rapid turnover in the enterprises on the farms. So if we were to have for example - and I know citrus is not a significant crop in Tasmania - an outbreak of citrus canker in Tasmania, I couldn't tell you who's growing citrus this week.

...the other thing that's different here is the small scale of the farms. To get scale most farmers have multiple farming properties across, in many cases, across the three regions of the state. So they're constantly moving machinery and equipment between those properties, without any tracking.

[So if a biosecurity hazard found its way into Tasmania, the risk of it spreading rapidly and in unpredictable ways would be higher, because of the nature of the farming there?]

That's right. That's why I say complacency is the biggest risk (Davis, 2011).

State governments have a critical role to play in responding to post-border agricultural diseases and pest incursions, so a significant problem arises where the capability of the public sector may have so eroded that it is not up to the task. Informed observers point to years of successive 'efficiency dividends' and savings taking their toll.

But that pruning at the margins can't go on forever. Because you get down to a critical level of resources and expertise and to maintain services - and perhaps biosecurity, I would think, is a prime case for that, ... we need to have sufficient resources if we're going to maintain Tasmania's pest and disease free status. We need to be able to do that if we have a biosecurity threat, then we need sufficient resources to manage that threat. And those sorts of incidences are very very labour intensive. They might involve around the clock input, manning stations, and things like that, so the challenge is that there won't be the sufficient resources to contain the biosecurity threat and manage it (E4).

The disconnection of decision makers from farmers and staff on the ground, coupled with the tendency to maintain appearances in denial of the insufficiency of staff capability and resources has serious implications.

...we run a much less robust system than we would for biosecurity than we would if it were a truly partnership approach. I mean I don't know what their figures are these days but my understanding is that at border we inspect less than 5% of any incoming product. They tell you that's risk based assessment but most of the times I've tried to have the conversation, the risk analysis is not one I would think holds water...

...when you try and probe that, you get told that it's based on a matrix of the product that's coming in, in consideration with the point of origin. So I say how do you assess the point of origin risk? Because that's not going to be consistent across a product range - like if you're looking at Korea, then cars coming in from Korea are coming out of a highly manufactured environment, the biosecurity risk is minimal. Farming products coming in, like tractors for example coming out of Korea, are a much greater risk. But they can't tell me how they differentiate that (Davis, 2011)

While acknowledging that the economic constraints the Tasmanian government is operating within requires prioritisation, and that health and education are important things to prioritise, the need to protect the viability of primary production is also important.

My view is you can't build an economy by cutting costs and concentrating only on the expenditure side of the ledger you have to build a robust income generating economy as well. And in Tasmania, the biggest part of that economy, the income generating economy is agriculture, by a long shot. So I don't believe it is unreasonable to expect government to make some investments in return for the continued growth (Davis, 2011).

1.5 South Australia

1.5.1 Introduction

Our agriculture, forestry, fishing and aquaculture industries and our regional communities are the backbone of the State's economy. Producers, processors, manufacturers and exporters are crucial to South Australia's future (Ian Nightingale, Chief executive, PIRSA (PIRSA, 2011).

Our review of South Australia reveals a now familiar pattern: a period of nation building support for the development of agricultural industries gathering momentum from humble beginnings during the state's colonial era, thriving during the thirty years after World War II with the support of Commonwealth Dairy and Extension Services Grants Schemes, and declining from the 1980s as fiscal conservatism took hold among the major parties.

Early government interest in developing farming skills took the form of a Commission established in 1875 to promote agricultural techniques that would address the problem of declining soil fertility. A central bureau was established as a clearing house of useful agricultural information in 1888, which in turn was replaced by the Department of Agriculture in 1902, comprising six professional officers (Lohmeyer, 1981). The first experimental farm was established at Roseworthy in 1885. The strength of Commonwealth public sector investment, through various channels, fuelled strong growth after WWII as with the other states:

Cadetships were made available for training at both Universities and some specialist agricultural college courses. But it was the advent of the Commonwealth Dairy Industry Extension Grant in 1947 and later the Commonwealth Extension Services Grant (CESG) in 1952 together with funds available from Industry Research Funds, eg Wheat Industry Research Funds and Wool Industry Research Funds which enabled a very rapid build up of staff during the 1950s, 1960s and into the 1970s. During the three years ended 1973 the Department received from sources other than the State Government an average of 25% of its total funds for boosting particular extension or research projects (Lohmeyer, 1981).

Since the 1980s, increasing emphasis has been placed on shifting the cost of primary industries research and various agricultural extension services in landcare, water and biosecurity to the agricultural industries themselves. Again we see the contraction of Commonwealth resources leaving a state to deal with the cost of keeping its agricultural sector competitive and biosecure. During the past decade, Primary Industries and Resources South Australia (PIRSA), established in October 1997, has rationalised its services to the farming community, despite the significance of agriculture to the South Australian economy, shifting increasingly to a 'user pays' model for its services (PIRSA, 1999). This trend has intensified with the 2011 budget which included \$2.7 million in cuts to its research and development arm, and a \$35 million overall reduction in the Agricultural, Fisheries and Food budget (Austin, 2011).

1.5.2 Staffing levels and security.

Table 1.10 shows actual staffing levels from 2003 – 2012, persons (head count) and Full Time Equivalent (FTE).

During the past seven years the department has experienced a general rise and decline in staffing, peaking at the time of the 2006 locust plague and the drought, subsequently falling. The significant decline since 2007 coincides with significant funding cuts the department has sustained. The 2011-12 budget foreshadowed further savings on staff of \$978,000 in 2012-13, \$1.996m in 2013-14, and \$2.036m in 2014-15 (Budget Paper 6, 2011:6). Given the delays to the Biosecurity Levy, and its possible abandonment, further pressure may be placed on the department for further staffing cuts. Table 1.11 highlights that more than 40% of the department's staff are on contracts (with a provision that they cease if funding is discontinued) or employed on a casual basis. Exposure to volatile funding sources is a strong inducement to maintain a high proportion of precarious workers.

Table 1.10 PIRSA staffing 2003-2012 (FTE & Persons)

	2003 - 2004	2004 - 2005	2005- 2006	2006 - 2007	2007 - 2008	2009 - 2010	2011 - 2012
Persons	1430	1492	1680	1710	1536	1408	1357
FTE	1334	1404.6	1571	1572.1	1391.1	1268.5	1220.95
Separations							
Separations	197	180	356	271	519	290	217
Recruited	342	198	594	391	296	259	294
FTE							
Ongoing	831.44	858.3	973.5	980	819.25	729	728.09
Short Term Contract	119.15	132.5	147.2	125.5	106.8	107.74	78.96
Long Term Contract	351.2	376.1	404.7	427.5	412.08	358.85	356.53
Casual	32.6	37.7	45.8	38.6	53.03	45.72	57.55
Persons							
Ongoing	858	886	1013	1072	861	775	768
Short Term Contract	126	138	156	142	124	120	85
Long Term Contract	366	389	423	449	441	413	384
Casual	80	79	88	92	110	100	120

Source: PIRSA Annual reports 2003 - 2012

Table 1.11 highlights the proportions of contract and casual staff.

Table 1.11 – Proportion of Staff (FTE) Contract & Casual

	2003 2004	2004 2005	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2011 2012
Ongoing FTE	858	886	1013	1072	861	1038	775	768
Precarious FTE	572	606	667	683	675	711	633	589
Per Cent								
% ongoing FTE	60.0%	59.4%	60.3%	62.7%	56.1%	59.3%	55.0%	56.6%
% precarious FTE	40.0%	40.6%	39.7%	39.9%	43.9%	40.7%	45.0%	43.4%
Total FTE	1430	1492	1680	1755	1536	1749	1408	1357

Source: PIRSA Annual reports 2003 – 2012

While some may consider the precariousness surrounding employment for professionals and others working in this field to be a useful device for driving productivity, those who understand the research and program development process are mindful of its counter productiveness.

I think there's no doubt that what I would describe as attitudinal problems to work due to funding problems and funding issues. So that when peoples' job prospects are in jeopardy due to funding or lack of it, certainly their outlook at work, their motivation, their ability to use their initiative quickly and decisively becomes diminished because of potential funding shortfalls leading to possible redeployment. So certainly, I've seen what I would consider to be a reduced level of productivity in the workplace due to mental factors associated with lack of job security (B2).

The precarious nature and one-way flexibility of contractual arrangements appears to elicit more self-interested, self-preserving behaviour than was formerly typical of departmental staff, raising serious questions as to the real efficiency of this approach.

Naturally enough there's less inherent loyalty from employees to the employer, which is the government. And traditionally in our line work, you were paid for 37.5 hours per week, and people just put in a lot more hours including endless night meetings and starting before dawn and all sorts of things, and working on weekends and going back to the office at night. Now there's a great reluctance to do that sort of thing. If people don't do the right thing by you, [you don't tend to go the extra yards]...

Also inherent in being on a contract, if people are on a term contract, about the last third of that, they're looking elsewhere for a job. So their productivity in that last third of their contract period is a lot less. As well as being less [engaged], a lot would have pulled the pin themselves, before they finished...compared to someone who is given ongoing employment, or given a bit of tenure who is quite happy to keep working right through, and [for whom] looking for another job is not a consideration and jumping ship early is not a consideration, if you've got tenure (C3).

Notions that that the modern workforce sees little value in security of tenure are dismissed as self-serving management myths:

The other part is there's an assumption on behalf of management that people are not looking for tenure or permanency. They think that generation Y is looking to go from job to job. My experience talking to these people is that they'd love tenure and permanency, because that's what they require to get home loans and all sorts of things. I find that people don't want to go from job to job, they may do it during their career as time goes on, but that's not their intention (C3).

Managers endeavouring to deliver programs using volatile and unpredictable funding sources are left with little option but to adopt similarly flexible employment practices. This is evident, for example, in South Australia's well respected research and development institute (SARDI) which employs a high degree of contract labour in order to manage the lack of predictability in its funding.

We're a lot more flexible than the other states. And the reason for that being SARDI has \$62 million revenue, of that \$13.7 million is state government appropriation into R & D, all the rest of our revenue comes from [Rural Research and Development Corporation's], Commonwealth, and private receipts. So unlike the majority of the other [departments of Primary Industries] jurisdictions, SARDI is highly leveraged, and as a consequence has to be a lot more flexible, and fleet of foot when it comes to capability recruitment and retention. So we're not offering people permanent jobs for the rest of their lives, we're offering 1 to 5 year contracts. And there's very clear clauses in all those contracts that say, if for any event, this funding should cease prior to the end of this project, so does your job. That having been said, we have, in terms of

capability development, over the years, undertaken quite significant business planning in strategic positioning (Mooney, 2011).

1.5.3 User pays

The insecurity of employment experienced by frontline staff in primary industries research, extension and inspection is thus a direct consequence of the precariousness of the funding these agencies are obliged to operate with, particularly where they are charging the users of their services. Raising funding has become an increasingly relevant aspect of the work of PIRSA's staff, reflected in policy guidelines directing them to impose 'fees and charges related to the provision of government goods and services (including regulatory and information services) to the private and other non-government sectors of the economy'(PIRSA 2010, 3).

This includes regulatory activities such as aquaculture leases/licences, commercial fishing licenses, food safety accreditation, animal health disease control programs and information services (including some scientific and technical services) provided from SARDI and RSSA (PIRSA, 2010:3).

For example, a significant bundle of charging measures are entailed in the policy initiative of 'Biosecurity cost recovery' announced in the 2010-11 budget to be phased in over a four year period (2011 – 2014), including a proposed Biosecurity levy. The 2011-12 budget reported its full implementation was delayed to allow for further consultation, in the face of strident industry opposition. Consultation was evidently not expected to change much, since 'while the property identification code fee component of the savings proposal has been successfully implemented, it is now anticipated that the biosecurity cost recovery component of the savings measure will be introduced from 1 January 2012' (Budget Paper 6, 2011: 64). However when amendments to the Livestock Act 1997 were made in February 2012 (that were to have included introduction of the levy) the Minister advised that she 'was not proceeding with the levy at that time' (Legislative Council, 28/2/2012:283).

The department's 'user pays' policy instruction to staff claims to reflect the philosophy of the Productivity Commission:

Appropriate cost recovery can contribute to resources across the economy being applied in their most productive use and so contributing to broader community wellbeing through: instilling cost consciousness among PIRSA and users of PIRSA services; and ensuring those who use regulated products or request additional information bear the costs.

PIRSA's services to industry are not free and will be recovered where there are clear beneficiaries. Where individuals or enterprises are being serviced, this should occur on a fee for service basis.

As a general principle, full cost recovery should be the aim; however when providing information services there may be circumstances where only avoidable costs or marginal costs are recovered (PIRSA, 2010:4)

No empirical evidence is offered that demonstrates that 'broader community wellbeing' has been enhanced by the withdrawal of free public services to the farming community and the regions in line with this policy.

For their part the South Australian Farmers Federation were incensed at the lack of consultation prior to the implementation of these 'cost recovery' policies, particularly the

Biosecurity Levy, and condemned the government for prioritising pursuit of revenue at the expense of strategic support and development for South Australian agriculture:

This bid comes from Treasury based on the State Government's Sustainable Budget Commission's recommended full cost recovery. The Commission said that the primary challenge for Primary Industries and Resources SA (PIRSA) is to continue moving its programs to full cost recovery.

This is a heavy handed revenue raising exercise not conducive to good trusting working relationships between industry and government. We're worried about the lack of strategic planning for the sector and implore all state politicians to work with us to abolish this levy and demand that government decisions be based on strategic planning not the autocratic direction of the states treasurer (SAFF, 2011).

While acknowledging this is an international trend, officials charged with implementing this policy understand the limitations of the argument supporting it, even though they see some merit in the principle.

The consequences that flow from this, flow from not necessarily a flawed philosophy, but one that hasn't actually been communicated road tested and agreed to prior to the event of the change being implemented. And the philosophy is that the user pays because the benefits from that particular [activity] are captured by private industry [and] are not a public good. Well first of all the philosophy doesn't take into consideration the spill over benefits of any research that is undertaken [that are] for the public good. It also doesn't take into consideration the social and environmental impact the work will have for the broader community. And mostly because if it's too hard to measure, it becomes an externality with the models that [economists] use. It's a philosophy, the consequence of governments having been fed a line, rightly or wrongly, that part of the reason why the private sector is not funding it is because the government is in the way (Mooney, 2011).

A consequence of the user-pays policy is that the department's relationship with its farming clientele has become indistinguishable in many respects from that of any other commercial enterprise they deal with. Where farming communities once saw the department as a valued ally in their efforts to deliver better quality product to market, many no longer avail themselves of its services as its local presence has largely disappeared apart from promoting its commercial services and imposing regulatory costs.

...the old days of the department of agriculture are long gone. And by that I mean that pretty well every town had a 'Department of Ag'. And the local farmers, the local horticulturalists or whatever, could go into that office and have a chat to an agronomist or a horticulturalist, or a technical expert in that country town and get free advice. And maintain a relationship with their government department. Those days are long gone. Those outposts in the country towns are now closed.

Some of that is being handed to other government agencies. Some might be statutory bodies. Rural Solutions is an example of something like that... Rural Solutions is a segment of Primary Industries which provides professional advice to farmers, growers, horticulturalists and viticulturalists, and advise on farming techniques, and crops and things like that. They charge at a commercial rate for their advice and input (B2).

The commercialisation of the relationship has undermined a once valuable co-operative spirit that existed in the agricultural community that generated considerable synergies in material support and skill formation:

A lot of what we did in the past was reliant on good will. So if we wanted to run a field day or get some sheep to run a demonstration, for advisory services, a lot of farmers would lend them to us or give us a paddock to run a trial in. Because they're now being charged for things, they say bugger you, if you're going to charge I'm not going to lend you this or not going to come and talk at your field day. So there is less cooperation between our customers, the farmers and the government services now (C3).

The lack of cooperation extends to the mutual educating that farmers and field staff underwent in each other's presence, particularly where new graduates had the benefit of learning from farmers about the intricacies of the local landscape.

As far as the service that is being provided, quite often the people who are employed to roll out the service. Let's say advisory staff in the agricultural sector, employed by the government haven't got adequate training. They go out there ... straight out of university, and because they haven't been given scope to get mud on their boots and get that practical experience, we believe the advice and the services they're providing aren't as good as they would have been otherwise, when they were allowed to get a bit more training and it was less pressure on every hour you spent talking to farmers you had to charge them for, because you've got to deliver a service. Because farmers aren't going to pay for a service if they've got to train you as well (C3).

The imposition of full cost recovery for services for individual farmers has meant that farmers have less engagement with scientists and farming advisors, which has prompted reductions in the workforce, and the level of capability.

Any remnant areas of that extension / technology transfer is on a fee for service basis, so when you're charging people the demand drops off, naturally. So again it's a self fulfilling sort of cycle where if you charge, the demand drops off. Because the demand drops off you don't have as many people servicing it, it just gradually goes down. So the critical mass of that type of activity in government of primary industries, has gone down quite considerably. In fact the area in SA within government is called Rural Solutions SA, and at one stage they had 260 employees and now they have less than 100 doing that type of activity (C3).

In economic downturns, which arise in agricultural industries more often than most due to their sensitivity to both international market conditions and climatic events, short-term considerations of survival take precedence over long term considerations, such as maintaining a reserve capacity to meet contingencies.

So a good example of this is weed research in Australia generally and particularly in SA. There was a strong philosophy that weeds impact predominantly on the private sector, therefore the private sector should fund it, and so governments withdrew funding into weeds research on the assumption that industry would pick it up.

Lo and behold, industry was probably at the point of stretch [with regard to] levies. We then had a number of adverse events, including the 2006-2008 drought, and instead of industry picking it up, what we've seen is we've lost all capability in that sector just about. So you see a massive move of capability off shore, or elsewhere.

It's like locusts. You get them once every 5 years. Everyone forgets what they're like by year 3 and 4 and when it hits them in the 5th year, they run around like headless chooks not knowing what to do. But if you're running around like a headless chook not knowing what to do, and the technical capability has left, then we're in big trouble (Mooney, 2011).

The move to industry self-funding and management of biosecurity risk has a potential that in periods of economic difficulty for the industry, serious risks will be ignored at times when they might be controlled, creating legacies of costly pest and disease management issues for years to come. Under the new arrangements

...growers need to make a conscious decision that number one it's an issue for the industry, and number two that they are prepared to put the funding and cover the cost in total. And what we are seeing generally is that, in times when people are really struggling to keep their heads above water financially with regard to their own productivity or the like, they will vote to declare something a non-emergency rather than spend a lot of money on the emergency management. Because of this shorter term fix they don't have to raise more money, but it's [really] a longer term issue, because the fact that it's not on their place yet, doesn't mean that it's not going to be their problem (Mooney, 2011).

1.5.4 Impact on Staff

Staff are often unsettled about the corner cutting they are expected to do, and distressed by indications that senior management are contemplating the closure of critically important programs around the department.

I guess the other areas that concern me ... a fundamental thing like fruit fly, which is the world's more prevalent economic pest. Mainland Australia has fruit fly on an endemic basis. Tasmania excluded and South Australia excluded. Now SA runs a program each year of about \$6 million to keep SA free, and the campaign works very well through a method of road ops, public education, thorough quarantine measures and so forth - it's a very successful campaign. And unfortunately, the state government of the day, due to budgetary requirements and less income coming into the state from its normal sources, may want to shelve a campaign like that. And fruit fly free status is deemed to be \$400 million to the state. Yet to take away a \$6 million yearly campaign and potentially lose that status would be horrific in my view. So short term policy like that in saving \$6 million has very dramatic long term effects.

It's been floated, but it's been seriously floated. As of last month it's under consideration is the information I have. We see Victoria with 100 fruit fly outbreaks within a season and South Australia with none - when citrus exports to Japan and China are fetching a premium for growers - that all comes under scrutiny if your produce is fruit fly infested (B2).

The morale and commitment of staff has been observably undermined by the precariousness of surviving on contracts with explicit clauses that their projects and their jobs are conditional on maintaining funding. When asked of the most significant changes in recent years this issue is most significant.

I think the first change is the less secure environment they operate in due to downsizing of state based operations. The first point is that security of tenure is definitely an issue. I guess the second point is that independent state programs that are run ... become very much at the whim of the state government in terms of funding. So if it's not fully funded then the program probably will cease to exist and those employees will need to find employment through redeployment or other job opportunities either within the department or within another dept. So in terms of ongoing employment, security of tenure, consistency of work and programs there's been definite changes along those lines in the last 3 to 4 years. (B2)

Staff training and development, though good in some areas is limited in others, also because of the need to make every hour pay:

Primarily they're recruiting people now who have already got experience. Or the expectation on people is that they hit the ground running. So there's also no period of induction or training, because that takes resources, and the government business these days is based on every hour you spend working has an income against it. So there's very little scope to have down-time or training time or, I call it dead time, these days (C3).

1.5.5 Reduced Services and Capability

Progressively, governments in all states, including South Australia, have stealthily eroded the staff and facilities that supported good agricultural practice, managed invasive species and animal / plant diseases, having dispensed with many of the people that were once trained and employed to carry out this work. In South Australia this seems to be more due to the consequences flowing from its high reliance on user-pays and a de-prioritising of agricultural industries, despite their economic importance to the state.

As public sector capability has been progressively eroded, and resources withdrawn from regional areas, including the steady incomes of staff living and working in those communities, the challenge has been to minimise public awareness and concern over what is happening. An example emerged in 2009 when Riverland MLC Robert Brokenshire obtained emails under FOI of departmental officials discussing how to deal with media attention that was fuelling public disquiet over a foreshadowed closure of a research station in Loxton

Do we need to go stronger on Loxton remaining a key service delivery centre?" the email asks. One senior bureaucrat states: "it is my experience that if we do not respond to these requests, they eventually do more damage than responding early in the piece"... "we are nine months out from an election and the situation is somewhat different"... "this request brings on the need for us to have a strategic communications approach to our change processes"... "I picked up the communication re Loxton because the Minister (Paul Caica) did not wish to do it and I had attempted to pull together a credible response (Perry, 2009).

Bemoaning the closure as 'short-sighted', Brokenshaw highlighted the sensitivity to media attention evident in the internal correspondence, adding "I am concerned about the long term commitment for horticulture research and development in the Riverland." He also said the loss of senior research officer Peter Magarey to the centre is a big blow to horticulture in the region. "I know some of those researchers and by stealth and attrition they have been reduced" (Perry, 2009).

The suggestion that cuts arise because of a decline in the need for services has been consistently rejected by interviewees, who explain this trend as purely the consequence of funding cuts arising from the philosophy of public management being applied.

No, it hasn't declined. There are still a lot of issues out there that need to be resolved. [Farmers] say we haven't got the money to spend, because we charge a full commercial rate for our work. So the growers can't really afford it, given the drought and whatever. In good years they can, and the bigger companies still do, but the average grower doesn't. The other part is that even though we are a business unit within Primary Industries, the state government put a big squeeze on all government services back about 2 years ago and that's still running it's course. [The state public service] had to drop over 4000 staff. We got drawn into that. Our budgets got cut. We were formed to

perform work for other departments, and we still do, so when their budgets got cut, so indirectly, we got cut. So it's a mixture of government cut backs and dollars for positions, and industry not being able to afford to pay (C1).

The withdrawal of public service support to South Australian agriculture, has not made room for the private sector to step up and deliver a better service. And the user pays model doesn't allow for the preservation of advisory / technical capability during the hard economic times in farming.

The end recipients of the service aren't getting the services they require. And the services they do receive aren't as high a quality. The farming community we deal with is not flushed with funds, it's a very risky type of enterprise. You're at risk from the environment, rain, those sorts of things and seasons, and so by basing the amount of assistance they receive on their ability to pay is a flawed argument. You have to look to the long term. And what's happened is that because their ability to pay is not the same from year to year, some years they make a roaring loss and are hanging on by the skin of their teeth, therefore they can't pay for their advisory services, [and] the services will disappear, whereas in the past they would have kept going. The government would look at the bigger picture and say, 'you know, over a 10 year period you have contributed quite well to the states' and the nations' economy'. [But now,] if in one year they can't afford to pay for the services from the government, [those services] collapse (C3).

Inside observers of the department's contraction have witnessed the distressing impact of a succession of significant PIRSA office closures around the state:

One of the big impacts of course, and this is quite major, is the withdrawal of people from regional centres / closure of regional offices. Which means that the major component of regional community just disappearing. The people aren't living in the towns, the office is not there anymore, less people at schools. In South Australia they've closed regional offices at places like Keith and Cleve. And of course when the research centres close, ... one at Wamby and there was [Flaxley] the dairy one. It has a big impact on local community. So it has an impact on regional development and community welfare.

The Wamby research centre closed quite a while ago. The dairy research centre at Flaxley would be no more than 2 or 3 years ago that it closed. That's because of the withdrawal of government from the dairy research area. The Keith district office of primary industries closed late last year. And Cleve on the Eyre Peninsula, closed say 2 years ago. So there is a contraction of staffing in regional areas and if there is any increase of staff anywhere, it's generally in the city centre. So it's becoming more city-centric - an agricultural, rural type service, where the staff are more city-centric (C3).

1.5.6 Why it is important to make a public investment?

While broadly resembling Primary Industry departments in other states in its organisation, its research branch, the South Australian Research and Development Institute (SARDI) was kept functionally separate from its policy and extension functions, allowing it considerable freedom to strategically pursue research funding. Its heavy reliance on industry funding has confined it to research with shorter time-frames than would otherwise be possible. The value of past work it has performed over many years is very clear to outside observers within the department:

But things like SARDI, I'm told that if we go back more than 5 years, we went through a very tough period of drought in this state. And it went for about 5, 6, 7 years and some years we got less than half our normal rainfall in what is already a very dry state. I'm told that had the work done by SARDI not been done in terms of developing strains of wheat that are drought resistant and things like that, very hardy strains of wheat, that this state would not have produced any grain crops basically over that 5 year period. So the work of SARDI and research and development is just incredibly important for the future of agriculture and horticulture ...

That scientific work has probably been going 20 years. In the last 20 or 30 years. But certainly the big breakthroughs have been in the last 10 - 15 years in that area and continue to do so. It's also work that's hard to quantify. Like what would have been the situation if those drought tolerant crops hadn't been developed? (B2).

Estimations of the economic value of SARDI's research for industry and government investors is, on conservative estimates around \$4 return for each \$1 invested, with some areas of research generating \$43 per \$1 invested (Mooney, 2011). But the case for doing research doesn't rest on its immediate financial return

...we produce enough food for our people but can we produce it in a way that they can continue to afford to access it? This is where efficiency of production comes in. That's the number one story, we need to be talking to consumers and people who look at policy areas about where Australia agriculture is and why its pivotal. It's not old science. It's not boring science. This is about the future... (Mooney, 2011)

1.5.7 South Australia Conclusion

Responsibility for South Australian primary industries research and biosecurity has increasingly shifted from government to the private sector, with negative impacts on the viability of farmers and the regional communities to which they belong. The extension of 'user-pays' principles to more aspects of service delivery have seen the demand for services decline, not because there is less need, but because when there is more need there are fewer funds to pay for services. When services are scaled down as a consequence, capacity is lost as experienced staff are cast off to find other ways to make their living.

Because the commercial considerations governing the work of those who remain isolate them from the regular practical engagement with farmers through which their skills were built, overall capacity is undermined.

The withdrawal of advisors and the closure of district offices, the deskilling of the research and biosecurity professional workforce, means that smaller farming enterprises are left exposed to greater risk, with little support, while regional communities lose economically sustaining and stabilising sources of income paid to permanent staff. While PIRSA says that its strategic direction entails 'growing sustainable regions', the loss of staff and capacity to advance and protect the principle industries of the regions, and withdrawal of support from regions where there is insufficient capacity to pay, makes the strategy a sham.

Staff have watched a demoralising reduction in crucial capability in recent years, including the capacity to control major disease and pest outbreaks. And while its highly regarded research division (SARDI) enjoys a high degree of credibility in the eyes of its industry partners, South Australia does not appear to be making the investment in very long term research, the work that doesn't return a profitable result for decades, but which is more vital today if we are to transition to a more sustainable future.

1.6 Victoria

1.6.1 Introduction

The Department of Primary Industries (DPI) was established on 5 December 2002 by a machinery of government change which transferred the Agriculture, Fisheries, and Minerals and Petroleum output groups from the former Department of Natural Resources and Environment (NRE). In 2003-4 it employed 2657 staff in 87 locations with an operating budget of \$297.3 million and \$97.8 for asset investment (DPI, 2004:4). During 2003-4 the department relocated 521 Melbourne staff from four different sites to a new head office at 1 Spring St. Minister Bob Cameron enthused to the June 2003 Public Accounts and Estimates Committee that in the previous 12 years Victoria's agricultural exports had grown from \$3 billion to \$8 billion.

1.6.2 Staffing

Table 1.12 provides a compilation of a staff headcount as at the 30 June of each year. The data prior to 2009-10 did not include casual staff or agency hire staff though did include staff of fixed term contracts who are identified in Table 1.14. In 2009-10 figures with and without casuals included were provided for comparative purposes, still excluding agency hire staff. In 2010 -11, the data was presented with headcount figures for ongoing staff only, while full time equivalent (FTE) figures were provided (for the first time) for ongoing, casual and fixed term staff. While FTE numbers provide a more reliable measure of the quantum amount of employment, their adoption prevents reliable comparison with figures prior to 2009.

The exclusion of agency hire staff from all reporting may be significant given the size of 'whole of government' contracts for agency hire staff. The current hire agency 'whole of government' contract (1/7/2011 – 30/6/2014) has a value of \$930 million (Vic Tenders, contract: SS-11-2010).

The introduction of a science classification in 2005 -06 enables us to track scientific staff levels, although it is unclear whether this indicates merely that staff have a science degree, or whether they actually are engaged in scientific work. By these figures the department shed 89 science-related positions between 2005 – 2010.

'Field staff' designates farm workers and wild dog trappers, who after 2008 were included in the general staff statistics, and then reappeared as a separate figure again in 2010. 2010-11 data is difficult to align owing to casuals not being included in the headcount figures, but in data relating to full-time equivalents (FTE). Table 1.12 summarises 2010 – 11 annual report figures for staffing, showing that around 20% of (FTE) staff are employed on a non-ongoing basis.

Table 1.12 – Victorian DPI Staff Head count (30 June) 2003-2010

	2003 2004	2004 2005	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	Casuals 2009- 2010	Total 2009 2010
Field staff	63	54	48	20	25	0	0	0	0
Grade 1	98	60	59	55	49	49	42	26	68
Grade 2	689	656	435	418	359	346	312	47	359
Grade 3	790	775	365	394	363	362	364	29	393
Grade 4	394	405	211	247	261	287	274	3	277
Grade 5	340	359	173	177	205	231	265	5	270
Grade 6	218	249	135	148	169	183	188	0	188
Science A			545	559	475	434	427	7	434
Science B			254	271	286	283	280	0	280
Science C			210	193	203	200	204	1	205
Science D			116	117	113	118	121	1	122
Snr Technical specialist	1	3	5	6	5	6	5	0	5
Principle scientists	47	42	45	40	42	41	49	0	49
Executives	20	19	19	23	26	27	23	0	23
Workcover			6	3	2	2	2	0	2
Mining warden				1	1	1	1	0	1
Ministerial chauffeur				2	2	2	2	0	2
Total	2660	2622	2626	2674	2586	2572	2559	119	2678

Source: Department of Primary Industries Annual Reports, 2003-2011

The inconsistency of data and categorisation makes firm conclusions impossible, though on the basis of combining FTE casuals and fixed term staff (which would be less than the headcount equivalent) with the headcount figure for 2010, and comparing this with the 2009 result (casual and headcount ongoing + fixed term) it would appear the department shed something around 141 staff between June 2010 and June 2011. Table 1.14 summarises staff status (excluding casuals and hire agency staff) between 2003 – 2009.

Table 1.13 – Headcount and FTE staff 2010 - 2011

	Headcount Ongoing	FTE ongoing	FTE Fixed Term and casual
Field staff	23	23	
Grade 1	16	12.92	33
Grade 2	239	207.27	89.25
Grade 3	283	264.57	75.82
Grade 4	231	214.02	40.6
Grade 5	229	215.51	39
Grade 6	188	180.65	18.4
Science A	254	233.57	103
Science B	235	215.68	46.6
Science C	187	178.67	12.4
Science D	103.38	106.68	4.3
Snr Technical specialist	3	2.5	
Principle scientists	55	52.7	1.8
Executives			23.8
Workcover			
Mining warden	0		0.6
Ministerial chauffeur	0		2
	2046.38	1907.74	490.57
Total ongoing & other	2536.95	2398.31	

Source: Vic Dept of Primary Industries Annual report 2010-11

Table 1.14 – Employment Status (Headcount) DPI Staff (no cas or agency hire)

	2003-04	2004-05	2005-06	2006 -07	2007 - 08	2008-09
Ongoing	2163	2188	2208	2237	2173	2153
Fixed Term	494	434	418	437	413	419
Total	2657	2622	2626	2674	2586	2572
% Fixed Term	18.6%	16.6%	15.9%	16.3%	16.0%	16.3%
	2003-04	2004-05	2005-06	2006 -07	2007 - 08	2008-09
Part time	320	329	364	393	384	425
Full time	2337	2293	2262	2237	2202	2147
Total	2657	2622	2626	2630	2586	2572

Source: Vic Dept of Primary Industries Annual reports, 2003-2009.

In comparison to other states, Victoria's department of Primary Industries appears to have acted with greater restraint in terms of rationalising and casualising its workforce over much

of the past decade, There appears to have been a reversal in the proportion of staff who were on fixed term contracts under a previous administration.

Over the period I'm talking about the actual employment conditions haven't changed all that markedly. And in fact some of the staff have benefited from a shift away from short term contracts. I think over the whole of DPI at one stage, towards the end of the Kennett Government, over 70 per cent of all the staff were on short term contracts, which of course is very disruptive. There was then a bit of a change in policy and I don't know the current figures, but certainly its almost turned around the other way, so we probably have roughly a third of the staff on short fixed term contracts and the rest of the staff – they don't have any huge degree of employment security but at least they are employed on an ongoing basis, rather than fixed term and then move on to something else (D5).

While around 80 per cent of Victorian DPI staff are employed on an ongoing basis, as public servants they are still subject to mass redundancy, as they and counterparts in several states are currently experiencing. And they are witness to a steady erosion of staff numbers where the departure of experienced researchers rarely sees their position backfilled. Experienced Victorian staff cite the loss of security and employment in primary industries research as the most significant change they have witnessed, and say it has increased in recent years. Some see this as arising from the adoption of a national research framework that encourages the States to adopt specialised research foci, where for example, South Australia have emphasised aquaculture and wine production and given up dairy research which Victoria has embraced. Whole fields of research have subsequently been abandoned in Victoria.

Mass reduction in numbers, right across the whole state and probably and right across the whole country, particularly in agriculture and fisheries. And in aquaculture numbers have dwindled completely. There's been a new national framework, a new national strategy, to virtually reduce numbers to an extent where there's no competition. The plan is to have areas of expertise and limit that to areas in each state. So that will actually reduce numbers considerably

...over time its progressively got less and less staff, staff aren't being replaced. We're having back-door Treasury cut backs, and the cut backs come down to losing staff. So it's getting to us both ways at the moment. It's put a lot of stress and insecurity in a lot of staff. And on top of that is things like standards having to be improved and people becoming more multiskilled (D1).

It's a familiar chorus.

In the area that I work in, research, staff levels continue to decline. We really struggle with funding, so we struggle to employ... It's very variable, because it depends on the funding situation, but I guess in the time that I've been at DPI we might have seen a decline in research staff numbers of maybe of 10 ish percent. ...It makes it much much more difficult. We lose the expertise, we lose skill sets, we lose momentum.

The way we are structured makes it very stressful, because we have to bring in our own funding. So as researchers there is no base funding we have to go out and find project funding. Some of it comes from the state government, ... but only 25 per cent comes from within our department, and the rest, the other 75 per cent, comes in from outside agencies. It's a constant battle to be bringing in the funding and doing the work to ensure that we have a long term process. And with a lot of the research we do, it has to be long term. So the short term nature of the funding and the limited funding has...people are very stressed out (D4).

There is of course no reason to assume that the skills to raise funds and to conduct quality research necessarily always reside in the same person.

The fund raising is a bit hit and miss. And there is no kind of logic as to what projects get up and what ones don't. So we all put in applications every time we can. But some people seem to be more successful but it seems to be more of a lottery (D4).

The specialisation by states may be considered a rational solution to the problem of covering crucial bases with dwindling research resources, avoiding duplication of effort, etc., but it fails to take account of how quality science works, creating a weaker system. While the policy makers may assume that heightened precariousness among researchers will drive them to compete for work, thus dampening research labour costs, that is not where the competition most importantly has to happen.

The public don't understand science and how it's factual and has to be proven. And without the competition from each state in various disciplines there's less scrutiny happening. So you might have one expert for the whole country dictating what happens in research in the primary industries or in particular fisheries or biosecurity in another state or region, which is I think a scary thing.

[Scary in what way?]

Oh well, there's not the fierce scrutiny, the scientific scrutiny of theories and findings. If there's only one person who's an expert in that area, it's probably going to be scrutinised to an even lesser extent. And there would probably be more opportunity, then, for those people who are saying science is heresy [climate change sceptics] and it's [only] an opinion. They will have even more ammunition where research is not adequately scrutinised by scientific peers (D1).

As we have seen in other states, a high reliance on industry funding places the emphasis on short term research, leaving work neglected that is necessary, that has long term consequences, and which needs to be conducted over longer time frames. It is the consequence of increasing reliance on user pays models to fund research.

...research is not instigated if its not a required by industry, whereas there's always been research for research purposes, be it conservation or for production. But if it's not directly lobbied [for] or wanted by industry, it's not getting funded anymore. There are a whole lot of areas that are not actually being researched anymore or monitored. There's the [view] that monitoring is not research. But monitoring is needed for research, and also [for confirming] the research outcomes. You have to have further monitoring, to ensure that that research has good quality. That's not happening anymore. A lot of times politicians see research as bringing bad news, and then it's costing more for further research (D1).

The consequences of failing to invest in the monitoring that underpins science, and other research activities that are not high on the priority list of industry, are evident to staff who can see:

...pest plants and pest animals, like introduced exotics decimating various [habitats] around the country. Controls aren't being put in place and no further research is being followed up on those sort of things. And various areas don't want to know about it if it has anything to do with conservation... there's not much in the way of conservation research in Victoria at the moment, because it doesn't involve an industry as such, so that's being less and less funded (D1).

Outsourcing, and the use of fixed term contracts to backfill ongoing positions is reportedly more prevalent in the research area, than elsewhere in the department. Staff have suggested that a policy of converting fixed term contracts to ongoing where they exceed three years duration has encouraged managers to avoid extending contracts, even to the extent of employing others to take over a project, in order to 'reset the clock'. The climate of job insecurity is, in one interviewees opinion, undermining the public service ethos, whereby staff are less mindful of serving the public interest than they are of serving the interests of the politicians running their department. (D1)

It would also appear, as in other states, that the retrenchment of public sector research capability is being obscured with carefully managed public communications, websites with images of scientists in laboratories and field workers patting cows, and obliging scientists to 'multi-task' and act as a 'go to' person for several issues where once they were more specialised. Evidence that the published staffing levels may not convey the full picture were suggested by descriptions of staff of administrative workers increasingly occupying facilities that were formerly the preserve of scientists, with press releases and annual reports reporting staff numbers in ways that obscure the compositional changes (D1).

But what I hear of the national model that's happening all over the place, some states are taking even more radical approaches. Whereas in Victoria it's happening pretty slowly, like a cancer, it's just slowly eating away at research. Whereas in some the states, I know in NSW, they've closed down a whole research institute and plan to move it to regional areas and if staff don't move then the numbers will be cut back that way... I don't see now how you could turn back. Once you dwindle the numbers down that much. It's concerning. I wouldn't like to be a student going through university and hoping to get a job in the field, because they're going to become even more limited (D1).

Researchers interviewed for the study do see the merits of a strong industry presence in funding, because they see that it produces valuable applications that boost industrial performance, which does provide job satisfaction.

I guess there's two aspects to that. In one sense it makes it more difficult because quite often you get a small amount of funding that's quite targeted, it means you have to focus on a particular activity that is either quite small or quite short term and you can't get on with the strategic stuff. But it does seem that the work we're doing is highly relevant to end users, so we have a very strong relationship with a wide range of end users and we know that the work we do for them is work that they want done and will put into practice. So we are doing very applied research (D4).

1.6.3 The pendulum of Biosecurity policy

In contrast to the decline in research personnel, and the limitations of a research effort based on volatile, short-term, and narrowly commercially interested funding, greater capability seems to be developing in the extension and compliance aspects of the Victorian DPI's biosecurity work. The trend since the 1990s had been to pull staff out of the traditional work of assisting landowners to deal with well established weed and pest animals, blackberry and rabbits for example, and to concentrate resources where they could have a more decisive effect, in the early detection and prevention of the pest or disease becoming established. The casualisation of the department's workforce inevitably saw the departure of valuable experienced officers, as occurred in other states, who had historically performed this role on the department's behalf. The Ballieu government (elected 2 December 2010) has

reconsidered this policy and has determined that it requires rebalancing, and are evidently moving resources back into again addressing the well established pest species (DPI, 2010).

Earlier this year the Victorian Auditor-General's Office released its Control of invasive plants and animals in Victoria's parks review. The review recommended that governance be improved and that a landscape-scale framework be established to identify statewide objectives and priorities across tenures. The review also called for improved information management, resource allocation and planning processes and for a new framework to monitor, evaluate and report on invasive species management across public and private land. The government is committed to addressing these recommendations (DPI, 2010: Ch 5).

Ironically, with both Liberal and Labor governments having previously dispensed with staff who valued the security of the public service more than the higher pay they may have received in the private sector, a serious challenge that now undermines the attempt to revive a compliance / extension service, is the lack of long term commitment to public service in the personnel being recruited for it:

...staff often don't consider this a job for life and tend to move on fairly quickly, which creates problems of maintaining capabilities. The other thing that happened is the interactions with particularly the farming community because the average age of farmers in Victoria is creeping up into the late fifties, so there's a lot of farmers around in their 60s and 70s, who have been in the same place, on the same property for a very long time, and our staff tend to be much younger and often new to the area, so there is a bit of a scepticism about how much practical knowledge our staff have, and in some cases its justified.(D5).

The loss of a stable team of experienced staff, armed with deep local practical knowledge of the people and the landscape, lessens the flexibility and deftness of touch that was once the hallmark of effective compliance and extension work.

...my impression is in the past there was a bit more flexibility in the on-ground staff, because they knew the landowners, they knew the land use in the area, and the local issues very well, and they had the sort of confidence that they were across all the necessary background and were probably prepared to be a bit more flexible. The new staff are, I think, and we've had this from at least one survey we've commissioned, are perceived as being sometimes arrogant, very dogmatic, in how they apply things, unwilling to consider exceptions, and really not able to consider alternative ways of doing things because they just don't have the depth of knowledge about what they're dealing with. So I think our operations branch has moved towards a bit of a, you know, everything strictly by the book, one size fits all, which is partly because when you're dealing with staff who are fairly new, they find it difficult to deal with anything other than 'just follow this straight procedure and don't accept any deviation'. We've also had comment about, with landowners saying things like 'I explain all my problems to one person and I've just about got them to understand where I'm coming from and then six months later someone else comes back, its a different person, and I have to start all over again'(D5).

Yet even now, elsewhere in the department, the lesson is not being learnt, and the same mistakes keep happening.

...some people have been in research for 30 odd years, and with great expertise in particular disciplines and areas, and because of the short term outlook, there wasn't any funding to keep them in the short term, that those positions were made redundant

because of other back door treasury cutbacks. They had to find positions to go, virtually, and they haven't been backfilled (D1).

1.6.4 Office closures and service reductions

The sensitivity of rural communities to the closure of DPI offices is reflected in numerous articles that have appeared in the rural press whenever these have been floated. It is notable that while the economic consequences of losing a group of professionals from a town are easily comprehended, and the fact that the loss of several families could place other facilities at risk, as when schools are closed when they fall below a threshold enrolment level, generally the stories take the line that these staff have valuable expertise and experience that local farming communities value and appreciate. When a Labor government is responsible for the cuts, National Party politicians have been at the forefront of condemnation as in this report of 2005.

The Department of Primary Industries has embarked on a process to remove 13 officers from the North Central, North East, Goulburn Broken, West Gippsland and East Gippsland regions, leaving only 37 dedicated positions in pest plant and animal management within these 5 regions.

"This could not come at a worse time with weed infestations as prevalent as ever and rabbits, foxes and wild dogs all on the increase," Mr Hall said.

"The demand is as great as ever but budget cutbacks have forced these measures on DPI."

Mr Hall said staff had been briefed and been advised of the cuts and told they would have to apply for the reduced number of positions. Expressions of interest opened on 27 June and close on July 11. Mr Hall said those staff unsuccessful in gaining a position and unable to move to a new region had been told they will be the subject of a targeted separation package.

In Gippsland, the number of Pest Plant and Pest animal officer positions will be reduced from 16 to 11. Positions at the Mirboo North, Yarram and Orbost offices will be abolished leaving local communities without ready access to staff. In addition, Mr Hall claimed staff working at centralised locations will now spend much valuable time travelling to and from locations to do their on-ground work (Hall, 2005).

When 44 DPI positions were to be axed in 2007, concern was raised locally that four of these were to come from the Hamilton Office in western Victoria.

Fifteen senior research scientists with 350 years experience between them have left Hamilton in the past six years and not been replaced, according to last week's Stock and Land. It also claimed 21 staff overall have left in the past 18 months. It said there were still about 50 scientific and technical staff at Hamilton – but failed to answer the claim about the withering of senior staff in the past few years. The situation is so worrying the Australian Veterinary Association (AVA) said that DPI 'understaffing' could have serious consequences if there was a disease outbreak in Victoria. The Victorian Farmers' Federation has joined the AVA in calling for an end to cuts to primary industries research budgets (O'Brien, 2007).

In August 2008 another round of cuts were underway

DEPARTMENT of Primary Industries sites at Stawell, Rainbow, Walpeup, Charlton and Sea Lake will close. The sites will close as part of a major restructure of the department's state-wide services, which will include the loss of 70 jobs across the state.

Five full-time staff at Walpeup and one casual position at Stawell will be made redundant. Four staff at Stawell will relocate to Ararat and the remaining nine staff at Walpeup will be moved to Irymple by mid 2009. Rainbow's one staff member and Sea Lake's one staff member will be relocated to Hopetoun and Charlton's two staff members will relocate 40 kilometres away at St Arnaud. Rainbow, Sea Lake and Charlton offices will be open by appointment for the next three months.

The department's secretary Richard Bolt said up to 50 agriculture, science and extension staff and an estimated 20 administrative and corporate service staff from across Victoria would be axed. Mr Bolt said the department needed to restructure its workforce and facilities in response to the changing priorities of the farm sector and the Federal Government, which had resulted in reduced and redirected funding. (Henry, 2008) In an impressive feat of logic, Mr Bolt explained the staff would have to be sacked because of the difficulty of attracting people to work in such locations:

He also said the State Government had set a new direction with its \$250-million Future Farming strategy. "It is increasingly hard to provide an acceptable work environment and a critical mass of staff at the smallest facilities, such as Charlton, Rainbow, Sea Lake and Stawell," he said. "We struggle to attract leading scientists and young people to work at small sites, given that the department competes in a national and global market for skilled staff (Henry, 2008).

While the challenges of attracting and retaining staff in struggling rural communities are no doubt real, and could be significantly overcome by governments investing more resources not less in these communities, a far greater disincentive for graduates to make the commitment of joining the DPI and establishing durable roots in these communities, is the total lack of commitment they can expect from the department for both themselves and their work. This is despite the importance of the agricultural sector to the Victorian and national economy, and despite the mounting threats it faces from potentially devastating incursions, and other anticipated challenges. A commentary by Peter Hunt in the Weekly Times put the case this way:

But does the loss of DPI staff intellect and skills from regional Victoria really matter to farmers, foresters and anglers?

The answer can be found in the declining growth in Australia's agricultural productivity, the wind-down of R&D expenditure and the skills shortage that plagues every sector of the industry.

Last year ABARE released research showing annual broadacre productivity growth was 1.8 per cent in the 20 years to 1997-98, but has since slumped to negative 1.3 per cent.

ABARE analysts found the dairy industry had suffered a similar slowdown. That slowdown is being driven, in part, by the slump in R&D spending and the loss of experienced research staff. In most cases these staff are not replaced and there's few agriculture graduates to replace them.

Most school leavers shun careers in agriculture given its negative image and poor remuneration on offer. It's no great surprise given agriculture graduates salaries are among the worst in the nation.

As for postgraduates the very thought of ending seven years of undergraduate and then postgraduate studies with an indexed HECS debt of almost \$40,000 is enough to deter most sane people from even contemplating agricultural research careers.

So farmers and the Victorian Government need to do all they can to hold on to skilled DPI staff, not just let them go in the name of the latest reforms. Past and present departmental managers and secretaries will happily put their hands on their hearts and declare there's been no "forced redundancies". But the claim hides the insidious nature of the regional decline. Staff are told their positions or units no longer exist and they must undergo "redeployment".

Experienced staff with often highly specialised and localised skills are then forced to reapply for positions elsewhere in DPI. DPI managers know many of these staff can't or won't reapply for another role and take a "voluntary" payout. So while a local office or research station is kept open, experienced staff are leaving unnoticed. For years *The Weekly Times* has wondered just how many staff were being lost from DPI. But it took the residual passion of DPI staff to expose the extent of the loss.

We now have little more than half DPI's staff in regional Victoria, compared to two-thirds a decade ago. DPI needs to create a decent career path for graduates, promote the regions and attract graduates from country Victoria to work in their home communities.

Unless action is taken future productivity will continue to decline. The movement of staff and resources to Melbourne has to end. Of all government departments DPI is the one that should buck the trend towards centralisation. In the past decade the Labor Government's focus was on leading edge research, which culminated in the construction of the \$280m Centre for AgriBioscience, in Bundoora and a \$73.2m biosecurity at Attwood.

Such research and facilities are invaluable to the state's long-term research. But we can't afford to neglect what's happening in the field. DPI officers need to be in the paddock talking to farmers, at the yards, abattoir and processing plants (Hunt, 2011).

In April 2009, the Brumby Labor Government announced another review of DPI barely 12 months after the previous one had stripped the department of 70 positions. The rural press carried the demand of the opposition spokesperson, Peter Walsh, that the government rule out further cuts or offices in country Victoria).

Mr Walsh said his concern stemmed from a similar review conducted in the past 12 months in which a round of 70 people were sacked and research institutes were closed at Walpeup and Kyabram and sites downgraded or depots closed at Toolangi, Snobs Creek, Sea Lake, Charlton, Stawell and Rainbow (Coffey, 2009).

Mr Walsh raised the matter again in the Parliament, expressing outrage that a minister could have been out promoting a new vision for agriculture one minute and emptying the DPI of staff the next.

Mr Walsh: Last year the Future Farming strategy was announced prior to the budget to make sure it was given good press. What happened immediately after the budget? The Minister for Agriculture and the Department of Primary Industries (DPI) went out and sacked 70 staff and closed institutes at Walpeup and Kyabram and significantly pulled back at Toolangi and Snobs Creek. At Snobs Creek they took the freshwater aquaculture people and sent them to Queenscliff, which has seawater. How can freshwater aquaculture research be done at a seawater institute? I find that rather amazing. The DPI depots at Sea Lake, Charlton, Rainbow and Stawell were also closed. Recently a new review of DPI has been announced. I would like to see the Minister for Agriculture actually give a categorical commitment that there will be no further job cuts from DPI and no further closure of DPI facilities (Legislative Assembly, 7/5/2009:1305).

Almost two years to the day (May 8, 2012), the now Minister Peter Walsh, declared DPI offices at Ararat, Birchip, Camperdown, Cobram, Kyneton, Ouyen and St Arnaud were to close.

"The plan will consolidate operations in metropolitan offices from Box Hill, Frankston, Footscray, Knoxfield, Werribee and Woori Yallock, while shop fronts in Ararat, Birchip, Camperdown, Cobram, Kyneton, Ouyen and St Arnaud will be wound up and these staff members moved to existing rural DPI offices." Staff at these offices are set to be moved to other country DPI sites. Metropolitan offices in Box Hill, Frankston, Footscray, Knoxfield, Werribee and Woori Yallock will also shut as part of a rationalisation plan. Three floors of DPI headquarters in Melbourne will be closed and DPI staff based in 15 Department of Sustainability and Environment offices will be moved to country DPI sites.

Mr Walsh tonight said in a statement the Government was "refocusing" the DPI to provide more productive and efficient services (Dowler, 2012).

1.7 Chapter Conclusion

The most comprehensive review and guide to policy formation on Australia's biosecurity, 'One Biosecurity: A working partnership' (Beale, et al, 2008), has stressed that in the face of rising risks to our biosecurity, due to trade liberalisation, climate change and other factors, Australia must develop a seamless continuum of invasive species control capacity from the pre-border to the post-border stage. The report stressed that given the policy areas controlled by the States, they have a responsibility to take the lead in provision of post-border security, that is, the monitoring and management of invasive species and diseases that have entered the Australian biosphere.

Post-border biosecurity is an expensive and difficult segment of the continuum because there is no particular pattern as to how, when, where, or how dangerous future pest incursions or diseases may be, or how rapidly they will spread. There is no certain place to look for them. At the same time the failure to properly manage an incursion could have devastating consequences for an industry, for the economy of a region, and even human life.

Because of this, and in recognition of the financial constraints facing State governments, as compared to the Commonwealth, States are not expected to shoulder the entire cost of large scale biosecurity emergencies that occur within their borders. Mechanisms are in place for the Commonwealth and the other States to contribute to the cost of managing a significant incursion occurring in any one State, as in the case of fire ant in Queensland. At the same time, they are expected to undertake ongoing management of post-border biosecurity issues on a risk-managed basis.

But while money is available and necessary to mobilise people and equipment in major emergencies, the resources must first exist in order to be mobilised. Money does not conjure up skilled and experienced field staff where none exist.

One of the Beale report's most emphatic recommendations is that the States must not use increased Commonwealth support for biosecurity as a signal to withdraw their own resources, reflecting an appreciation of the history of Federal – State relations. Significantly, the most crucial resources to have in place when crisis comes, is large numbers of people who know what they are doing.

So how have the States responded?

For a long time prior to the Beale review, the States steadily diminished the dedicated, professional workforce of departments of agriculture and primary industries who maintained effective biosecurity surveillance while generally helping local producers to improve their productivity. Since 2000 States have collectively axed the positions of thousands of field workers, extension officers and researchers. Since Beale, they appear to have accelerated the process.

We see a familiar pattern in most States, where Commonwealth Grants from the late 1940s sustained the development of the research and extension workforce until 1981, from which time the grants were stopped and the States began a slow process of reducing staff numbers and closing research facilities and Department of Primary Industries offices located in country towns across each State.

While the size of this workforce was reduced through attrition, casualisation, departmental amalgamations, and ‘defacto privatisation’ to what are now tokenistic levels, along the way their value and relevance to farmers was also diminished by de-skilling them through preventing their one-on-one dialogue and direct provision of practical support to farmers. It was through such direct engagement with primary producers, focused on tackling locally-specific productivity and biosecurity issues, that these staff developed the practical skills to support their primary producer clients, while providing quality intelligence on what was happening in primary production back to government via their departments.

The first stage was to start charging farmers for the advice and hands-on intervention they required at ‘commercial rates’, and the next was to stop providing such support and to notify them of private consultants that could be hired for such purposes. While many of these consultants were former departmental staff, many farmers could not afford to use them, particularly in hard times when they needed advice and support most of all. And support to handle infestations in more remote areas was often delayed to better suit the business model of the consultant.

Departmental staff were left to provide information only to groups. Then, as States made increasing use of fixed term contracts to backfill positions that had formerly been ongoing, the security that once attracted people to work in the public service gave way to insecurity, and a propensity to constantly scan the horizon for the next job. While those who had the benefit of prior years of close engagement with farmers managed to retain their credibility during this process, new graduates on contract rarely acquired the depth of practical knowledge of their predecessors, and came to be seen as disengaged ‘white board experts’. When enforcing compliance of land management obligations, their limited practical experience gave them little scope but to enforce rules inflexibly, further alienating them from farmers.

So as the skill and depth of knowledge of the staff of these departments declined, so did their relevance to primary producers, and as more offices shut down, and more staff are retrenched, and less long term research and monitoring is conducted, the nation loses its post-border biosecurity response capability. Some invasive species have been allowed to reach such levels of infestation that efforts to control them have largely been abandoned. Governments such as that in West Australia, claim they are being strategic by leaving post-border security to the private land managers, arguing they will control the pests that affect their profitability, and those that don’t affect their profitability need not concern us. However, if an infestation affects their neighbour’s profitability because they’re growing a different commodity, what then? There are early signs that the Victorian government is rethinking the running down of its post-border biosecurity capacity and time will tell whether they understand that this requires security of employment and long term commitment to staff to

allow them to build knowledge and skills relevant to the local terrain in order to be effective, or whether this is just more tokenistic window dressing. Certainly Victoria is well placed, in terms of its geography and the value of its agricultural industries to justify the investment.

While commercial agriculture at least has an economic incentive for taking biosecurity and land management seriously, the rest of the landscape is badly neglected. Australians of today will be condemned by future generations for the damage being done to our natural environment by invasive species because so little monitoring, research and remediation is now being undertaken. Many people we have interviewed, including many not included in the report for fear of compromising their anonymity, who understand the environmental holocaust underway, are clearly very distressed at what they know is happening.

What is most troubling about this process, is that our surveys of estimates hearings and parliamentary exchanges clearly reveal that the politicians and bureaucrats that have prevailed over this deterioration of biosecurity governance, and practical support for primary producers, were fully aware of what was happening. They have repeatedly followed their strident denunciations of staff cuts and office closures while in opposition, with further staff cuts and office closures on winning government.

So what's driving this, why does it happen? It is the consequence of applying the principles of 'small government', 'user pays', privatisation, and contract-state, 'executive performance pay' practices collectively known as the 'new public management' that has dominated public administration these past thirty years with bi-partisan support and no electoral mandate. It has been routinely denied and downplayed before elections and implemented with stealth after elections. Politicians learnt from John Hewson's mistake of telling the public what he intended to do to them with his *Fightback!* policies at the 1993 Federal election.

The application of this ideology to primary industries began with the Balderstone review of 1981, that argued that the benefit of providing technical and practical support to Australian primary producers accrued solely to them, and therefore greater public benefit would come from reallocating the resources used in these services to other purposes. So the Commonwealth cut the Extension Services Grants Scheme and other funds to the States, which in turn have slowly killed these services off. While insecure staff have endeavoured to hold on to their jobs by covering more bases, politicians and senior executives have ordered them to maintain a facade of capacity, as 'efficiency dividends' kept cutting and cutting. Regional Australia has endured the sense of slow death that has accompanied this withdrawal of resources, while the shifting of governance costs onto producers, and removing practical support has led to lower standards of monitoring and research, and poorer invasive species control. Dedicated scientists are subjected to careers of uncertainty, surviving on successive fixed term contracts, hawking for research funds from transnationals, and long term monitoring and research is largely non-existent, particularly that which is focused on environmental issues.

So where is the public benefit in this?

Admittedly, there are some winners. Large scale agribusiness benefits from the way user-pays arrangements strategically advantage those with deeper pockets. Transnationals such as Monsanto have the benefit of cash-strapped public research facilities competing to do their research for them, to produce products they can then sell to primary producers.

We believe, however, that greater public benefit would result from a different strategy to that which has applied over the past 30 years. We contend that the viability of regional communities would be enhanced, agricultural productivity improved, biosecurity better managed, research and development more broadly focused and innovative, and our natural

heritage better managed, by restoring a substantial decentralised permanent public sector workforce in each State, of scientists, field staff and technical specialists, dedicated to advancing the productivity of primary producers and maintaining vigilant biosecurity surveillance and response capability. We also contend, that despite spurious assertions to the contrary, the Commonwealth has the resources to underwrite the whole endeavour and by this means create a permanent economic stimulus to Australia's chronically depressed rural and regional communities.

Chapter Acknowledgments

We wish to thank the past and present officers of Primary Industries departments in each of the States who we interviewed, along with Dr Pauline Mooney, CEO of the South Australian Research and Development Institute, and Jan Davis, CEO of the Tasmanian Farmers and Graziers association, for their generous cooperation in this study. No participants should be construed to have endorsed the context in which their views have been presented nor to endorse the conclusions we have drawn.

Chapter 2 Case Study of Housing Policy

2.1 Introduction

Housing is a joint Commonwealth/State responsibility encompassed in the National Affordable Housing Agreement (NAHA) that aims to ensure that all Australians have adequate, affordable, safe and sustainable housing to enable full economic and social participation. This chapter presents a case study that examines the extent to which these objectives are currently being realised in Australia.

This case study uses a combination of literature, secondary data and qualitative research with key informants with a wealth of knowledge regarding housing and housing policy in Australia. The respondents for the qualitative component include employees of state housing authorities, community housing organisations, a variety of community groups associated with housing and advocacy on behalf of low income groups.

The chapter is organised as follows. The next section outlines a history of housing policy in Australia. Section 2.3 details the national trends in housing assistance. Section 2.4 looks at state government housing policies. Section 2.5 looks at trends in housing assistance. Section 2.6 examines the adequacy of housing provision having regard to affordability, housing security and the quality of housing. Section 2.7 contains the qualitative research component of the report with extracts from the key informant interviews. Section 2.8 concludes.

2.2 The history of housing policy in Australia

The 1945 Commonwealth State Housing Agreement (CSHA) launched a national approach to address the severe housing shortage of around 350,000 dwellings that developed during the depression and war (AIHW, 1996). The original CSHA indicated that public rental housing was “for those who are in need of proper housing accommodation and who, for various reasons, do not desire or are unable to purchase their own homes” (AHR, 1945:5, 386, quoted in AIHW, 1996). The Commonwealth provided subsidised long-term loans to the States for housing construction and maximum rents were set at 20 per cent of tenants’ incomes.

The focus of subsequent agreements shifted to include other priorities and increased targeting. The 1956 agreement sought to encourage home ownership by specifying that 20 per cent of CSHA funds were to be allocated to mortgage finance, to be increased to 30 per cent after two years. In addition, allocations were to be mainly for families with moderate means. In 1969 the Commonwealth provided funds for the provision of housing to single Aged pensioners who were receiving supplementary assistance (later rent assistance) (Monro, 2000). The Whitlam government introduced more direct targeting by limiting eligibility to those earning less than 85 per cent of average weekly earnings and also attempted to restrict public housing sales in the 1973 CSHA.

The shift to neo-liberal economic policies was reflected in housing policies of governments of both political persuasions in Australia. Under the Fraser government the 1978 CHSA introduced market-related rents to replace cost-related rents, in an attempt to force higher income tenants into the private market and residualise public housing as ‘welfare’. In addition, there was provision for funding housing initiatives by local government and the non government sector, and states were required to provide matching funds. The 1981 CSHA required matching funds from States and an increasing proportion of Commonwealth funding was for specific groups (McIntosh and Phillips, 2001).

The Hawke Government introduced a number of initiatives. In the 1984 CSHA rents were to return to a cost basis and a number of 'tied' programs were introduced. These included the Mortgage and Rent Relief Program, the Crisis Accommodation Program (CAP) and the Local Government and Community Housing Program (AIHW, 1996). Significantly, the 1989 CSHA aimed to underpin the financial viability of housing authorities by providing all funds in the form of grants rather than loans and was to 'focus on alleviating housing-related poverty and distributing assistance equitably to people resident in different housing tenures' (AIHW, 1993: 52).

The residualisation of public housing continued under the Howard Coalition Government. The 1996 CSHA 'represented a major shift from previous arrangements, introducing greater flexibility, increased accountability, new planning requirements and a greater focus on client outcomes' (FACS, 1999: 4). The Commonwealth provided identified program funding and base funding which the States could use for any form of housing assistance (FaCS, 1999). Identified program funding related to:

- The Community Housing Program (CHP);
- The Crisis Accommodation Program (CAP); and
- The Aboriginal Rental Housing Program (ARHP);

Increased flexibility in the use of base funding meant that States could allocate funds between rental and home purchase assistance and could use funds for headleasing. States were required to develop a Code of Practice incorporating customer rights. Bilateral agreements between the Commonwealth and States were a feature of the 1999 and 2003 CSHAs.

The objective of the CSHA 2003-2008 was to provide appropriate, affordable and secure housing assistance through provision of national funding of \$3.73 billion for public housing, \$487 million for rental accommodation under the Aboriginal Rental Housing Program, \$328 million for the Community Housing Program (CHP), and \$203 million for the Crisis Accommodation Program (CAP) which constitutes expenditure for buildings used for crisis accommodation services under the Supported Accommodation Assistance Program (SAAP) such as refuges for youth and women (FaCSIA, 2006).

Specific objectives of the 2003 CSHA were:

- Supporting community development and the renewal of public housing estates
- Stimulating private sector investment in the supply of low cost housing. (ABS, 2010)

According to Jacobs, Marston and Darcy (2004) the 2003-2008 CSHA requires State Housing Authorities to enter into partnerships with the private and non-profit sectors to add to social housing stock and provide consumer choice which accords with the neo-liberal agenda of constraints on public funding and shifting provision of services previously performed by the public sector to the private and non-profit sectors. Reasons for preferring community housing over public housing have been primarily associated with introducing innovation and greater efficiency and achieving management economies (Jacobs, Marston and Darcy, 2004). The establishment of competing providers in community housing mirrors developments in other policy areas such as the Job Network. Another financial benefit for state governments is that community housing tenants are eligible for rent assistance.

2.3 Commonwealth/State agreements

2.3.1 The National Affordable Housing Agreement (NAHA)

Major housing reforms are being driven by the Commonwealth through the imposition of conditions for housing funding. The NAHA commenced on 1 January 2009 and is supported on National Partnership Agreements on social housing, homelessness and Indigenous Australian living in remote areas. NAHA provides \$6.2 billion of housing assistance in the first five years. The National Partnership Agreement on Social Housing (FaHCSIA, 2009a) required states to comply with four requirements for obtaining funding:

- Involve the construction of new social dwellings;
- Add to the supply of social housing dwellings within a jurisdiction;
- All projects funded through this agreement must be completed and ready for occupation within two years of the allocation of funds; and provide an appropriate response to an area of unmet need for social housing.

In addition, at least one of the following secondary criteria has to be met:

- Projects to facilitate or support the transition of persons who are homeless or at risk of homelessness to secure, long-term accommodation;
- Designs suitable for persons with disabilities or older persons;
- Projects to improve housing outcomes for Indigenous Australians;
- Projects that support the growth of the not-for-profit sector; and new and innovative approaches to support more effective and efficient provision of social housing.

The policy shift from the direct provision of social housing by state housing authorities to provision by community housing organisations was reinforced by the agreement of Housing Ministers that 35 per cent of social housing should be provided by the community housing sector by July 2014 (Housing Ministers Council, 2009).

A major difference between public housing and community housing is that public housing tenants are not eligible for Commonwealth Rent Assistance (CRA). Due to the residualisation of public housing through restricting eligibility, the vast majority of public housing tenants are on very low incomes and rents are fixed at around 25 per cent of income. The combination of the very low rental receipts and the inaccessibility of CRA make public housing unsustainable as a business. Rental income is insufficient to meet expenses in the public housing sector. State governments therefore have a financial incentive to transfer housing stock to the community housing sector. While this reduces the stock of public assets, it improves the state government's bottom line. At the same time the community housing sector obtains additional properties and is able to charge higher rents to reap the CRA that will be received by tenants.

2.3.2 Nation Building Economic Stimulus Plan (Stimulus funding)

In 2009 the Commonwealth introduced stimulus funding of \$6.4 billion to fund 20,000 social housing dwellings between 2008-09 and 2011-12 and refurbish around 2,500 public housing dwellings.

The state governments were required to agree to a raft of conditions to secure the funding (FaHCSIA, 2009b):

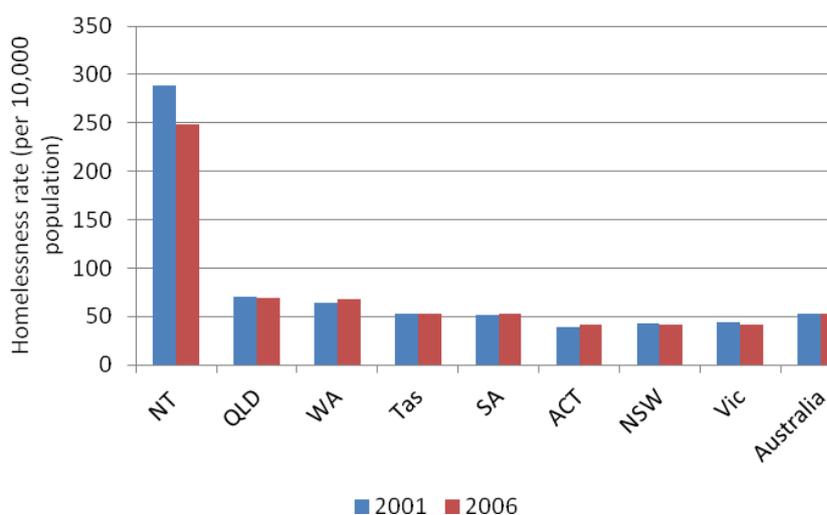
- Integration of public and community housing waiting lists;

- Better social and economic participation for social housing tenants by locating housing closer to transport, services and employment opportunities;
- Support arrangement to assist social housing tenants transition from social housing to affordable private rental accommodation or home ownership as their circumstances change;
- Reducing concentrations of disadvantage by redevelopment to create mixed communities that improve social inclusion;
- Introduction of a national regulatory and registration system for not-for-profit housing providers to enhance the sector's capacity to operate across jurisdictions;
- Increased transparency through the establishment of consistent and comparable accounting and reporting standards across jurisdictions that allow clear and objective assessments of performance that meet public accountability requirements;
- Social housing providers to be subject to independent prudential supervision to protect public investment in the sector;
- Improved tenancy management and maintenance benchmarks for social housing;
- Improved efficiency of social housing including better matching of tenants with appropriate dwelling types and the introduction of rent-setting policies that reflect the type of dwellings occupied by tenants;
- Introducing contestability in the allocation of funds to encourage a range of new providers and create diversification in the not-for-profit sector to enhance the ability of providers to offer housing options to a broader range of client types;
- Leveraging of government capital investment to enhance the provision of social housing;
- Better use of government-owned land to provide more affordable housing opportunities for low income earners;
- Improved procurement practices that promote competition between proponents and provide participation opportunities for small and medium enterprises;
- Measures to enhance the capacity of the not-for-profit sector.

2.3.3 The National Partnership on Homelessness

The plight of the homelessness has become widely recognised as an urgent problem in Australia. Figure 2.1 shows homelessness rates by state in 2001 and 2006. The highest rates were in the Northern Territory, Queensland and Western Australia. Although the homeless rate declined in the Northern Territory in the five years from 2001 to 2006, it remained the highest in the country.

Figure 2.1 Homelessness by state, 2001 and 2006



Source: Shelter Tasmania <http://www.sheltert.as.org.au/homeless/homeless.html>.

The Rudd Government prioritised assistance for the homeless with the release of the White Paper on Homelessness and the National Partnership Agreement on Homelessness that commenced in 2009. This partnership provides Commonwealth and state funding of \$1.1 billion for homelessness services for five years. The states are responsible for implementing the policy that focuses on assisting chronically homeless people, providing tenancy support for private and public tenants, advocacy and referral to support services. It also strives to assist people leaving child protection, prison and health facilities to access stable, affordable housing.

2.3.4 The National Rental Affordability Scheme (NRAS)

Commonwealth policies for rental housing have progressed over the years to favour market solutions rather than the direct provision of subsidised public housing. The shift from public housing expenditures to subsidising private rents through CRA reduced funding to the public housing sector substantially. NRAS is an innovation on that policy that seeks to exert some pressure on markets by providing incentives to set rents below the market rate. NRAS commenced in 2008 with the objective of securing affordable rents in the private market by offering financial incentives to organisations that ‘build and rent dwellings to low and moderate income households at a rate that is at least 20 per cent below the prevailing market rate’ (FaHCSIA, 2011). As compensation for charging lower rent, the Commonwealth provides a contribution of \$7,486 per dwelling per year for 10 years and the state government contribution is \$2,495 for the same period.

2.4 State Government housing policies

There are some variations in policies between jurisdictions. However, there are common elements that include social housing and assistance to obtain private rental.

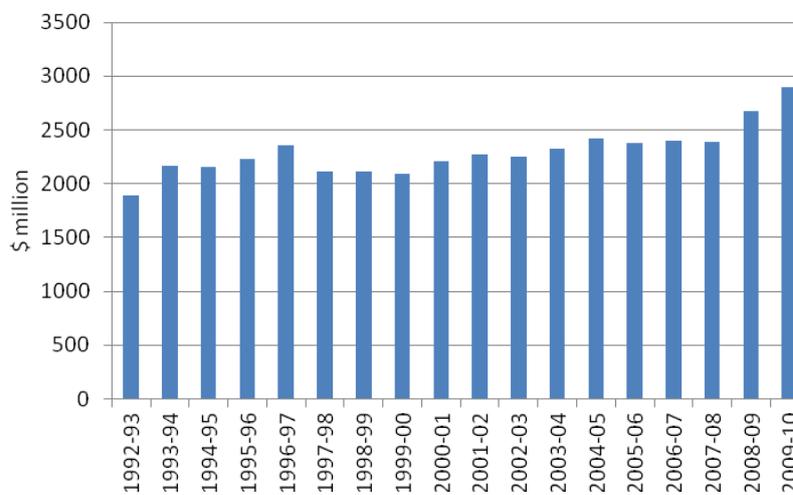
Public housing is provided by all states with broadly similar eligibility criteria consisting of income and assets test limits. Due to the long waiting times for public housing, states have introduced methods of prioritising those in greatest need. Whereas public housing was traditionally available on an ongoing basis once a household was housed, this is no longer the case. Some states have instituted fixed term leases that may be renewed when the term expires but increases in household income can mean that tenants may lose their eligibility.

2.5 Trends in housing assistance

2.5.1 Government expenditure on housing assistance

The major trend in federal government housing assistance in recent years has been the shift from funding social housing to subsidising rents for low income people renting in the private rental market through CRA. Figure 2.2 shows real expenditure on CRA from 1992-93 to 2009-10. CRA is an entitlement attached to income support payments that is a demand driven program that operates in a counter cyclical manner. As the economy improves, people re-enter the workforce and the number of people dependent on welfare payments declines driving CRA expenditure down. The increase in rent assistance in 2008-09 and 2009-10 is due to the increase in the number of recipients as a result of the economic downturn.

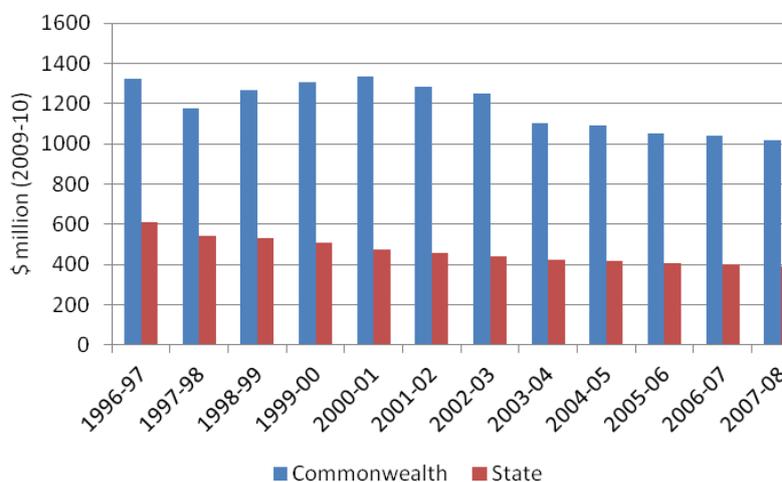
Figure 2.2 Real expenditure on Commonwealth Rent Assistance, 1992-93 to 2009-10 (in 2009-10 Dollars)



Source: FaHCSIA Annual Reports, various years; ABS, 2011 Consumer Price Index Australia, June 2011, All Groups, Weighted Average of Eight Capital Cities.

In contrast to the situation with rent assistance, CSHA/NAHA expenditure has declined over time. Figure 2.3 shows real expenditure on the CSHA/NAHA by the Commonwealth and State governments between 1996-97 and 2007-08 (in 2009-10 dollars).

Figure 2.3 Commonwealth and State expenditure on the CSHA, 1996-97 to 2007-08 (in 2009-10 dollars)



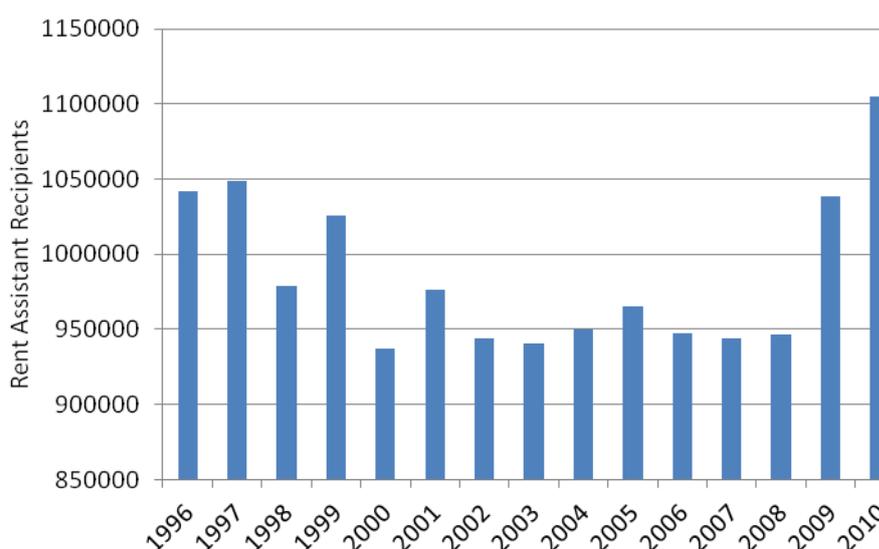
Source: FaHCSIA, 2010: Housing Assistance Act 1996 Annual Report 2007-08 and 2008-09; Table A2 Commonwealth State Housing Agreement grant trends, 1996-97 to 2007-08; ABS, 2011 Consumer Price Index Australia, June 2011, All Groups, Weighted Average of Eight Capital Cities.

Real expenditure by State governments declined continually throughout the period. State expenditure also declined in nominal terms from \$427.4 million in 1996-97 to \$374.6 million in 2007-08. Commonwealth Government expenditure has exhibited greater variation with an initial decrease in 1997-98 followed by growth until 2000-01 and then a continual decline for the remainder of the period. Commonwealth expenditure was boosted by GST compensation in the three years to 2002-03. The Nation Building Economic Stimulus Plan (NBESP) would have increased expenditure, but the impact of the stimulus spending is not shown in this figure.

2.5.2 The composition of housing assistance

This section provides an overview of trends ranging from direct provision of social housing by the state to facilitation of social housing through the community housing sector and subsidies to low income earners in the private rental market. Rent assistance was provided to over 1.1 million Australian households in 2010, while less than 400,000 households received social housing assistance in 2008.

Figure 2.4 Rent Assistance recipients, 1996 to 2010



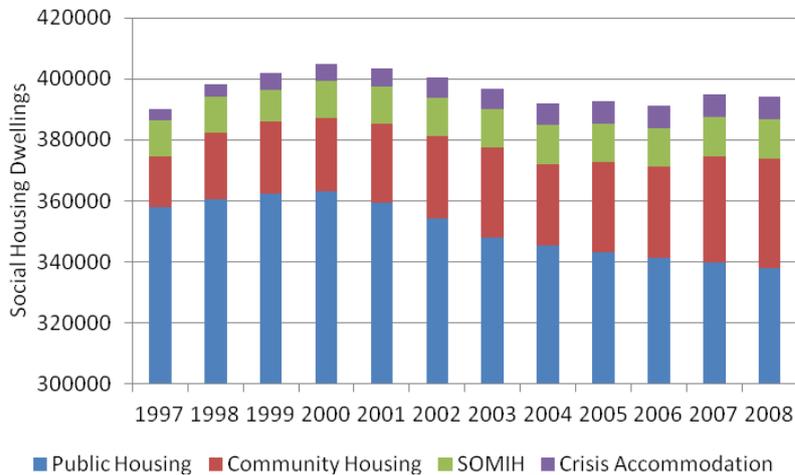
Source: FaHCSIA, Income Support Customers: A Statistical Overview, various years; FaHCSIA, Income Support and Related Statistics: A 10 Year Compendium, 1989-1999
 Note: Data relates to the number of recipients at the end of June each year.

The large variations in the number of CRA recipients is attributable to the fact that it is a demand driven program; there are higher numbers of recipients during periods of economic contraction and the numbers fall when the economy is more buoyant. In Figure 2.4 we observe that rent assistance recipients were much lower in the period prior to the onset of the GFC but rose quickly in 2009 as the economic slowdown impacted, earnings fell and unemployment increased.

The composition of social housing in Australia between 1996-97 and 2007-08 is shown in Figure 2.5. At the national level there has been a small increase in social housing, driven by large increases in community housing and crisis accommodation. Over the period, total social housing increased by 1.1 per cent (from 389,923 to 394,290). The total social housing stock increased between 1996-97 and 1999-2000 and then declined until 2004 when it stabilised.

Community housing experienced the largest expansion, increasing by 118.5 per cent from 16,515 to 36,079. Similarly, crisis accommodation more than doubled, rising from 3,520 to 7,567. State Owned and Managed Indigenous Housing (hereafter SOMIH) increased by 8.1 per cent (from 11,820 to 12,778). Public housing declined from 358,068 to 337,866, a fall of 5.6 per cent. Changes in the amount and composition of social housing has varied significantly between states.

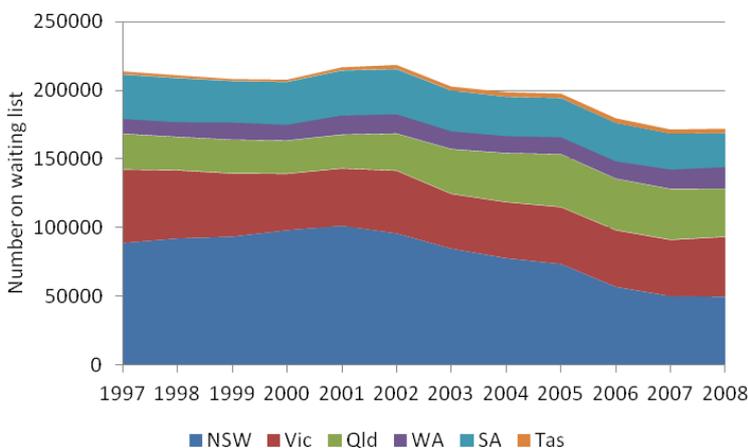
Figure 2.5 Social Housing dwellings, Australia, 1996-97 to 2007-08



Source: FaHCSIA, 2010

Despite the fact that the total number public housing dwellings has declined significantly, the number of households on public housing waiting lists in Australia has fallen from 221,409 in 1997 to 177,652 (FaHCSIA, 2010). Figure 2.6 shows the numbers of households on public housing waiting lists between 1997 and 2008. Most of the decline emanates from a 43.9 per cent reduction in the waiting list in NSW. Significant declines also occurred in South Australia (22.9 per cent) and Victoria (18.6 per cent). Conversely, waiting lists grew in Tasmania (53.6 per cent), Western Australia (46.7 per cent) and Queensland (34.6 per cent). The relationship between changes in public housing stock and waiting lists is not straightforward. For example the large fall in the waiting list in South Australia coincided with a reduction of the public housing stock of 23.8 per cent.

Figure 2.6 Waiting lists for public housing by State, 1997 to 2008.



Source: FaHCSIA, 2010

Social housing waiting lists are a partial measure of the demand for social housing but seriously underestimate need due to strict eligibility criteria in most states and many people who are eligible are not on the waiting list for a variety of reasons including lack of public housing in the location, or perceptions of futility due to long waiting lists (Industry Commission, 1993). In June 2011 there were 192,832 households on the public housing waiting lists in Australia (SCRGSP, 2012). The largest increase in the waiting list between 2007 was in Western Australia where the list increased from 14,571 to 25,669 (SCRGSP, 2012).

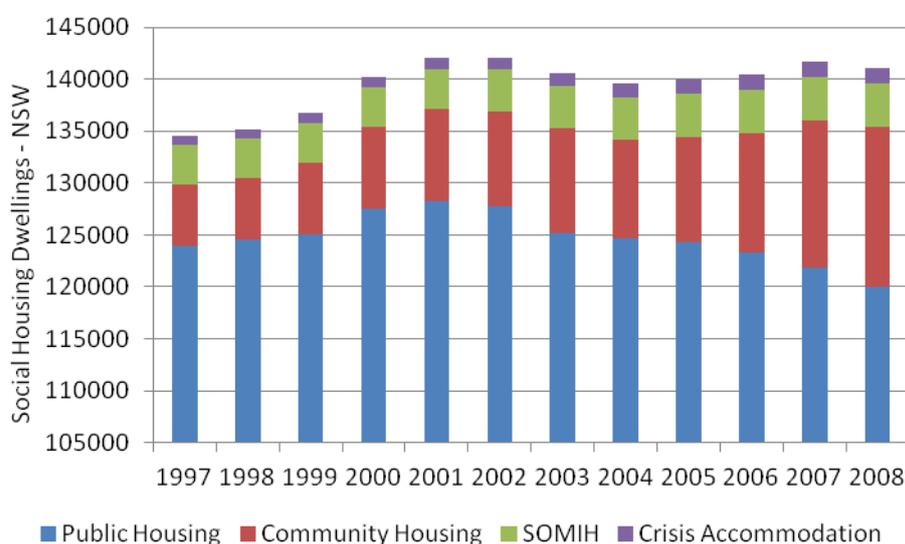
Seelig and Phipps (2006) found that many people who were eligible for public housing did not apply due to misconceptions about eligibility criteria, ignorance of the application process, negative perceptions about life in public housing and associated stigma. The decline in social housing has been attributed to fiscal constraints and claims of higher efficiency in the private market and is of concern only if affordable housing is not available in the private rental market (Mowbray, 2006).

Research by McNelis and Neske (2009) indicated that the demand for public housing will continue to exceed supply as the population ages and more people find it necessary to apply for social housing. They found that public housing currently only meets 42 per cent of demand for older people who were eligible for public housing.

Social housing in NSW

Figure 2.7 portrays the situation in NSW. The total increase in social housing of 4.9 per cent in NSW is significantly above the national increase. Figure 2.7 shows that public housing increased until 2002 and then fell continually. Over the entire period public housing declined from 123,886 to 120,046, a fall of 3.1 per cent.

Figure 2.7 Social Housing dwellings in NSW, 1996-97 to 2007-08



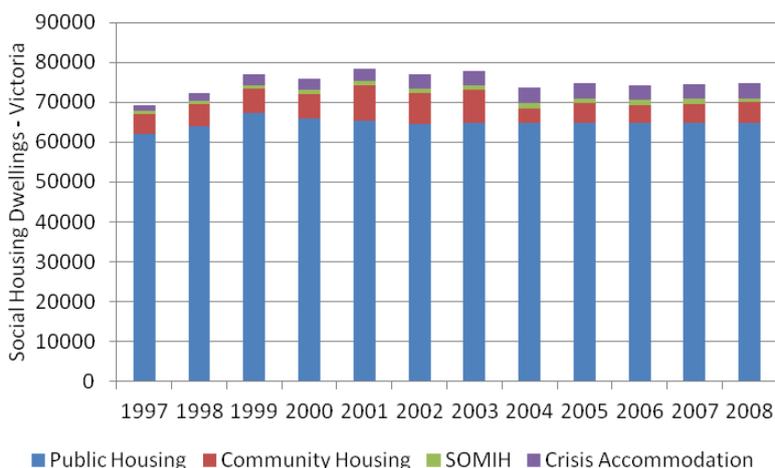
Source: FaHCSIA, 2010

In line with the national trend, community housing experienced the highest rate of growth, increasing from 5,971 to 15,397 or 157.9 per cent. Crisis accommodation expanded from 813 to 1502, a rise of 84.7 per cent. However, the amount of crisis accommodation in NSW remains small and constitutes less than 20 per cent of the national stock. SOMIH increased by 9.2 per cent (from 3,818 to 4,169).

Social housing in Victoria

All categories of social housing increased between 1996-97 and 2007-08. The largest proportional increase (160.3%) was in crisis accommodation which expanded from 1,429 to 3,720. The total increase in social housing was 7.8 per cent and SOMIH increased by 9.3 per cent. The increase in community housing was much lower than the national average, an increase of only 6.5 per cent (from 4,929 to 5,250). Public housing fared better than in all other states recording an increase from 62,014 to 64,720 (4.4 per cent). Figure 2.8 shows the proportion of social housing in Victoria from 1996-97 to 2007-08.

Figure 2.8 Social Housing dwellings in Victoria, 1996-97 to 2007-08

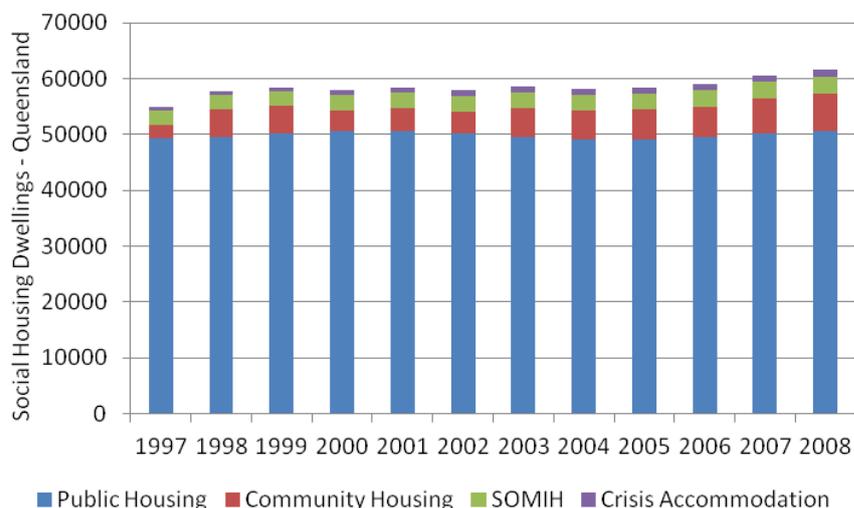


Source: FaHCSIA, 2010

Social housing in Queensland

The 12.3 per cent increase in social housing in Queensland was the largest in Australia. As in Victoria, all categories of social housing increased in Queensland between 1996-97 and 2007-08 (see Figure 2.9). The largest increase of 173.1 per cent was in community housing which grew from 2,398 dwellings to 6,550. Similarly, crisis accommodation more than doubled from 597 to 1268. There was also strong growth in SOMIH with an increase of 21.1 per cent. While the public housing stock expanded during the period, the increase from 49,306 to 50,709 dwellings represented modest growth of 2.8 per cent.

Figure 2.9 Social Housing dwellings in Queensland, 1996-97 to 2007-08

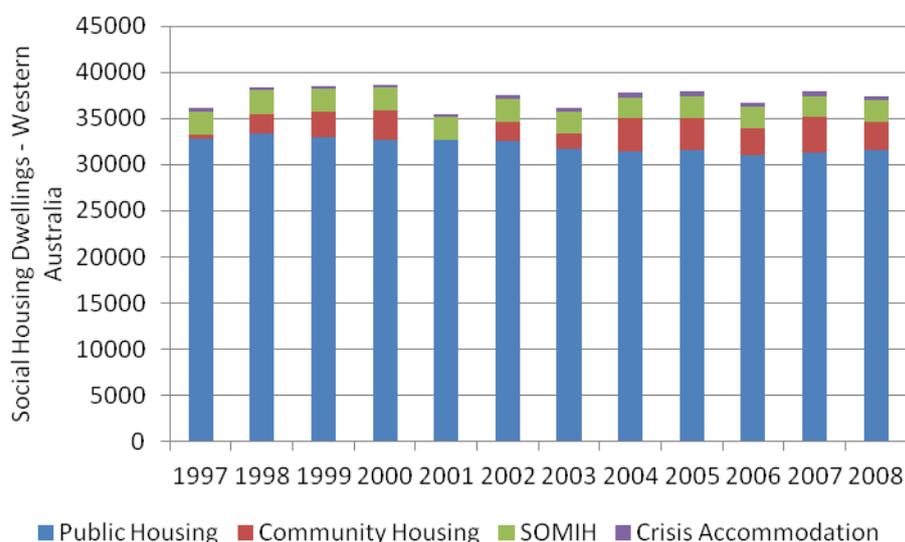


Source: FaHCSIA, 2010

Social housing in Western Australia

Social housing growth of 3.8 per cent in Western Australia was below the national average. The fall in social housing in 2001 that is evident in Figure 2.10 is due to the fact that community housing data is not available for that year. Over the period, community housing exhibited significant volatility as the housing stock increased or shrank by large amounts on an annual basis. Despite this, community housing grew by 649.6 per cent over the period from a small initial stock of 415 dwellings to 3,111 in 2007-08. In line with the national trend, crisis accommodation experienced growth of 80.6 per cent. However, the 9.0 per cent decline in SOMIH is against the national trend. Public housing stock declined by 4.0 per cent from 32,837 to 31,514. It is against this background of a diminishing investment in public housing that the Western Australian government has instigated the draconian ‘three strikes’ policy, whereby three reports of socially dysfunctional behaviour results in people losing eligibility for public housing (Buswell, 2012). The impact this policy is having on vulnerable Australians is discussed by key informants in section 3.7.

Figure 2.10 Social Housing dwellings in Western Australia, 1996-97 to 2007-08

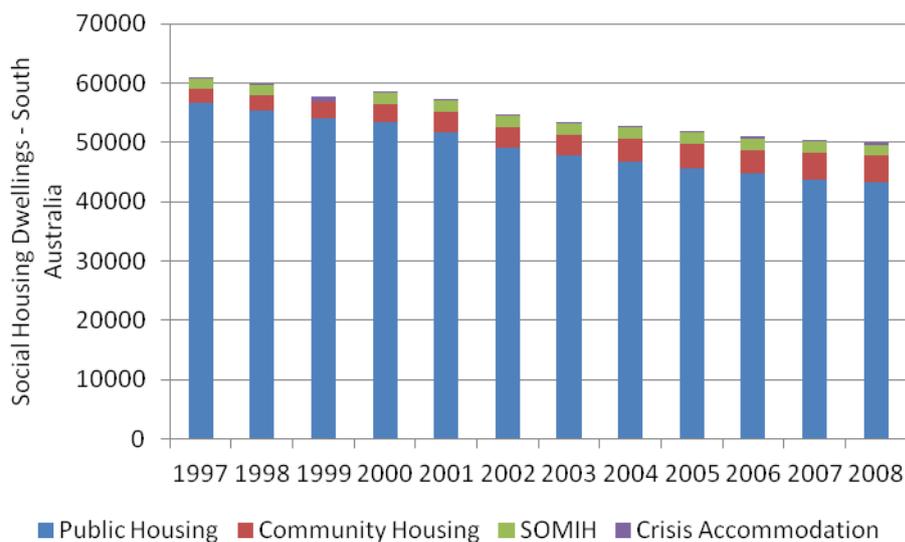


Source: FaHCSIA, 2010

Social housing in South Australia

Figure 2.11 shows that there has been a large decline in social housing provision in South Australia which has been driven by a 23.8 per cent reduction in public housing from 56,695 to 43,189. Total social housing declined from 60,892 in 1996-97 to 49,865 in 2007-08, a fall of 18.1 per cent. Community housing almost doubled, from 2,297 to 4,548. Crisis accommodation increased by 28.1 per cent but remained a small sector with only 249 places. As was the case in Western Australia, there was a decline in SOMIH in South Australia (9.7 per cent). The fall in total social housing shown in Figure 2.11 for 1999 is due to the absence of SOMIH data for that year.

Figure 2.11 Social Housing dwellings in South Australia, 1996-97 to 2007-08

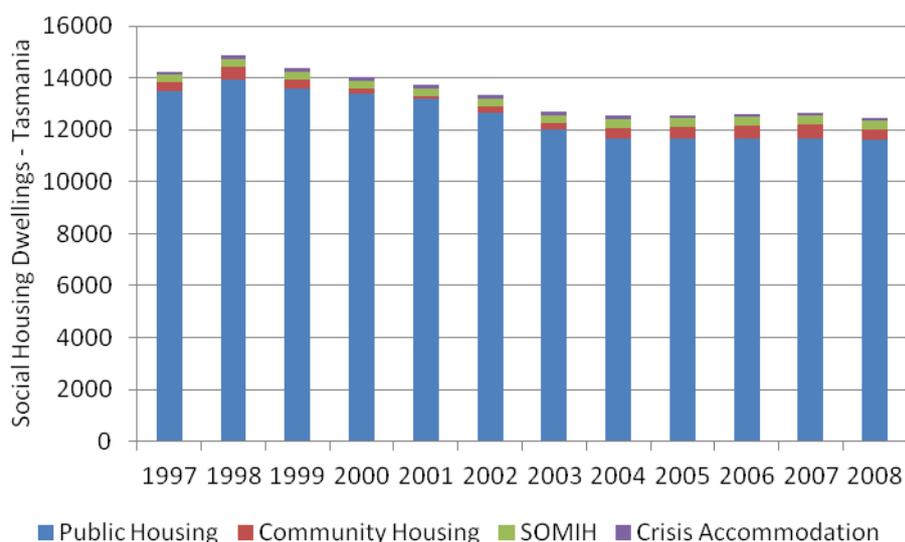


Source: FaHCSIA, 2010

Social housing in Tasmania

South Australia and Tasmania were the only states where the total social housing sector shrank between 1996-97 and 2007-08. In Tasmania (Fig 3.12) the decline was lower, at 12.4 per cent. SOMIH and community housing were the only sectors to grow during the period, with growth of 16.8 per cent and 11.8 per cent respectively. Tasmania was the only state to experience a contraction in crisis accommodation which declined by 5.2 per cent from 134 to 127. The 13.8 per cent decline in public housing from 13,471 to 11,618 dwellings was second significantly above the national average of just over 3 per cent.

Figure 2.12 Social Housing dwellings in Tasmania, 1996-97 to 2007-08



Source: FaHCSIA, 2010

2.5.3 Summary

There has been considerable variation in the direction and magnitude of changes in social housing stock throughout Australia as well as the composition social housing. Total social

housing stock increased nationally and in all states except South Australia and Tasmania. The fastest growing sector is community housing which grew in every state but only accounted for slightly more than 9 per cent of total social housing in 2007-08. The community housing sector has grown due to the stimulus measures and is expected to grow rapidly due to the policy target that community housing should account for 35 per cent of social housing by July 2014.

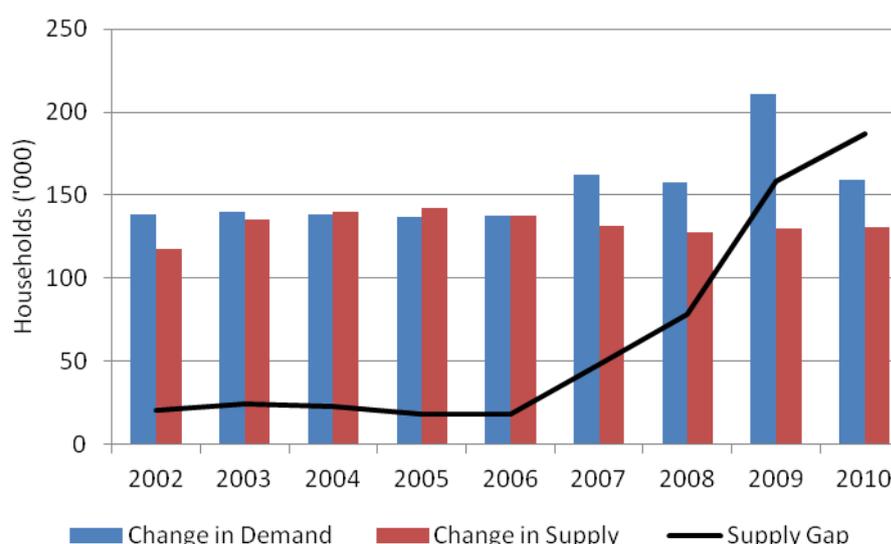
Similarly, crisis accommodation grew rapidly, except in Tasmania where it contracted. However, crisis accommodation represents less than 1 per cent of social housing. SOMIH grew in all states except South Australia and Western Australia and accounted for almost 4 per cent of social housing in 2007-08. Public housing has declined significantly in the recent past, although it continued to grow in Queensland and Victoria. Despite the overall decline in public housing it remains the largest component of social housing in Australia, accounting for over 86 per cent of dwellings in 2007-08.

2.6 Assessing the adequacy of housing outcomes in Australia

2.6.1 Demand and Supply

The National Housing Supply Council publish data on the demand and supply of housing in Australia. Figure 2.13 shows how the housing situation has changed since 2002. The blue columns show the change in demand for the year and the red columns show the change in supply. As the figure shows, demand has consistently increased by more than the increase in supply. The cumulative impact of the slower rate of growth of housing supply is evident in the supply gap which is shown by the black line. Between 2001 and 2010 the estimated gap between underlying demand and supply showed a cumulative shortfall of 186,800 dwellings (National Housing Supply Council, 2011). There was a dramatic deterioration in 2008-09 when the gap increased by 80,500 but this moderated to 28,200. The gap is expected to worsen over time .

Figure 2.13 Change in Supply and Demand and the supply gap

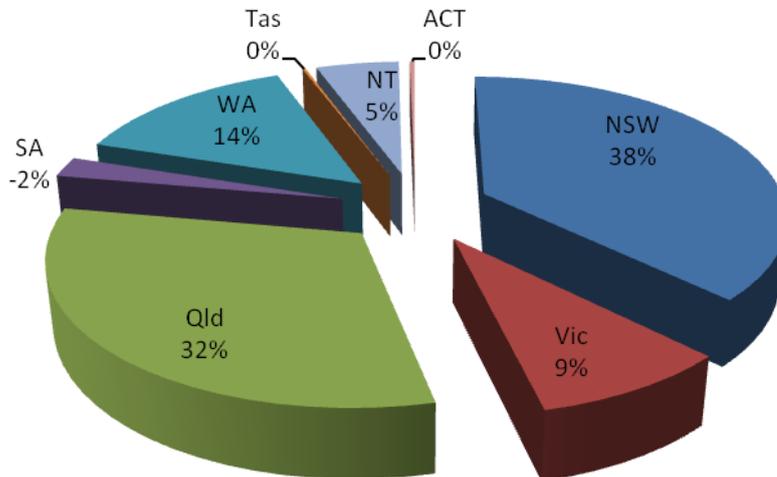


Source: National Housing Supply Council: 2011 State of Supply Report.

At the state level the cumulative gap between 2001 and 2011 was greatest in NSW where the gap reached 73,700 dwellings. All other states experienced gaps with the exception of South Australia where there was an excess of supply over demand of 4,500 dwellings over the

period. The housing shortfall was 61,900 dwellings in Queensland, 28,000 in Western Australia, 17,600 in Victoria and 400 in Tasmania. As a proportion of the cumulative gap, NSW has the largest gap, accounting for 38 per cent of the national total. Around one-third of the gap is in Queensland.

Figure 2.14 Estimated dwelling gap since 2001, by state (per cent)



Constraints on housing availability impact on household formation decisions and are reflected in homelessness, overcrowding and the trend for adult children to remain at home longer than in the past (National Housing Supply Council, 2010).

The growth in households from 8.5 million in 2009 to 11.8 million in 2029 is expected to result in demand for an additional 3.2 million dwellings (National Housing Supply Council, 2010). Additional demand is likely to be concentrated in Brisbane and south-east Queensland (21 per cent), Melbourne (19 per cent), Sydney (16 per cent) and Perth (10 per cent) (National Housing Supply Council, 2010).

The shortfall in the supply of housing points to the necessity for policy interventions. While much of the debate revolves around land release, zoning and transport issues and the like, the failure of the housing market indicates that if governments are to achieve the objectives of overarching policies such as those enshrined in the NAHA and associated National Partnership Agreements, there is a necessity for governments to act.

2.6.2 Housing affordability

Appropriate, affordable housing is a prerequisite for health and facilitation of full participation in economic and social life. In Australia, affordable housing is usually measured by the proportion of income spent by low income households on rent. Households in the bottom two income quintiles that spend more than 30 per cent of income on housing are considered to be in housing stress (Harding, Phillips and Kelly, 2004).

In contrast to the situation with social housing, rents for rent assistance recipients are market determined. Of the 941,319 rent assistance recipients in 2006 the average amount of rent assistance was \$82.50 per fortnight and average rent payments were \$303.90 per fortnight which means that the average rent subsidy provided by rent assistance was 27 per cent (ABS, 2007). Without rent assistance 67.7 per cent of rent assistance recipients nationally, and 70.7 per cent in NSW, were in housing stress in 2004-05 (SCRGSP, 2006). Rent assistance has been much less successful than social housing in delivering affordable housing leaving over

one-third in housing stress in 2004-05 after rent assistance (SCRGSP, 2006). Tasmania had the lowest proportion of rent assistance recipients in housing stress (24.4 per cent) while NSW (40 per cent) and the ACT (47.2 per cent) recorded the highest rate of housing stress. In a Queensland study of income recipients paying in excess of 30 per cent of their income in rent, Seelig and Phibbs found that the majority considered their housing to be affordable despite the fact that “the rental commitments they faced frequently resulted in severe financial constraints across a range of areas of household expenditure” (Seelig and Phibbs, 2006: 58).

Turning our attention to the general private rental market which accommodates approximately 20 per cent of Australian households (Beer, Kearins and Pieters, 2007) there is widespread evidence of housing stress and that it has increased over time. Wood and Stoakes (2006) found that private renters in Victoria paid an average of 42 per cent of income in 1998-99 compared with 29 per cent in 1975. For the bottom two income quintiles those in housing stress increased from less than 40 per cent in 1981 to over 54 per cent by 2001. In a study of the spatial distribution of households experiencing housing stress in NSW, Queensland, Victoria and the ACT around half a million households were found to be in unaffordable housing (Taylor *et al.*, 2004). Of these, 22 per cent were in Sydney, 20 per cent in Melbourne, and 12 per cent in Brisbane. Of the twenty SLAs with the highest proportion of households in housing stress, ranging from 14.6 per cent to 20.9 per cent, 18 SLAs were in Queensland and the other two were in NSW (Inner Newcastle and Lismore). Chin and Harding (2006) found that in 2001 about 9.8 per cent of households in Eastern Australia were in housing stress. Lone person households renting in the private rental market in urban areas and relying on income support as their main source of income had the highest likelihood of being in housing stress.

Rental and mortgage stress

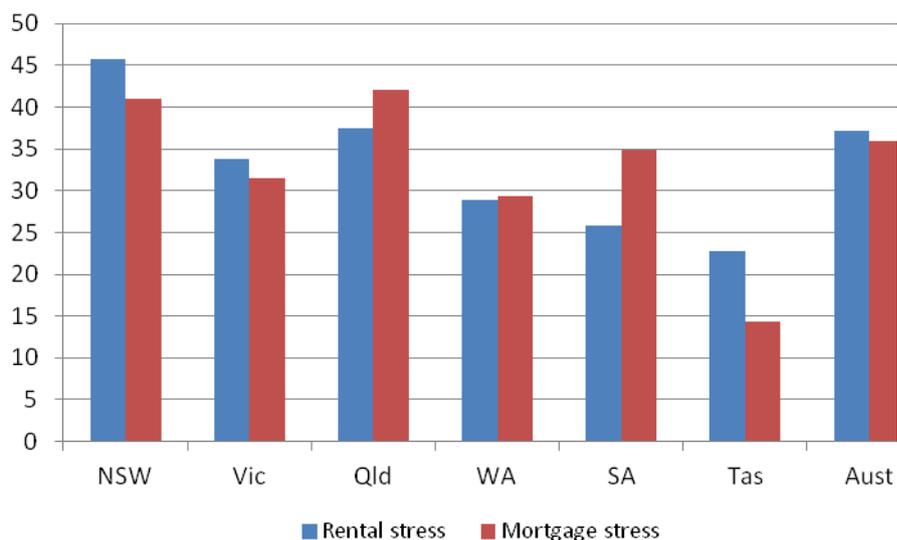
Various reasons have been suggested for housing stress in the private rental market: a decline in low cost rental stock; competition for low cost rental accommodation from higher income earners; decreasing affordability of home ownership that has resulting in people living in rental accommodation for extended periods; higher property management fees and high maintenance costs (Yates and Wulff, 2005; Mowbray, 2006).

Home ownership in Australia has been fairly stable at around 70 per cent since the mid 1960s but there are concerns that it will decline in future as low income earners are priced out of the market (Beer, Kearins and Pieters, 2007). The Productivity Commission report *First Home Ownership* found several adverse demand side impacts (Productivity Commission, 2004). In relation to owner occupiers the major factors were the easy availability of finance, lower interest rates, the injection of \$4.3 billion over three and a half years through the First Home Owners Scheme, growth in real incomes, population growth and smaller households. Several of these factors also impacted on investment decisions. Investment in housing had doubled in the past decade to reach 17 per cent of housing stock and 40 per cent of new housing loans. The major drivers of investment were availability of negative gearing, changes in the capital gains tax in 1999, and the decline in the share market from 2000 to 2003 (Productivity Commission, 2004).

Wood and Stoakes (2006) examined housing affordability and tenure shares in Victoria using Census data from 1981 to 2001 and found that home ownership increased from 73 per cent in 1981 to almost 75 per cent of Victorian households in 2001, but for households with a head under 35, home ownership fell from over 55 per cent in 1981 to less than 50 per cent in 2001. They found that housing affordability deteriorated throughout the period, especially for the

bottom two quintiles. In addition, the proportion of households in the bottom two quintiles paying more than 30 per cent of income in mortgage payments increased from 26 per cent in 1981 to over 48 per cent in 2001.

Figure 2.15 Rental and mortgage stress by state, 2007-08



Source: SCRGSP (Steering Committee for the Review of Government Service Provision) (2011) *Report on Government Services 2011*, Productivity Commission, Canberra.

Figure 2.15 shows the proportion of low income households in rental and mortgage stress by state in 2007-08. More than one third of low income households in Australia were in housing stress in 2007-08; 37 per cent of renters and 36 per cent of home owners. The highest levels of housing stress occurred in NSW (46 per cent of renters and 41 per cent of mortgage holders) and Queensland (37 per cent and 42 per cent respectively). Tasmanians experienced the highest levels of housing affordability, with 23 per cent in rental stress and 14 per cent in mortgage stress.

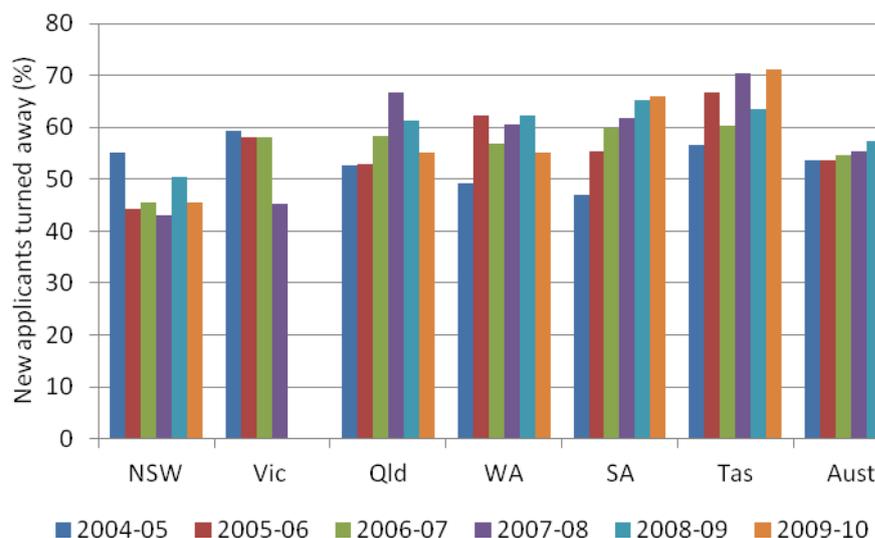
In addition to periods of homelessness due to crisis situations, prolonged periods of homelessness are a consequence of the shortage of affordable housing. Homelessness reduces the quality of life of those affected and has flow on effects that restrict opportunities for economic and social participation. At the time of the 2006 Census there were 105,000 people who were homeless in Australia which is around one in every 190 people (SCRGSP, 2012).

A White Paper on ‘Homelessness The Road Home’ (DFHCS, 2008) was released in 2008 and the National Partnership Agreement on homelessness was signed in April 2012. The objective of homelessness policy is to halve the rate of homelessness by 2020 and offer supported accommodation to rough sleepers by 2020. The turn away rate measures unmet demand and is a primary performance indicator for access to homelessness services. It is defined as the proportion of people requiring new accommodation, or the number of people requesting immediate accommodation, that could not be accommodated relative to the total number of people who require accommodation¹.

In 2010-11, recurrent government expenditure on homelessness services reached \$482.3 million (SCRGSP, 2012). The turn away rate a given day was 53.4 per cent. Another measure of the success of services is the longer-term housing experience of clients. In 2009-10, clients from 84.4 per cent of closed cases achieved independent housing that consisted of: 40.7 per cent in private rental; 20.1 per cent in social housing; and 15.7 per cent in boarding houses.

The majority of clients had only one support period during 2009-10, with only 8.7 per cent assisted with accommodation more than once.

Figure 2.16 New applicants for homelessness services turned away



Note: Data for Victoria for 2008-09 and 2009-10 are not available

Source: SCRGSP, 2012, Table 17A.7

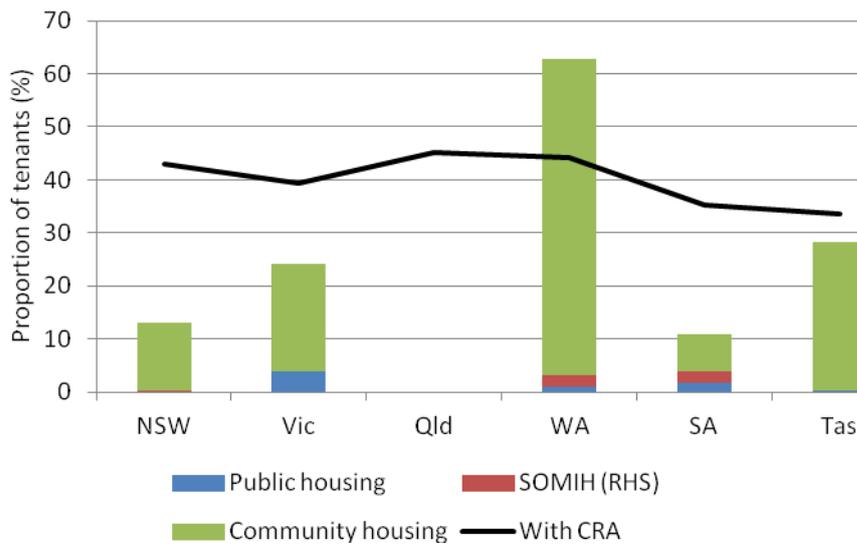
Figure 2.16 shows the turn away rate for homelessness services for Australian states between 2004-05 and 2009-10. NSW has performed better than other states and managed to reduce the turn away rate significantly. Tasmania has the highest turn away rates, reaching 70 per cent in 2009-10. The data from Victoria is incomplete, however, there was a significant improvement in 2007-08. In both South Australia and Tasmania the turn away rate has increased over the period suggesting that access to services has deteriorated. In Queensland and Western Australia there was an initial deterioration followed by an improvement, although turn away rates remain higher than in 2004-05.

2.6.3 Housing affordability for those receiving housing assistance

Figure 2.17 shows the proportion of households receiving housing assistance that spent more than 30 per cent of income on rent in 2009-10. The bars show the proportion of households in social housing that experience housing stress, while the line shows housing stress for those receiving CRA. In Queensland no households in public or SOMIH were in rental stress and data for community housing was not available. With the exception of Western Australia, those receiving CRA experienced much higher levels of rental stress. Between 34 per cent (Tasmania) and 45 per cent (Queensland) of CRA recipients were in rental stress.

Within social housing, households in community housing experienced much greater levels of rental stress. Community housing households paying more than 30 per cent of income on rent ranged from 7 per cent in South Australia to almost 60 per cent in Western Australia. In contrast, the highest rate of rental stress for those in public housing was in Victoria (3.9 per cent) and for SOMIH was in South Australia (2.2 per cent).

Figure 2.17 Housing affordability, 2009-10



Source: SCRGSP, 2011

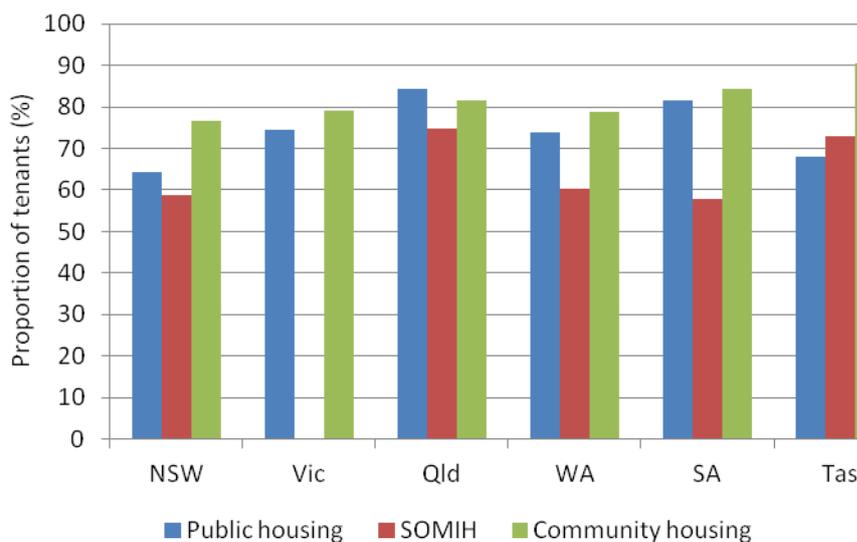
These data indicate that housing affordability for low income earners has declined in recent years due to the two major trends in housing assistance:

- there has been a significant shift away from direct housing provision to subsidising rent payments in the private rental market through CRA; and
- within the social housing system there has been an increase in the community housing share.

2.6.4 Quality of social housing

Figure 2.18 shows tenant's satisfaction with social housing across states for the 2009-10 period.

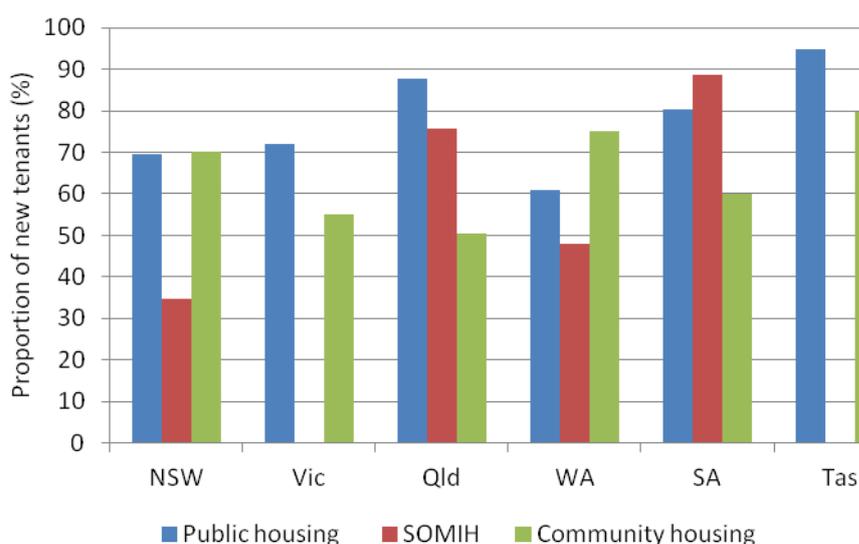
Figure 2.18 Tenant's satisfaction with social housing, 2009-10



Source: SCRGSP, 2011

Figure 2.19 (below) shows the proportion of housing allocations for 2009-10 that were made to those assessed as being in greatest need. The extent of targeting varies between states. Tasmania had the highest level of targeting, with 95 per cent of allocations to public housing and 80 per cent of allocations to community housing being to those in greatest need. Targeting in the public housing sector was at or above 70 per cent in all states except Western Australia (61 per cent). The level of targeting in community housing was generally lower than for public housing except in Western Australia. SOMIH was highly targeted in South Australia (88 per cent) and Queensland (76 per cent), but was less targeted in Western Australia (48 per cent) and NSW (35 per cent).

Figure 2.19 Proportion of new allocations to those in greatest need, 2009-10



Source: SCRGSP, 2011

2.7 Qualitative research – Key informant interviews

This section reports the results of the key informant semi-structured in-depth telephone interviews conducted with participants from all states between November 2011 and February 2012. Respondents were asked to comment on:

- The major issues affecting the adequacy of housing outcomes in the state;
- State government policy changes in relation to housing in the past five years, and significant policy changes that may have occurred prior to that time;
- Who has been affected and how;
- Any groups or individuals who have commented on housing services;
- Evaluations, reports or outcome measures that address the adequacy of services;
- An assessment of whether housing services have improved or worsened services over time;
- Whether the situation in that state differs significantly from other states; and
- The impact of Commonwealth Government policies.

Participants in the qualitative research included current and former employees of state housing departments, union representatives, employees of community housing organisations,

and representatives of tenant's organisations and various community organisations that represent the interests of disadvantaged groups and advocate on their behalf. A total of 29 interviews were conducted consisting of 17 departmental employees and union representatives and 17 other participants. Six participants were from Tasmania, Queensland, NSW and Western Australia had 5 participants each, 4 participants were from South Australia, 3 from Victoria and 1 participant represented a peak body at the national level. Informants are classified only by State and as to whether they are a departmental employee (DE) or employed by another organisation (AO).

The interview data was transcribed and analysed using NVivo to identify major themes. The remainder of the section examines the major themes that emerged from the interviews:

2.7.1 The present housing crisis is a failure of governance

The current state of Australian social housing (public housing and community housing) is the product of a failure of vision and oversight - a failure of governance. Changes made to one component of the housing system continuum – home ownership, private rental market (which for low income people includes hotels, caravan parks, boarding houses and other forms of precarious accommodation), community housing, public housing – do not take into account their impact on other components. At the heart of the problem is a disconnection between who controls the funding and who wears the electoral consequences for systemic failure.

The States have the responsibility, and wear the odium for inadequate social housing provision, while the Commonwealth dictates policy because they control the money.

The money comes from Canberra. And Canberra dictates how it's going to be spent. And that's one of the reasons why our social housing is falling apart, because no state government was actually able to say [to the Commonwealth] 'what you've done here is set parameters that are going to send us bankrupt'. But our state governments actually answer to the electorate for the limited services that get provided. If you take the health system for example, it's the state governments that answer to the electorate for the paucity of the health system, and the problems that people perceive in it. But the way in which Commonwealth and state funding has been tied, has meant that in effect the Commonwealth steered those policy directions but never answers to the electorate for the policy directions it sets. But that's not to say that State government doesn't have a role, it does have a very serious role, especially around the planning system. But I guess what I'm saying in terms of housing affordability, the key drivers really do come from Canberra. (AO, SA)

What is required is for the Commonwealth to accept an overriding responsibility for social housing, yet there has been no adequate Federal oversight for decades

There's not been any overarching stuff, and you can see that in the Federal government for most of the years of the Howard government [it] didn't even have a housing minister. The Labor government when it was elected had a housing minister for a period of time, but now the housing issues are spread over three portfolios and three ministers, as much as they are dealt with at a Commonwealth level. And the Henry Review into taxation started to look at some of these issues, and they're ones that really have to be followed through on. (AO, SA).

Commonwealth needs to create a viable housing system

[There is a] lack of coordination of policies. There's a lack of significant capital funding into the social housing and affordable end of the spectrum, and a lack of long term commitment in [that] arena. Our housing system at the affordable end of the spectrum, is a bit like every other bit of our public infrastructure, if you run it down, it costs an awful lot to fix it up again. And it's been allowed to run down and this is just the consequences. But on top of that we have a tax system that so heavily favours over- investment in the family home, and the use of the family home as a tax haven. That then exerts its own pressure on an upward spiral of prices that makes it very difficult for anybody without significant free leg-ups to get into it. What worked in the post war era to create the nation of home owners are now the policy settings that are going to make it difficult to maintain that social outcome. (AO, SA).

If you look at the draft housing strategy you will see a lot of claims made in there about the success of their various projects and programs, but in many cases there have been no evaluations of those projects conducted. And again, the street-counts, where they claim to have halved homelessness, that was a very low quality methodology that was applied, as well as being untrue. (AO, SA)

The Shelter Network do [advocacy] as core business. It's been identified as one of the highest issues for the Councils's of Social Service. Both ACOSS and the State COS, they're very actively involved in housing issues. One of the current campaigns is 'Australians for Affordable Housing', which is a joint campaign which involves a number of bodies. It's purpose is to raise the issue of affordable housing in the media with politicians and to build a climate where there is a better policy response. (AO, NSW)

The failure to consider the various forms of housing as components of a coherent housing system undermines broader access to housing in Australia.

I guess policy wise, one of the major reasons for that is our governments have never seen our housing system as a housing system. They see home ownership and it's finance over there, and it's largely dealt with in the tax arena. Social housing's dealt with in the welfare arena, and the private rental market, if it's dealt with at all, is viewed as a few sidelines of investment opportunities or tax breaks, or something like, that are provided there. But there's no holistic view about how our housing system might work and the different components of it might work. Certainly no one has clear evidence of understanding that if you tweak one part of this system, it affects the others, so if you stop investing in the social housing system for example, it has a flow on effect to the private rental market, creating demand there. If you set the financial parameters around home ownership in such a way that it's overly generous, in the way in which it enables home ownership to be a wealth creating asset, that then causes the spiral of prices as people use their family home as a tax haven. That then has an impact on the private rental market as the next generation start to look to it for their housing for longer and longer periods of time.

And then failure by governments over successive Commonwealth state housing agreements, like we're talking over 20 years worth, to fund social housing systems

adequately. To then shift what money they used to spend on that into Commonwealth rent assistance, which was meant to provide a stimulus for the private rental market, but it wasn't what it was going to do that because of the nature of the investment in that market was different, and had different interests. So it's not something that's 5 years worth, you can source this current housing crisis back to policy settings from the '70's that should have changed then. The way tax is treated on housing and the cumulative effect that's had over the generations. (AO, SA).

Public housing was once a common form of social support for working families

The problems in our housing system actually go back much longer than five years. They probably go back to some fundamental ideas about how our housing system is treated - and taxed. Successive governments since the second world war have had this idea – our policy is basically underpinned with a value system that says that home ownership is the form of housing that people have to raise families. It provides secure housing and it also doubles, beyond that, as a wealth creating asset for working people

And for many years that worked reasonably well, but of recent years it has become so expensive that entry into it without significant family assistance and a significant leg-up of some sort is pretty difficult for people.

But with that assumption about home ownership and it's prime place in our housing system, came other assumptions. And one was that social housing simply picked up the welfare end of the spectrum. But initially it had a different role as well. Initially it was also a step into home ownership. And tenants were able to buy their houses. In those days, the tenants who were housed in our social housing system were tenants who were in work, it predominantly housed low income working families. If you didn't have a job you had trouble getting into public housing back then. (AO, SA)

2.7.2 Affordability of private housing

In the decades that neo-liberal policy prescription have held sway, the push for small government and greater reliance on 'markets' to allocate resources has seen the withdrawal of access to public housing from working families and an expectation that they increasingly rely on the private rental market for accommodation. Yet it is not recognised for what it has become: the permanent housing form for many people. Policy and investment patterns treat private rental as a temporary stage in life while raising the money for a mortgage deposit. Competition for housing drives up rents, forcing people on low incomes to turn to an under-resourced social housing sector.

And then on top of that, underpinning any policies that exist about our private rental housing, is an assumption is that it's simply a form of tenure that people stay in while they're saving for a deposit for the home ownership option, or on the public housing waiting list - somewhere in the social housing system. And it's no longer serving that purpose either. People are increasingly looking to private rental housing as their major and long term form of housing, but structurally it's not set up in that way. Our landlords tend to invest for the short term. So that means they want to cash in on the capital gain, as the housing cycle goes through its highs and lows. Which means relatively short term investments of 5 or 6 years, something like that, whereas our tenants are looking for much longer periods of time than that.

And it also means that we've got quite skittish investor behaviour in that private rental market. Which means that institutional investors, that in overseas countries invest in private rental housing where much greater security and certainty is provided to tenants, don't really want that, because it's just too skittish. So we've got an investment pattern in that market that doesn't lend itself to providing the long term relatively secure and relatively affordable housing for people. (AO, SA)

The headline issue is that there is a very substantial under supply of affordable housing so NSW, at least in the capital city, has the worst affordability problems of any jurisdiction in Australia. And Australia itself is one of the the top two least affordable countries in the English speaking world. So we're not well placed. Some other states have a worse problem in the regional areas largely driven by the mining boom. We may have escaped the worst of that, but nonetheless there are still very deep problems in regional areas as well as in capital cities. So that's front and centre, the headline issue.

There is also a fairly significant issue, and it follows from affordability, about where people live and work. So in many cases there will be households, who simply in terms of their housing costs, aren't paying necessarily an amount which would be calculated as putting the household in housing stress, but if you take into account the additional transport costs in particular, and the impact of the time the travel takes, then they're paying a very heavy price for the unavailability of affordable housing near where they work. I have to say that that also applies not just to direct travel to work, but particularly for women, there is often very complex travel paths involved in dropping kids off for childcare or school, so again, the more distance that's involved in that, the more complex the travel, and the more impact it has on peoples' time and wellbeing.

I guess the last is a pretty important economic impact. And I'm thinking here about what's often referred to as 'key worker' kinds of issues. We imported that term from the UK and there it tends to mean people in the national health system [UK], but typical examples are police, fire fighters, nurses and so on. Some of those groups are not what we would see as being the major problem, because they do have more reasonable wages - nurses I'm not including in that - but care workers in particular and other hospitality workers, have one of the worst sorts of problems, and that flows through to the rest of the economy or society. In the leafy North Shore of Sydney, there are an awful lot of people who are planning to age in place. But they're not going to be able to do that if they can't get care workers. And they can't get care workers because they simply can't afford to live anywhere near where their services are required. And you can say the same of hospitality ... But any low paid essential / important service providers are unlikely to be easily accessible to the area that actually needs their services, and that has a significant economic impact. There are cases, for example, of councils in Sydney busing in council workers from the Central Coast, simply because it's not possible otherwise to get the workers that they need. (AO, NSW).

[Problems in housing] I think largely around the increasing cost of living. Its more and more difficult for people to find appropriate accommodation to live in, especially private rental, or rentals through a real estate agency. The rents are increasing quite

significantly, and not really in line with how the rest of the market is going. The property market is dropping, and properties certainly aren't selling for as much as they used to, yet the rental prices continue to go up very, very fast. So when you look at housing in general, people find it really hard to sustain and maintain rent in the private rental market, and that's when they come and try and find social housing. But the social housing eligibility also means that we only ever house the highest in need, so a lot of people remain on the wait list and will never be housed. (DE, QLD)

They get the rent assistance as well from Centrelink, but we give them the bond, depending on how much assistance they've had from us previously. If they're brand new and come in and can't afford or can't manage, we would pay the full bond which is four weeks and two weeks rent in advance. We lose that rent in advance, but the bond, if they lost the bond after they finished the tenancy, then they would have a debt with [organisation]. And if they came in for another bond, because they owe us money, or if they haven't made an arrangement to repay us, they would only get 75% of the next bond. So we can help them up to three times in two years. We get lots that continually keep coming in and come up with a story that they've got no money, they've had bills, you know, so we have an interview with them first, then we make the decision whether we're going to help them or not. Most times we do give them assistance. I mean, if they're in arrears with their rent they can come into the office and we can help them with rent arrears as well. If they're two weeks behind and they're going to be evicted, the Residential Tenancies Tribunals' given them a form 2, I think it is, we can sort of help them and pay their rent in arrears. (DE, SA).

Low level private renters are forced to move regularly because of the short term investment intentions of property owners. People are denied secure places to live and establish themselves in communities.

But over and above that, private rental tenants move continually, and have to move continually as landlords buy and sell property on the ownership market so there is capital gain. So the security of tenure is very limited. As is their security around rent and renting choices. The rents can go up to market rent to whatever the market will bear, and the test of market rent is taking possession. If they think they can get some more, they will often push the rent up. So people will sign up to rent and 5 or 6 months later it goes up again, often by more than the CPI. What was affordable when they signed up, can very quickly become unaffordable and they have to try and move on again. But life with a family in private rental is pretty insecure ... and it's distressing for anybody as well. ... I spoke to one woman the other day who'd moved 27 times, in 20 years. That's a lot. (AO, SA).

Peter Fipps tells the story of a case study he was involved with of a young kid who'd been moved so many times ... and the schools' had basically decided that he was ADHD ... basically that kid had moved home too often. He wasn't ADHD, he just needed a secure home and the same school to go to for more than a year. And at that point he also needed some other intervention. But he'd moved so often, he had no friends, he was always the new kid in the school, various difficulties happened around that. It does actually matter that the kids get an opportunity to have some stability around their education. People looking for work also need some stability around

their housing, so that they can search for work and get to and from the work, and plan that they're going to be there. There's quite a lot out now that says that our housing system has to actually deliver some fundamentals for the other parts of our life to work. (AO, SA).

Inner city gentrification

There are large suburbs of what used to be affordable rental homes, around the inner fringes of the CBD – so, St Kilda, Prahran and South Yarra, also Mooney Ponds and Collingwood and Fitzroy - all those areas used to be functional for people on very low incomes who could afford to rent in those areas. Now what's happened, especially in the last 20 years, is those areas have become very trendy and very sought-after addresses, and therefore the rental on those properties - and they're the same properties they've always been for the past 80 years - those rentals have actually become quite out of reach for most people that used to be able to be on a pension or a Centrelink payment and [still] rent those apartments. So what's happened is, the private purchase housing market has exploded, in terms of price, those people who would normally enter the housing market are staying in the rental market, therefore further increasing, or increasing the cost of rental and limiting the supply of affordable rental. And also the gentrification of the inner suburbs is making those areas not accessible to people on limited or low incomes, and therefore they're having to seek rentals in fringes of the whole urban sprawl, where it's impossible to live without a car, and people are spending a lot of time commuting. So for somebody living in Bacchus Marsh or Pakenham, it's not too dissimilar to living in the furthest-flung reaches of the western suburbs of Sydney. So we've got a problem with the rental market, in that it's just not working anymore. (AO, Vic).

Pressures on the private rental market from housing shortage

In terms of private rental – everywhere around Australia there is a low vacancy rate, in some places its zero, it's not zero here but it is very low, and so the demand for housing just far exceeds supply, and people who go to inspections when they're looking to rent, you know there'll be like 20, 30, 40 people there all looking at the same property. So I guess for low income and disadvantaged people that means that it is even harder to secure a private rental.

And we've just had a bit of work in the media about rural housing. Out in the rural areas the situation was much worse than in metro areas, but they're seeing increased pressure in the rural areas as well. We're going to have a bit of a mining boom in SA and they're already seeing the workers who want to be housed near the mines, quickly swallowing up anything that is available in the country, and that's driving the price of rents up. They were already going up because of demand.

There's also been a huge increase in the blacklist for tenants who get evicted that's created by landlords, and there's thousands and thousands of people have been added to that list in the last 12 months. And I wonder if what's happening is that people are taking on these rental properties that they really can't afford and then as their financial resources are depleted they're having to give them up because they really can't sustain themselves. Or perhaps people that really need support to have a successful tenancy are taking up these private rentals because of a lack of options and they're failing as well. Private rental is a bit of a nightmare and you hear lots of

stories about landlords not really worrying too much about the maintenance because they know if the tenant's not happy they can so easily get another one. (AO, SA).

Housing stress

I think the major people that have been affected, whether negatively or positively, have been the tenants or potential tenants of affordable housing or social housing. So if you're waiting for public or community housing, then the longer the wait is, the likelihood of some sort of problems occurring in your life increase. Basically housing stress is very difficult for so many different people. It could be that it's unsuitable for a young person or a person with a family to be able to choose a school for their child, or to know where their child will be going to school in the following week. It's been very difficult to get an actual fix on how badly it's affecting individuals. But basically if you're in housing stress, and you're paying too high a price to live in a particular home, then you're being directly impacted upon by this. So I think that the number one concern is to get more housing. And that means more social housing and more community housing to be able to meet the needs of people who are waiting for housing. (AO, Vic).

Lost hope of home ownership

And home ownership is pretty much the same story. It's just so expensive compared to what people are earning. So low income and disadvantaged people, and even people who are working who aren't getting high wages, you know, home ownership is just not even on their horizon. They're not even thinking that it's a possibility. We conducted a consumer consultation here around the draft housing strategy that was released last year, and we had some young people come and talk to us, and they didn't even mention home ownership. It's so far out of their grasp that they're not talking about it or thinking about it as something that they aspire to.

[Survey results:]

And it wasn't just younger people. We had people of all ages that actually articulated "Oh, I'll never own a home now", "that's just out of the question" "that'll never happen". It's not just rhetoric - it's actually arrived in people's thinking, and how they choose to act, and quite pervasive. That was in conversation and some of the activities we did, that we collected those sort of quotes. At the time when you're there talking with the people, you hear it, but when you go back and look at your notes and transcripts and things like that, it really does stand out as being really quite shocking. (AO, SA).

Of course people with disabilities, women of all ages who are leaving domestic violence, and people in rural areas, because the availability of housing, as it's priced people out of the market in Melbourne, people have gone and are moved into country areas. And then that's created a ripple effect in the country areas of Victoria, where people are no longer able to afford to live in their own communities. (AO, Vic).

2.7.3. The waiting lists: people left homeless.

The people who ultimately pay the price are the clients. The people who either are applying for social housing or currently living in social housing. The reduction in stock means that it's more and more difficult for people who are waiting for social

housing to get housed. We obviously house those in the highest need, in houses that meet their specific needs, and we don't have a particular high vacancy rate across QLD. So less houses, less access to houses and changes in some of the eligibility and ongoing eligibility policies means that people are either asked to leave the houses, which is good for the people who are waiting, but it could be pushing someone else back into a homelessness situation. So in the end it is the clients who are the ones who are affected the most. (DE, QLD).

[What's changed in the last five years?] Housing and homelessness. I think it was quite shocking that nothing had improved [after a period of absence] and if anything things seemed to be worse in terms of supply and affordability.

Well, I know that SA is held up as leading the field in homelessness, in terms of the implementation of strategy, the assertive outreach model and the H2H software. But what's really changed for the clients? We're just seeing more and more homeless people, less and less housing, and I don't think that the new system - the Gateway and all that stuff - is doing anything. I guess for some people things have improved because they've been the ones that could access the small amount of housing that has become available, but I think that it is a bit of a myth that we're leading the nation. (AO, SA).

I think a lot of the people think that once they've put their application in, they then don't need to do anything else they just wait. And of course if you're in category 2 or 3 you're never going to be housed, and you'll spend your whole life waiting. (AO, SA).

[The priority list was two months] under Labour, and for a very short time when the Liberal government came in, and then, they just changed the policy and said – they're pretty antagonistic to public housing, their idea is to just privatise everything, they don't really want a State Housing Authority, or not a thriving one anyway, and they're selling a lot of the assets. (AO, WA).

The main issue under this new government has been they've blown the priority list out for indigenous people from two months to three years. So in effect they've virtually abolished priority. Even where you may have a child who's dying, or extreme violence, or people can't have their kids returned, no matter how dire the circumstances for the indigenous community they are not recognizing any difference between indigenous disadvantage and other groups, even though by every measure they are so much worse off. That isn't considered, so they compete for priority listing with other people that, essentially, structurally, are better off.

...

Well I think they should, with priority assessments, recognize the specific "Closing the Gap" strategy. And, I really feel the state should have to show to the Commonwealth, in housing, how they're making allowances for the Closing the Gap strategy. In other words, not just joining indigenous families on a mainstream list, but really looking at their specific needs.

But they're not doing that. And if we try to raise it they are very resentful, and say that everyone is in hardship. Which, in a way, is really just ignoring the whole issue of indigenous people. (AO, WA).

I'm not sure what the average time is that people wait. If they're Cat 1, and we've got approximately 3000 such people, and we house about 2000 a year, I guess you could say two thirds are waiting up to a year. When a property does become available its usually very quickly filled. It may not even be a person who's on the list. It may just be someone that people know about who's in a very dire situation, so you might say that up to 1 year for Cat 1 people, or for two thirds of them. For the other thousands of people who are Cat 2 or 3 they will simply never be housed. They don't all know that. (AO, SA).

...we've got a problem with the rental market in that it's just not working anymore to house people who are on the lowest incomes. Therefore their only option is to register their interest for community housing or to apply for public housing through the state authority. The only problem is in Victoria - and I'm sure the proportions aren't too different in NSW and other parts of the country - in Victoria, we only have a very limited number of properties available, somewhere in the vicinity of 85,000 properties across public housing and social housing. Somewhere between 80 and 85. And so currently in Victoria we have just under 40,000 people waiting on the public housing waiting list. It's probably closer to about 38,000, but it has been up to 40,000 in it's peak prior to the Federal government stimulus package. What we've got is a system now that can only cater for those who are most in need. The Victorian public housing system is made up of certain segments, so the individual in need of public housing gets assessed and put in a certain segment according to their need. Segment 1 is the segment that has the highest level of need, and they're the people who have got, potentially, substance abuse problems or are at very high risk: women fleeing family violence, etc, there's a number of different categories. And they're the only people who seem to be able to access housing in a quick way. Which means that there are people further down the list, who certainly haven't developed those kinds of problems at this point, who are languishing, or waiting a long time to access housing that they can afford to live in. The Federal government understands that there is a number of people who aren't on the top of the list, but are very needy and in need of some form of subsidised housing, so they're trying to meet that through the National Affordability Rental Scheme (NRENT) .. (AO, Vic).

Our average waiting list, say, for a 3 bedroom property on early housing, which are people who are homeless or in inappropriate housing at the moment, is still over 12 months. So people who are housed adequately, so to speak, they can see that it's not a long term option, [because] they're not going to be able to maintain it, they're looking at least a 2 year wait. Our waiting lists at the moment are just getting longer and longer and longer. And we're getting more and more people who are getting approved for priority because they are in situations which deem them to be homeless or at risk of homelessness. (DE, Vic).

Efforts to streamline the complexity and difficulty of applying for social housing

There is a new system coming in here, it's been called the access project, but then in the state housing plan they referred to it as the 'Ask just once' initiative and what's that's about is – well, they say the aim is to increase the access to information about housing options - so clearly, it's not just for public housing, it's a way of increasing the information that is given to people that, 'you are or are not eligible for public housing' and if you are not, these are your options like private rental, buying a house etc. But a lot of it is going to be linked to portals and technology, so I'm not sure how people with disabilities or don't speak English will go with that. I guess the theory behind it is good, in that they don't want people to have false expectations, but as to how it'll work in practice we're yet to see as it hasn't been rolled out yet. (AO, SA).

...yes they have a common register. (AO, SA).

There is a proposal in place to bring a unified application management system with a single point of entry, so it's a single waiting list that all housing providers can draw upon. That is, I think, only a good thing, in that you don't want somebody who is in dire need, rolling up to housing and being told 'OK you're on the list, it may be a little while', and then they have to go to someone else, and register there, and go to someone else - if there is one common list that makes it so much easier to access the services. (DE, Tas).

There isn't a centralised system as yet. The previous government, was looking at a common housing register, which would be a single port of call for people who are interested in community housing to register their interest in one centralised location. But basically most organisations that are registered, and that have contractual agreements with the Department of Human Services, have to fill at least half their vacancies with people from the waiting list. So it's about 50% overall of people who live in community housing are from the waiting list. And the other 50% are low income earners who may or may not be on the waiting list but certainly are eligible, so they're public housing eligible, but they're not necessarily on the waiting list. (AO, Vic).

Social housing is not adequately supplementing the shortfall in private rental

My sense would be that that's the broader kind of issue, but once you talk about the lack of affordable housing, you then need to drill down and talk in particular about social housing that's directly provided for the most vulnerable, and then goes to the major blockage for, for example, specialist homelessness services. The breakdown in the entire system is crucially around the lack of any long term housing options to house people who, even with support, will remain homeless, because they can't get access to long term housing. And the supply of public housing, and community housing, that go together to make up social housing, even despite the one-off boost from the stimulus spending, is way, way, way below what's required. (AO, Vic).

I think the whole country is in housing stress. There is a shortage of public housing

all over the country. Country towns in other states would have the same issues with their tenants that we have in SA. I think the Commonwealth Governments should forgive us our debts so that therefore we could get more properties and we could maintain our properties in a better condition. And I also think the government has put into place these affordable housing programs but what they deem is affordable for a lot of people is not affordable. Like they say a person can borrow up to \$250,000 for a home. For a lot of people that's not affordable because of the repayments and unless you've got stable income and a reasonably large income to service that debt, it's not affordable. So I think what the government deems is affordable, by just doing their little fact sheet, in reality doesn't pan out for a lot of people. And the other thing that I see in [locations] is that we don't have many affordable private rental properties because the landlords push for the top dollar and so most of our properties are \$250-\$300 a week for a reasonable property and if you're on a benefit payment its not affordable. (DE, SA).

As the stock of social housing fails to keep pace with need, rationing is intensified, and rules become more strictly enforced. Children's pocket money is now included in rent and eligibility calculations.

It's the low and middle incomes. The very low income households, although many of them are getting access to the social housing system, [they do so] in a much more reduced state. Like their choices of location and all the rest of it are really limited now because the vacancies aren't there. So they can't afford to be too fussy and say 'I don't want to move there, because my support system is here', because that house that they might want in the location where they're better placed, may be not be there. So they do it tough, and the more tightly the housing is rationed, the more the rules around social housing impinge on the family lives, the personal lives of the tenants. So in many ways public housing tenants are now policed in a way that others' are not. It's no longer the tenants income that's taken into account, it's the entire household income. Including income earned by adult children, or children's part time jobs, and stuff like that. That then creates in turn, often, not always, but often, a certain amount of family stress, because the rent's set at a certain level, and that tenant, usually the parents have to somehow extract money out of those children. Now if it's an adult child with a full time job, well and good, but in other circumstances that creates problems. (AO, SA)

We have very high need, high need, moderate, need and low need. Those in very high need are generally people who are exiting from facilities such as the spinal injuries unit, which is an agreement that we have in place with the hospital here. Also people who are registered foster carers. People who are identified as being completely homeless and can prove that. It's really hard to prove homeless these days.

It's really hard, because we have different categories of homelessness now. Are you living on the streets or are you couch surfing? If you're couch surfing, you're not considered to be in as high need as somebody who may be living on the street or living in a car. So we ask a series of questions on the housing needs assessment process which ask very specific questions about what your current housing situation is. If you are sleeping rough, how many nights a week are you sleeping rough? If you're sharing someone's house or sleeping on their couch, how many nights a week are you there? That kind of thing. That's how we determine the level of homelessness these days.

[And how long would it take somebody to get into housing?]

If you're in very high need they would generally be housed within 3 to 4 months. Occasionally we'll make out of turn allocations and we'll have someone above the existing wait list. But it would largely depend on the circumstances. We've done it, usually, when media attention is brought to a particular client, they'll be housed out of turn.

People on a low need will never be housed. Not in my lifetime in housing anyway. (DE, QLD).

2.7.4. Disinvestment in public housing

A prime example of the Commonwealth's failure to appreciate the crucial role played by public sector housing is its pressure, through placing conditions on social housing funding to the states, that forces them to transfer public housing stock to non-profit agencies. These are leaving the most dysfunctional people to the state public housing system to accommodate while taking the resources the public sector needs to support these people. It also produces the unsustainable financial situation where public housing tenants (1) do not attract Commonwealth Rent Assistance, as do Community sector providers, reducing the amount paid in rent to the public sector, (2) eliminates the possibility of the public sector having a more financially sustainable mix of clients that may have enabled some cross-subsidisation and (3) prevents the public housing estates establishing a more normalised demographic mix, rather than the high concentration of people with multiple disabilities and disadvantages they are left with.

Yeah everything seems to be heading down the road of outsourcing in terms of saving government money, and also I think there's always negative headline about public housing and it's sort of getting housing at arm's-length from government, and giving it to not-for-profits, so the government doesn't have to answer questions about housing. (DE, Tas).

[Selling Public Housing property] has been happening for quite a few years I think, I couldn't say the exact amount of time. But I know they've targets every year that they have been meeting, maybe for 6 or 7 years, something like that. (AO, SA).

[There is a] lack of public housing available. The number of properties are dropping. In our region that's due to the age of the properties, it's not a financially viable option to keep maintaining properties that are 60 - 70 years old. So we're selling those properties off, however we don't seem to be getting the same number of properties given back to the regions. So that the number of properties available overall are dropping, and yet the waiting lists are increasing at a rate of knots. I think that's probably contributed from the private market. The rents being charged in the private market at the moment in our area are quite ridiculous. And it's just not an option for a lot of people on low incomes. Not even statutory Centrelink incomes, even people that work on low incomes, the private market's really hard at the moment. And there's a shortage there as well as within public housing. (DE, Vic).

There are instances where they've sold off properties like that and a private developer has come in and then rented it back to low income earners and the properties remain

in a similar condition, you know, it may have had a splash of paint, but, in actual fact not done anything to the property. So you've got private tenants, paying market rent, plus whatever they get in rent assistance, alongside public housing tenants, that are getting rebated rent and you know, they're paying different amounts of money for similar properties. And these people are probably eligible for public housing anyway, it's just that they just haven't been able to get their foot in the door. (AO, Vic).

There are some non profit organisations that have managed to partner with the private sector and government to do some new building. But they would be in a minority, and they've had to develop a capacity to undertake this commercial risk. So some organisations have done that successfully, but that will be a finite action because you can't just keep going into debt repeatedly over the years. So for the all the other community housing organisations, because they don't own any of their properties or the land, they're basically just managing them and collecting the lowest rent, because they've got the low income people housed. And its very difficult for them to maintain the houses and do anything to grow the supply. So one of the things they're talking about at the moment in government is to release or transfer some of the public housing stock to the community organisations so that they can leverage against it, and borrow money to build, or use the land more productively than it's been. So, say instead of having big 3 bedroom houses that are ageing, they might be able to build 2 homes on the same block. (AO, SA).

The first problem it's got is that the supply under-meets demand. And some of the issues around that is that we've got a fairly aggressive sales program going at the moment. So selling of the assets. It will be over \$100,000,000 this year.

[In] 2009/10- 2010/11 the state government - it was a Nathan Rees initiative - during the Commonwealth government's economic stimulus package, the state government put on a \$200 million stimulus package as well. There was a 380% increase in the workload and we got a 16% temporary increase in the human resources to deal with that work volume. And they're gone now, because it's finished, In that, we might have achieved a 6 or 7 % of the portfolio [maintenance on housing stock] makeover, because of the size of the portfolio. At that stage it is over 130,000 properties we look after state wide. Well it was 137 [thousand]. ... It's currently running now around the 127,000, with what we've given away and what was sold. So by given away, I'm talking community housing providers. And of course the sales program. But we do have some new properties coming back to us too. But as of Barry O'Farrell, in other words the current policy, the current policy is that we have no new construction or acquisitions for the next 2 years. (DE, NSW).

The department in charge of public housing no longer owns its houses. Does this imply that public housing stock are considered as realisable financial assets rather than sources of shelter?

The O'Farrell government made a decision that it was going to take all of the asset functions out of Housing NSW and farm them off to the Department of Finance and Services. Effectively what that means is that out of a staff of about 2100- 2200, that about 650 employees of Housing have now become employees of the Department of Finance and Services. And all of the ownership of the assets if you like, has all gone

over to finance and services. That all happened effectively on the 1st of October this year [2011]. The reality today, and probably for the next 12 months, is that all of those people are going to continue to sit in the same chair, at the same desk, in the same office. But as they start to really pull those people out of Housing and into Finance and Services, in a more practical way, there's going to be a huge array of problems because you are now going to have Housing as effectively being a landlord for properties that they don't own.

Housing NSW has done some extraordinarily good work over the years, in terms of being able to take properties that are of a very low standard, and being able to redevelop them, sometimes in partnership with private enterprise, to create new, modern, easily accessible buildings. They've created a really good mix of public housing and private housing in some of these communities. Housing are no longer going to be able to that, because they don't own the assets, they're going to have to go cap in hand over to Finance and Services and say 'are you going to let us do this?' or 'will you do this?'. And that is going to, I think, have a significant impact on the capacity for Housing NSW to maintain a suitable standard of accommodation for people, and it's going to even restrict the amount of property development that they can do to make more public housing available. So that's a really, really big issue for us. Hand in hand with that is the stock transfer system to community housing. For a number years, now, the department has been handing over about 1500 of their properties to the community housing providers. And obviously that is going to be a really big impact in number terms of staff that housing is going to have to service the diminishing number of properties (DE, NSW).

Any income or debt are incurred that is now [the responsibility of] a separate Minister and its gone to the Treasury Department, and then we have a Minister for Social Housing. At this stage, SA housing in the past had control over managing the properties, the waiting list, the asset, the regulatory environment, policy and strategy, so they had complete and utter power over the whole system. That has now been separated, but it's still not certain how it's going to look when it all comes out in the wash. We're still waiting to see what they're going to do. (AO, SA).

There is a drive underway in most states to transfer housing stock assets from public housing to the community sector. Many informants discussed this phenomenon and the factors driving it

It is just putting more and more pressure on Housing NSW to provide properties, but on the other hand they're giving them away to community housing providers. Affordable housing is just getting more and more out of reach. The rental market is very tight, there is so much competition for rental accommodation in the private sector, and Housing NSW is paying more and more money, millions and millions of dollars a year, in providing temporary accommodation for people who find themselves in more and more difficult circumstances. (DE, NSW).

Our biggest concern is the lack of new housing coming on board – housing supply to meet the demand. In Tasmania we have about 11 and a half thousand public housing stock, currently about 2,000 community housing stock, and that's really growing very quickly. Just this week we had an announcement of the release of substantial bits of

public housing that will go over to community housing.

So you're really seeing, basically, the shrinking of public housing over the last 20-30 years, and one of the reasons we support a strong community and public housing system is that it's the only form of affordable housing for people on low incomes. (DE, Tas).

In NSW, the community housing organisations collect slightly more rent than public housing, because the community housing tenant claims rental assistance, which is paid directly to the community housing organisation. So they actually have a better rental base than the public housing, because public housing are not allowed to collect Commonwealth rent assistance. (DE, NSW).

We requested figures of that from Housing and they refused to provide it but it's our understanding that 30%-40% [of social housing stock], which we got off the Treasury website, in the next year, would be transferred out of the Department of Housing. (AO, WA).

It is the word on the street, it hasn't officially happened yet but we're advised through informal channels that that looks to be the plan, probably over the next 5 years they're looking at doing that. But we haven't formally started that process. We have community housing associations that manage housing that are funded by us, and people can apply to live in that housing and we work with the organisation to provide them with suitable applicants, but we haven't actually started the big shift in that direction yet. But I understand that's the way the department will be going in the next 5 years or so. (DE, QLD).

A lot of governments are pushing towards devolving the public housing authorities into a range of community housing type of organisations. That's got its pluses and minuses. To have smaller organisations might actually be beneficial in terms of them being able to respond more readily to communities and all the rest of it. But the main driver behind it is finance. It's moving the assets off the government books into community housing hands in order to enable community housing to borrow against the asset, to raise the funding for the system. It also means that community housing tenants can seek the Commonwealth rent assistance from the Commonwealth – and public housing tenants can't - so it means that for those people housed in the community housing sector, some proportion of the cost of rebating their rent is funded by Commonwealth rent assistance, whereas in public housing it isn't. So there's a lot of financial drivers behind it. And I guess our view of this is, the CRA deal is all well and good, if you can do it for community housing you should be able to do it for public housing as well. But when it comes to borrowing, debt is all well and good, but you have to be able to pay for it. And if you're restricted as an organisation to having to house the poor and the very poor, then you will find as much difficulty repaying debt as the public housing authorities have now in managing their debts. It's just not a panacea, you have to be able to pay for it. And so they will need to be able to return to mixed income, mixed range of housing, options – come – products, or whatever, to be able to finance it. And nothing's wrong with that, but I guess it's the policy

parameters of the government that made it impossible for the state housing authorities to do what in fact, 30 years ago they used to be able to do. (AO, NSW).

[title transfer] The transfer of stock previously was a trial, and it was a very small number of dwellings, but the ownership was transferred over to community housing providers ... something around 200 dwellings. The reason that what was done was because there was a number of older dwellings, and the state government put a tender out, and it was successfully tendered for by a community housing provider, that those dwellings would be taken over by the provider, and the community housing provider themselves had to provide about 15% of the overall value of those dwellings to be used for the upgrade of those dwellings.

In 2008 the ownership of 570 properties were transferred over to housing associations. The asset value was about \$17.5 million. 15% of that value had to be raised by the community housing provider, and that was done, about \$3.5 million. And the assets and liabilities together with all of the residents were transferred over to the community housing sector. So that's been the largest scale stock transfer that's happened in Victoria to this day. We don't consider the economic stimulus a stock transfer per se, because we see that more as part of the grants that were made available for community housing providers to build dwellings from scratch, for the direct purpose of community housing. And that's what the federal govt. had intended when they actually structured that project.

Those were actual title transfers that I was talking about in the 570. (AO, Vic).

I went to a seminar to get a picture of the national regulatory stuff they were talking about a little while back. It's only very early days, and it's to do with funding as well, which is going to be federally funded. The feds put a lot of funding into housing as it is. Currently community housing organisations do a number of things, they have a lot properties that are department-owned and they manage the clients in them. They headlease properties from private [operators], and in some cases some of the organisations have properties that they've purchased themselves and do it – so that's how they work currently. But I think they're looking at, down the track, moving those properties across, and that reduces the department's stock, it reduces the costs on the department and the government and whatever else, but that's the intent of the thing. I have a personal opinion that I'm not sure that when somebody really does the figures from a Federal point of view, I think they'll find it's not sustainable to do that, but anyway. Especially if they'll have to pay rent assistance and a lot of other things like that will come into play at that point in time, so I don't think that when they really look at the dollars that it's going to work. (DE, Vic).

Certainly the Victorian Public Tenants Association are concerned about the potential future of the transfer of more stock to community housing. I think they believe that it will lead into the privatisation of public housing. That's not a view that is shared by community housing providers. In fact we think that community housing providers do a good job at providing affordable housing, and our tenants are quite happy with how we do business. (AO, Vic).

The relative differences in how community and public housing operates are attributed to the way different rules are applied to them.

The public housing system, because of the structure of it being set up to only have people in the highest need category, rather than to create a mix of need, doesn't have the benefit, or doesn't have the luxury of being able to attract people from across the spectrum. So community housing is made up in such a way that they create tenant mixes, so that they can service debt and keep the business afloat. There are caps on how much people can earn. But a lot of people who live in community housing have part time jobs and have an additional income stream, none of them are wealthy, none of them are well-off. All of them are in need, and all of them have middle to low incomes. But we certainly do not have a system where 100% of our client base are reliant fully on Centrelink payments. So community housing has created a client mix to create a sustainable business, so that they can continue to provide that housing at the discounted rates. And also to continue to look after their tenants.

So when I use the phrase 'sustainable future', and 'long term tenure', what I mean to say is that it actually benefits a community housing provider, to take in a tenant who is, say, in the highest or higher level of need, and then also use the time to build these people back into employment, and in the process as their income goes up, so too does their rent. Because it's [the rent] 25% of their income. So it's capped at what their earning. So if they're earning more the rent goes up a little bit. And therefore it provides another space and another allocation, so that community housing can continue to grow. (AO, Vic).

Examples of outsourced developments in social housing

There was one estate in Flemington where they did a community renewal at the Flemington estate and built private housing, community housing and renovated public housing all on the one site. And the community housing organisation that took part in that, was Urban Communities [They were specifically created to do the urban renewal at that site]. There was also a significant urban renewal in urban Melbourne in the eastern suburbs, at the Ashwood Chadston area, where basically it was a community housing provider who tendered for the project and then undertook all of the entire project themselves. That included renewing all the stock, being the builder, and seeing the project from start to finish. There was also another way that the [previous] government decided to try as well ... that was at the Carlton estate where they went into partnership with a private developer to remove some of the older, run down walk ups, and renovate the existing high rises, and also build private highrises there as well, right next to the Melbourne University. That was done almost solely between the Department of Human Services and the private developers, who won the contract to do that. ... The govt. also utilised funding from the Federal government to come up with some structure plans and some master plans on how they would renew other major estates in Melbourne, and they're working on 3 of them at the moment. But the funding that they received is only for master planning it's not actually for implementing those master plans. (AO, Vic).

About 5 years ago the Victorian government decided it would create a regulated community housing sector for the state. They created the housing registrar to basically implement their vision for community housing, which is that there would be

a number of providers in Victoria that are very highly regulated by the state government, so that the state govt. can have faith in awarding the sector contracts, so that it can oversee and manage state government assets - in most part of assets of bricks and mortar, either through leases or stock transfers. And also, as it turned out, the state govt. implemented a \$300 million program, which is a capital grants program for community housing organisations to bid for, and then build dwellings for community housing purposes through that \$300 million program. (AO, Vic).

Commonwealth stimulus funding was nominated by many as a principal driver of the transfer of public housing assets to the community sector. Concerns with the haste with which work was undertaken (necessary for the stimulus to have the desired macroeconomic effect) were expressed, though generally the extra funding was appreciated.

That is part of the COAG National Affordable Housing Agreement. So 35 percent of public housing stock in Tasmania by 2014 will go over to community housing. So that will give it about another 4,000 stock. And that's good, and we're very supportive of that, but often it doesn't actually give us more housing, it just changes the management of the housing. So we don't really post the stimulus, the stimulus was really welcome, that was announced by the Federal government, from that we got about another 500 new houses, and I can't remember how many we got for repair of existing public housing as well, but that no way meets the demand... Over the last 20 years or so [there's been] a real winding down of funding towards public housing, and, really, the inability of that to create new stock – often selling off of stock just to support the maintenance liability. In Tasmania we've got a particularly indebted public housing system because, back in the 1980s there used to be loans to State housing authorities for housing. And then they became grants, but we've got a legacy of about a \$250 million-something loan that has to be paid back to the Commonwealth every year. So that means about 70 per cent of our funding that comes in every year then gets retired in State debt. So its quite a burden on a public housing system. (DE, Tas).

We've had the stimulus housing, and everyone was very excited when that happened, but we hear a lot of mixed opinions about the actual houses, and also because it was done in such a rush, a lag between tenants being placed in the property, and the support kicking in. We also hear stories about tenants being inappropriately placed near each other, like small pockets of really high needs people. I heard one story about a domestic violence victim being housed next to her ex partner. Things like that where there's been a lot of trouble in some of the housing. I know of a man with a brain injury who was housed and didn't have the skills to maintain a house and keep himself safe and things like that. And I think, we've heard of clients waiting for months without support, and in some cases without furniture. So while it seems very exciting, there have been a lot of problems. Some people obviously have been housed and they're going great, so there are positives as well, but if it was to happen again maybe things would be a bit smoother now that the model has been set up, I don't know. (AO, SA).

And then when the state government was in receipt of the \$1.2 billion worth of

stimulus funding from the Federal government, the Victorian government decided that half of that money would be put towards building community housing properties. So the community housing sector, was tasked with the responsibility of building almost 2500 dwellings that would be owned and operated by community housing providers. But as part of the deal through that, only 75% of each of the projects would be funded through stimulus money, the other 25% of the funding or finance would need to be raised by the community housing providers. We call that leveraging in Victoria, which means that the assets are leveraged against their value and money is borrowed from banks and banking institutions to finance the remaining 25% of the value of those projects.

So that was a significant risk for community housing providers, who are all not-for-profit charities, and who invest 100% of any so-called 'profit' or surpluses into providing more housing for affordable purposes. So those programs go through registration, and through capital grants and extension of the community housing sector, and also leveraging 25% of the value of those properties, has really changed the way community housing providers in Victoria do business. (AO, Vic).

We've also got a significant amount of community housing providers, building the National Rental Affordability Scheme properties, and being successful to achieve those as well. ... In terms of the other provider the Victorian government, they of course implemented the stimulus funding for themselves, and provided another 2500 properties owned and operated by the department. So it's been an increase up for their part. (AO, Vic).

It has been approved by cabinet in Tasmania. Part of it is being driven by the economic stimulus plan, because part of agreement was that up to 35 percent of stock would be transferred to the not for profit sector. So that was a policy change brought about by the stimulus through the National Affordable Housing Agreement. It just happens to coincide now with the current economic situation, but it was going to happen anyway.

I think that will bring positive benefits, because the not for profit sector can operate a far leaner operation than the public sector. They don't have to be as accountable to so many people. The tax structure means they can run them as a business and being not for profit, they get various tax breaks—they can run a more efficient system. They can borrow money, against their assets, which governments are loath to do, and it's all harder to do. So they have access to more funds. They can also leverage private investment, which the government is loath to do because it can put them into a compromising position. It's a new model, or it certainly is for Tasmania, but I don't think there is any impact upon that from the current budget cuts though, it is separate, it's just happens to be happening at this time. (DE, Tas).

But in addition to that, we've got a fairly large sector that is managing what we call Housing Provided Framework (HPF) leases. This is a system whereby the state government leases properties, in this case it's about 3700 or 3800 properties, that are owned by government and leased to community housing providers. The community housing providers do all the management for the properties, especially looking after all the residents and the tenants, and the maintenance, and all that side of the

business. So really they've privatised the running of public housing, but they've privatised it to not for profit charities. ... The rent is set at 25% of income. Plus because it's run by a community housing provider, they're also eligible to receive Commonwealth Rental Assistance, and the properties remain in the ownership of the Director of Housing in Victoria, and they also have to assist in the major upgrades. [eg – if they need new curtains or painting, or something fixed, the community housing providers have to do that, but if it needs a new water heater, then the more major upgrades are referred back to the department]. ... 3000 odd properties that are owned by the department, that are run by community housing providers under HPF leases that includes rooming houses - and that's not a new policy – but it is a policy that's been in place for quite a long time, and most of the properties that are in that category are cooperative housing. So a number of the coops all banded together and joined under a single housing association called Common Equity Housing Limited. And title of those co-ops, under the Common Equity banner, were transferred over to Common Equity group. The remaining properties whose boards did not wish to go under the Common Equity group, still remain the property of the government but are run by the tenants themselves through their own community housing boards and liveable rental housing cooperatives. (AO, Vic).

The not-for-profit agencies are assumed to have a strongly compassionate and client-focused attitude, based on their origins as voluntary, religious and charitable institutions, which in early times were strong advocates for the disadvantaged and critics of inequitable public provision. As they have grown in sophistication and size, and are seen to increasingly adopt private sector business practices, not all see their role as entirely benign. Their participation in competitive tendering processes has, for some, diminished their willingness to advocate and collaborate as they once did. Attitudes vary across the sector.

I don't personally believe, but I could be mistaken, this may be a better question to ask the VPTA, that tenants of public housing are very different to those in community housing management, or have been negatively impacted at all. In fact community housing is a really positive model and has the ability to be able to expand and run efficiently and offer people with the permanent tenure that they need to be able to make the most out of their opportunities.

Community housing has been affected in good way. Because they've had to change the way they do business and become far more professional. Not that they weren't professional previously, but they've just been taken up a notch. (AO, Vic).

In South Australia they're actually selling off the public housing stock because we've got a massive state debt and the government can't afford to maintain all these houses with this great debt. It's not a profitable exercise to have so much high needs housing. So they've been steadily selling off the land, really, rather than the houses themselves, because usually they're knocked down. So that hasn't helped the number of public housing properties that we have available. There's actually no way for community housing providers to grow their portfolios under the current arrangements. The population has increased, there's still just as many people if not more people out there with high and complex needs who are eligible for this housing, so we've just got this huge waiting list. I think there's about 22000 people who will simply never be

housed. I think the category 1 numbers are up to about 3000 at the moment, and I think we have about 2000 of those people a year, but there's no clear picture of why those properties have become vacant – whether those tenancies are failing. You'd like to think that people are getting better and becoming more independent but I don't think that's the case. I think they're not managing their tenancies, for whatever reason, and it's a bit of a revolving door unfortunately. (AO, SA).

[Transfer of public housing into the community housing sector] That's also something that's worrying us enormously because, because the public sector are accountable. However bad the policy is, they never fail to ring back, respond to letters. We find with the community sector they basically don't do that. You know, you get an answering machine, their policies are not transparent, you know. Places like CentreCare, which have been given a lot of that money, you join a list that's even less accessible than the public housing list. And they're not public servants - I feel that, again for indigenous people - I feel it's very worrying – Because it means the state are basically, they're saying, 'well we've got all this money, here we are, we'll give it to you, you're a church group, in name'. They're not really a church group, it's got a church logo... it's a corporatized thing, but it's one step off from government. So in a way, I feel a lot of anguish about it because it's even more of that same pattern where the W.A. Government are basically abandoning responsibility for indigenous people. ...I think If they asked indigenous people what it's like being on a CentreCare list they'd tell you it's even more traumatic than being on a public service list. I do feel that the public servants in W.A., in housing, are actually very, very good, in the sense that they're very experienced, a lot of them have stayed in the job a long time, and they're incredibly knowledgeable. And they actually have a very good knowledge of housing policies and they've tried very hard over the years to be accountable to indigenous people, and I just feel that it's quite a big worry handing it over to a church group, which don't have that kind of ... all that experience over a long time. (AO, WA).

I've had delegates advise me they will often get phone calls from clients who have been transferred out saying they can't get hold of anyone at the NFP, they just leave message after message, and their door is always closed. So, they lack that personal service. Because often what the Housing Service Officers try do over here is they build a relationship with the client in terms of managing the issues that might come up. But there is no relationship between the new providers and the client. A lot of them will actually phone Housing and say 'you know, this is happening, and they haven't done anything about it, can you help me' especially the seniors and the pensioners. And they're seeking that familiar face, and that consistence of housing provider that they're not getting with the new provider. There are particular providers that have been raised as being the main issue. There are others, that seem to be providing a better service. There is one in particular that's been brought to my attention. (AO, WA).

Competitive tendering undermines advocacy

The other thing, the big change I've noticed in having that spell away from the sector, was the competitive tendering process. I feel that the sector has lost some of its capacity to advocate for itself, and for the clients. There's been numerous instances

when people have spoken out, or tried to be advocates, that they've been punished through losing their funding. So effectively the agencies have been subjected to divide and conquer.

The government doesn't like it, and they do fund us so it's a bit precarious, but I'd rather do something really great and not get refunded than just do nothing. (AO, SA).

Back in the seventies people would protest outside parliament and things like that – that's what's needed - not everyone just [being] so busy writing their tenders every year, that they don't want to share information with other agencies, they don't talk to one another, they're so worried about their clients if they're not refunded...things like that. (AO, SA).

2.7.5 The consequences of inadequate housing and the lack of access to services on people

Public housing has increasingly become the dumping ground for the most disadvantaged people struggling to live in the community, particularly people with mental and psychiatric disability who were formerly accommodated in institutions. While deinstitutionalisation was widely endorsed in the light of revelations of abuses of human rights, there is little evidence that neo-liberal protagonists of the strategy ever intended to honour their promises to shift the necessary resources into the community required to sustain these people in safety and dignity. Appalling abuse and neglect are happening today to the most vulnerable disadvantaged people who now living on the streets and in poorly managed boarding houses. The most disadvantaged are concentrated into public housing, undermining its capacity to cross-subsidise its operating costs as it once did when it housed a wider mix of clients. Concentrating the most disadvantaged Australians into public housing has created dysfunctional communities with high unmet needs, compounding and reproducing disadvantage. The draining of resources from the public sector, in favour of a more selective and a less accountable community sector, is creating severe disadvantage and hardship, as too many people are left to languish in poorly run boarding houses and other precarious forms of accommodation.

Deinstitutionalisation

And then with the deinstitutionalisation process, came a widening of the eligibility for social housing, but without a corresponding boost to capital expenditure on it. So increasingly public housing housed single people, and people with a range of support needs, and other sorts of problems. And these days, your working families wouldn't get a look in. So it would seem basically in terms of both household formation and population growth, [there has been] a contraction of the proportion of housing in the social housing system available to people.

The longest term impact is [from] the deinstitutionalisation. Because no one really properly funded what the housing impact of that would be. (AO, SA).

... public housing estates that are housing the people who are most needy, are certainly up and coming communities of disadvantage, because of the nature of the client mix - or the lack of client mix - which is going into those estates. (AO, Vic).

The biggest change has been the targeting of public housing and social housing to those who are deemed most in need. And while that seems very reasonable, what that meant was that our social housing system is now economically and socially unsustainable. There's a difference between what tenants pay for their rent and what it costs to run that housing. And tenants pay a very small proportion of what it costs to run that housing. And nobody funds the difference. So it used to be a mix of incomes within the system meant that a cross subsidisation happened within the system. But now that most tenants, like its above the 90 per cent mark, are in receipt of rent rebates, there is a significant subsidy there that state housing authorities have to fund from wherever, and have great difficulty doing so. So that big change made our social housing system unsustainable because the corresponding financial arrangements were not made to match that. (AO, SA).

Socially it means that where our housing is held in large estates, or congregated in similar localities, it means that you get some very weird demographics in the sense that everybody being housed in that location is going to have some sort of excessive problems of some sort. So it then creates a flow-on social impact, about access to services, about support needs. If everybody in the building, or in the estate, has a range of problems that meant that they were at the top of that priority housing list, then you've got a pretty weird looking community in some ways. And that's not to mean that people don't make it home, but it does mean that you've got to be really careful to be sure that people are getting the support they need to be able to live independently and productively within the community. (AO, SA).

Another group of people who have been affected ... are people who previously would have occupied institutions. And I'm not a proponent for institutions whatsoever, I don't think they were a good thing for the State or for the people who lived in them - but previously, when people had severe illnesses, mental illnesses etc... there were institutions and places for them to live, even though the conditions weren't always fantastic. But now it's really difficult for people with mental illnesses to be able to live in the private sector. So we're looking to make sure that there is enough allocation of spaces within the public housing and community housing sector to make sure that's achieved. And the Federal government have been working on different funding streams to be able to provide the capital for that. (AO, Vic).

I'd just really like to mention the people in SA living in supported residential facilities. Apparently there's 860 people and in terms of, talking about housing stress and affordability, these people pay 80 or 90% of their income to stay in these facilities. They're congregate facilities, where some of our most vulnerable citizens are living - with poor health, mental illness, and I think, it's like our society's rubbish bin. When people can't live independently, they need 24 hour support, they've got perhaps dual diagnosis of intellectual disability and mental illness. They end up in these places and they really stay trapped there. Firstly they've got no money. It's only been quite recently that they are eligible for support coming in from the community. And if you want to talk about people housing aspirations, those people, the idea that they would ever have a place of their own, or they might share with their friend, or that they'd actually live in a nice flat, or something like that is just never thought about, never talked about because they are so resigned to their lot in life, and so

neglected by society. I feel really strongly that – you hear people say, they've got a roof over their head, But I really think that we could do a lot better for those people

A rehabilitation model would be nice, but the majority of these places are run by private owners for profit. So what I'd ideally like to see for these people is more of their rent subsidised so that they've actually got a bit of income to clothe themselves nicely or have outings or whatever they need. And yes, some rehabilitation places ...to work with people a bit like the assertive outreach, to come to the realisation that they don't have to live there for the rest of their lives, and that there are other options that they might be able to explore, and supports that they can access. And just, a model where there is a community or government provider, and not in huge these group homes with 70 people living in them and things like that. (AO, SA).

Women

The people who are missing out on housing, a significant group of people are women, especially older women who are divorced or found themselves single later in life, and they are the most vulnerable group, because of their lack of superannuation, they're usually have found it difficult to hold onto, or to buy a property, or to keep a property, because of divorce or whatever their personal circumstances. So there's been a real feminisation of disadvantage. (AO, Vic).

The lack of indigenous housing undermines efforts to 'close the gap' on other fronts

In fact they say with these programs, like indigenous people's smoking, I mean, some of it has got a lot to do with their trauma, but when you talk to indigenous people they will often not even address health issues unless they've got a house, because they seem to feel such a profound sense of hopelessness. I know people get angry with them, and people come to our office and say 'I saw people smoking outside'. But, talking very closely to people who I know, so I'm not so remote from why they would do things, it's always people say with me 'well look, we're never gonna get a house, we know that, and we just feel we've got nothing to live for'. And that is very much on the ground how they feel. It includes the sort of exclusion and hopelessness, that I think a lot of indigenous people feel anyway, it's not like it's not there, underlying, but I think housing reinforces that. (AO, WA).

Housing is a crucial need for indigenous people.

Any place where we've set up to do whatever indigenous people need, and in 30 years, the overriding problem for indigenous people has been housing. Virtually it's the most major preoccupation and the area in which they most miss out on help. It's absolutely critical and crucial to their problems in WA anyway. (AO, WA).

The poor coordination of other support services around social housing

Once we house a client, all those services that were around that client, just pull out. So if you're housing someone who was homeless - and they say housing is their solution - housing isn't their solution. What their solution is that they need to get those

services in to work with that client, [to work] with their mental health, or some people just have no housing skills, ... to pay their bills... If someone can be living on the street for so long, they don't know how to do that. They don't know that you've got to go and connect your phone, you got to go and connect this, you got to go and pay your bills, you've got to do this. (DE, QLD).

Not social workers – landlords – complex needs of clients

We're not social workers. And that's what they keep putting on to us as being social workers. We're just like a landlord and we tell support organisations [that cover] child safety, mental health all those types of organisations, that you need to keep supporting these people for at least 12 months until they can get into that, sort of, quiet enjoyment, with neighbours, all that sort of stuff. Our main issue is getting other organisations to stay in. What happens is that they put everyone in at once, instead of say putting mental health in first, and then working the way through with the budgeting, and all that kind of stuff, everyone goes in all at once. They're there for 5 weeks. This person has got all these people coming round and all of a sudden after 5 weeks: boom! Nothings there. Instead of having, say, over a 15 week period, everyone's there for 5 weeks, this person's just [left unsupported]. We see it time, and time again.

So you'll know when a client's not travelling well, you'll know what's happening to a client – and you'll ring up - we'll even have someone come into the counter for an applicaiton - we'll ring up and say this, look, person isn't travelling well [and they say] 'oh no, they're alright, they're on a volunteer basis, if they don't want to come in they don't'. And that's it. We see things happen, that, say with child safety, we'll report to child safety, 'no that's fine we'll leave it for [now]', well we've seen things happen and we know things have happened. And we put things through, advise them of certain circumstances, and nothing's happened. And a couple of months down the track - I know where one child died. And we saw the information. What really annoys us is, they did an investigation into all this, and what came out of the investigation, that they said on the news media, was nothing of what actually happened. So that's where you think to yourself 'what? they lied'. Everyone sits here and thinks that's wrong, that's not what happened. We class housing, up here, as the poor cousin to all the other departments. They tell us that there's no wrong door. And our joke in housing is that, oh yeah, there's no wrong door but housing doesn't have the key. (DE, QLD).

Access to professional support

Occupational therapists impact on us greatly because we've got a rapidly aging population now. And we're experiencing that in housing as well, our population is rapidly aging, our tenancy. So those people are now becoming clients with more complex and higher needs, again, because of their age, their infirmness, disease, dementia, all of those things, so we get more pressure put on us to go and modify the properties as well. As well as maintain them, to modify them. Where people need ramps, we put ramps in. Fully modify the bathroom to take a wheelchair. The kitchen has got to be able to take a wheelchair. High cost stuff... It's high impact.

Now the occupational therapists in the Western Sydney Health three regions are now booked out for two years. We meet with them every 2 -3 months. We meet with the

supervisors of all the occupational therapy groups. They're telling us their books, their girls, their teams, that go out and do all the environmental assessments, are booked out for somewhere between 18 months and 2 years. (DE, NSW).

Impact of changes on clients and staff

I think they've worsened service delivery. And I think that largely because when we do make the changes we don't effectively manage the change. Whether it be changes internally to staff, or changes to the policies that impact on the tenants. We implement change far too quickly without going through a staggered or staged process allowing for open communication with everyone involved. We certainly don't seek feedback, and we certainly don't gear people up for what the changes might be, when change happens it happens very, very quickly. So people aren't managed through the change process at all. It impacts on our clients, it impacts on us who are delivering the service. So I think that overall, a lot of the changes that have happened, have resulted in negative impacts for both clients and staff. (DE, QLD).

Western Australia's disgrace: The social disaster of the 'Three Strike Policy'

There is a lot of talk about that here and especially the Community Legal Centers are getting quite active in advocating for their clients. It is hard to tell. We have worked a bit with the tenants advice service and they have collected a number of case studies of situations of people being evicted, particularly affecting tenants who are mentally ill, and potentially behaving in ways that are seen as being strange or loud, or whatever, and their neighbours complaining about that. And then also for Aboriginal families with large families or extended families. I don't really have any specific numbers or data about that, other than there are a lot of concerns about how that is being applied, in that the Department of Housing staff, I think a lot of their ability to make decisions on a one-to-one, case-by-case basis, and really assess the situation, seems to have been taken away from the staff a bit and that it's a fairly heavy handed approach.

Our concern is, looking at the housing system, at the bigger picture, not just public housing, but in terms of the homelessness services that are available, it does seem that it is pushing the problem onto another agency and that we absolutely see that public housing tenants need to feel safe and secure and comfortable in their own homes and shouldn't be subjected to people who are being violent, or threatening or disruptive in some way. But on the other hand I am concerned that, for those other households, there are really not a lot of supports in place, and most of the homelessness service providers are already overextended also, and whether this is just shifting problems onto either another public housing tenant, if someone gets kicked out and goes to stay with family or friends, or onto the homelessness service providers. (DE, WA).

This year there was a harder stance brought in against troublesome clients. It was called the three strikes and you're out policy. And what the staff are finding is that there were a lot of really fickle claims that were being brought. Because it's been well publicised here that that's the case, and that 'Troy Buswell is cracking down on bad tenants'. And so what a lot of neighbours who have had issues with Housing clients, will do, is that they will seek to find fault and lodge complaint after complaint after

complaint. You only need three complaints and that person will then be evicted.

The HSO needs to determine whether it is substantiated or unsubstantiated. If its substantiated its considered to a first strike. After the first strike, if there's another complaint, it then goes on the [Destructive Behaviour Management Unit] DBMU, and I'm not clear of what their processes.

There have been a lot of complaints from Child Protection to Housing, that they are putting their clients at risk, because it's actually increasing the homelessness that's occurring here, and making a lot of the children homeless, because of this 'three strikes and you're out'.

And it doesn't only apply to the tenant, it applies to anyone who visits, so there's cases where an ex-partner will come over and, there'll be a fight, and the tenant would defend themselves, and that's considered to be abusive language used, or there's an argument, and that's considered to be a strike against that tenant, even though it was completely out of their control, and they were merely defending themselves. The HSO are put in a very awkward position where, it's not actually that client's fault but they [still have to substantiate] that the incident did occur. So its loud noise, music, aggressive, threatening obscene language, drunken behaviour, uncontrollable parties, fighting, acts of physical violence, damage to neighbouring property, throwing rubbish and other missiles into neighbouring properties, intentional or reckless damage to the tenanted property, burning premises, or any part of the common area. If you've got children who are being noisy, and a complaint is put through, then the HSO has to run with that. And morally they are really struggling in having to enforce this policy. (AO, WA).

I think a lot of the states have a lot of similarities in the way that we deliver our social housing, except for the [WA] 'Three strikes and you're out policy'. That horrifies me significantly. We have a culture of trying to sustain tenancies as much as possible, and that's always been our culture. We treat social housing as the last chance for a lot of clients. So we recognise that they may be coming from difficult situations and not have a full understanding of how best to manage and sustain tenancies, so we try to guide them through access to support services as much as possible. I think in general through we generally have a very similar approach in our policies and procedures. I've had a look at the way that some of the other states run their businesses and we seem to be quite similar. I think we're very similar to SA and a lot of the states in the way that they do things. Except that they've sold off a lot more of their assets than us. (DE, QLD).

An indigenous mother and her children

There's the "Three Strike". That's a deadly thing. It's really impacting adversely on the indigenous community, as you would expect, because they've got such overcrowded households. So the more over crowded you are the more likely you are – they say we've just got to behave – but, you know, when you're crowding three families into a tiny little three bedroom substandard house – keeping that situation under control to escape the 'three strikes' is really very demanding...

A family I am working with at the moment, the child's got [serious chronic physical illness] and we have strenuously tried to oppose the eviction because, she's got a

child with [serious mental illness] - some of the strikes were due to [that child], and the other issue was violence where she was trying to escape a violent partner. And they're not easy to..., you know, they often come and disrupt the house, almost - I'm not saying its malicious - but if someone gets evicted it increases that persons control over them. And there is a bit of that happens - you know, like, people not really wanting the best for the family when they're trying to make a clean break. So this family got evicted, and I mean, she had [more than five] kids, including this very sick child.

The only place for them to go was up to her [relative] who had a two bedroom house in a reasonably remote country town. They arrived in town, and she tried to put the kids in the school, and there was tremendous hostility to her, the police were hostile, everyone was hostile, and eventually she had some altercation with someone at the school. The Police charged her and have put on a bail condition that she can't go back into the town. So she's wandering around the streets of Perth with all these children, including a very sick child, and now the DCP and the [hospital] are telling her they may take the kids if she doesn't get the child to all their appointments. While, its vitally important, but it's just so hard. That's the kind of thing that we're so worried about with this, where there's special disadvantage, where there's violence, medical problems.

[Generally in these domestic violence situations] ...they're so dysfunctional anyway, they drink, or they've got some extreme issue, they come back really very persistent[ly]. It's very hard for people to break off, you know, because they try to sort of plead with them, and if they try not let them in they plead with them in the street, and see, the neighbours ring the police and complain – I mean, that's understandable too, but it just leaves the family so vulnerable to being evicted now.

[How many affected?] A vast number. They won't give us the statistics but the bit we've managed to drag out of them, there's been a lot of evictions. A lot of indigenous people evicted. You can't get the stats. [Why not?] it's against the image they try and present.

[Have the people that are evicted appealed?] Well you can't. There is no appeal. And also they're excluding them from the list, sometimes for years. So, you know, it's virtually a death sentence for certain groups. It is a very drastic thing to be evicted in WA as your chances of re-establishing yourself in the society are very slender. They're doing what they call 'management assessment', and if they do [accept them] you can imagine where they'd be on the priority list. They just say 'go away, you've had your chance, we've got other more deserving people'. It's a disastrous social policy as it just means it will increase imprisonment, which is already just so out of control. (AO, WA).

2.7.6 Impact on public sector staff

In the course of these interviews, with government workers and people in non-government agencies, the compassion of the Housing Department staff, and their distress with what they daily witness, was widely acknowledged. People inside and outside of housing departments understand the pressure housing officers work under, trying to provide shelter to the most vulnerable people in the community while politicians preside over the selling off of housing stock and the removal of staff.

Administrative burden

[talking about homelessness workers]

I know that [with] this new H2H system, what you hear all the homelessness workers saying is that it's another thing that takes them away from the client, the direct client work. They're having to enter all these details into databases and record this and record that, but it's just another thing that takes them away from actually working with the people and supporting them. I know that there is no easy answer to that, we do need to be accountable for funding and for people's lives, but it just seems that our system has evolved into this massive bureaucratic risk-centric crazy kind of world. It seems that in the end a homelessness worker won't see clients at all - that seems to be what it is coming to. (AO, SA).

A lot of those changes are putting more pressure on staff. Applications that used to take 20-30 minutes to process, are now taking 90 minutes, 2 hours to process. That creates a backlog of work. Clients are getting more and more aggravated because they're waiting in offices longer for service and approvals and those kind of things. Because of the financial straits the Department's in, because of the changing demographic, that has meant 86 positions aren't filled, which is putting more pressure on staff, and more and more workload is building up, and clients aren't getting the level of service they used to get. Go into a housing office and it's just packed. They're all just packed and they're all just run off their feet all the time. The nature of the clients has changed a lot. ... There is a huge increase in clients of housing who have a whole range of complex high level needs. They've got mental health issues, they are dealing with a whole number of agencies, Centrelink, Juvenile Justice, Corrective Services, Probation and Parole, the health system and those people are some of the most vulnerable, disadvantaged people in the community. Some of them can display quite violent attributes and behaviour, and there seems to be a large amount of anecdotal evidence that there are more and more violent incidents that occur in offices because people are just, you know, blowing their stack, throwing stuff, threatening staff ... (DE, NSW).

Staff cuts and rising workloads

But what you need to remember, as part of their cost efficiencies in 2009, housing froze 86.75 jobs... Housing are trying to force one client service officer to look after 450 properties, 450 tenancies.

There's a lot of stress and I do mean psychological damaging stress on our front line staff. But the nature of the beast is this: that the bulk of our staff show up to work every day, because they believe in what they're doing, and they want to make a difference. So management trade on that around here, they keep pushing work down, and most of our people do their best to suck it up.

All that's happening behind the scenes is cost-cutting. All the government is saying is they're not taking away any services. Well, rubbish. (DE, NSW).

There was a cap on the amount of properties that a HSO could have back in 2007, and that was at 300. Since then, with the additional reporting responsibilities, the

additional checks, they are on average at about 380. And I know that for Property Service Officers, you're looking at about 1100 properties, as opposed to, I think it used to be about 400. So there have been a massive increases.

That has slowly built up from around 2008 to now. It's been a gradual increase. And the people were aware that it was happening, but its reached crisis point this year. It was just allowed to occur because no-one was at that time was enforcing the one to 300 requirement, it was just allowed to continue to grow. And even then, this has been raised at the highest level of management for some time now and nothing was done, which is why we've had to industrially serve a notice on Housing to 'you will investigate, and you will resolve these workplace issues'. They acknowledged there was an issue but failed to do anything about it. (AO, WA).

The department about 18 months ago said because of the change in clientele base, they're now in some financial difficulties, and they have effectively frozen 86 positions in housing, they're just not filling them. It's my view that while they continue to say that those positions haven't been abolished, effectively those 86 positions just have disappeared off the face of the earth, which puts more pressure on staff. That's been driven by this huge change in the demographic of housing clientele. More and more these days, you've got a single income earner, and that maybe somebody that's in paid employment, it may be somebody on some kind of sickness benefit, or disability benefit, but you've only got the one income in the property which may have 2, 3, 4 rooms. (DE, NSW).

Staffing levels have dropped overall. We went through an organisational change project in which the [Administrative Officer level 2] AO2 positions were disbanded completely. Out of front line service delivery roles, so the number of positions were reduced, and we didn't get replaced with an equal amount of AO3 positions. Also we've currently, in the last 6 months, have gone through a voluntary separation program, where the QLD government was asked to slice a number of jobs through voluntary separation processes, so they were generally not in front line roles, more in the strategic policy areas, but in the last 3 weeks there have been 28 staff lost out of housing and homelessness in the strategic policy areas. Which may not seem very much, but they're all fairly critical positions. And once they've gone through a voluntary separation process, they don't actually get replaced. Their position simply no longer exists. The work continues, we're told to share the work among the staff that remain. (DE, QLD).

Shared services, temporary agency staff, and contract staff.

Business Link Pty Ltd was set up by the government some time ago and it was supposed to, on a fee for service basis, provide finance, payroll, HR advice, all that kind of stuff . [a 'shared service'] So probably the first big change with recruitment has been housing has pretty much abrogated it's entire responsibility for recruitment to NSW Business Link. So all the recruiting is effectively done through them. The culling of applications, the short listing, e-lists, are all controlled through Business Link, so that's probably the first big change.

The second big change, or vast increase in quantum, is where they've needed to bring

people on board quickly, they've been more and more going to agency temps, as opposed to bringing on board Section 27 Temporary Employees.

The difference there is that the agency temp is somebody that is employed by a private organisation, turns up and they do the work for [housing] but they're employed by this agency. The big impact is that it is more and more creating a temporary workforce in housing (DE, NSW).

Staff morale and turnover

On every single survey they state they don't feel like they can go on leave because no-one does their work when they're away. We had a gentleman who was deceased for two years before he was found. That was essentially due to the fact that there were so many staff changeovers over that period of time. They had this stupid policy of putting people on three month contracts – those staff aren't trained, because it's not worth it if they're only on a three month contract, and that's why you're seeing these kind of things occurring – because clients are slipping through the cracks.

The three month contracts are due to the fact there is a lot of acting [people temporarily filling higher positions] that occurs at the Department of Housing, and those positions need to be filled. Even the additional FTE they are putting on are all contractual, and for the experienced staff that is also causing issues because they have to train them and that takes more time and it that takes them away from doing their own jobs as well.

We've had cases of people being on contracts for even seven years. (AO, WA).

It's largely as a result of a high turnover rate in different areas. So in our more frontline service delivery areas, there's a high turnover of staff due to staff burnout - largely, staff wanting to get out of the area, for a variety of different reasons. It's hard work, you're dealing with clients that quite often have significant mental health issues and aren't necessarily treated or not even diagnosed. So staff are taking on the role of social worker at the same time as being a housing support person. And that causes significant burnout. So people will leave the direct frontline service delivery area very quickly and try and find work elsewhere, not unlike what I did. But we still turnover staff very, very fast because staff quite often can't handle the fast pace that we work within. So they either leave or look at voluntary retirement packages, or go elsewhere to other departments that have more lucrative and better working conditions. [It leaves positions vacant] for significant periods of time. And we have difficulty recruiting. [As for the work when positions are vacant] we just carry it, we share it among the team. (DE, QLD).

Staff become quite despondent I think and also frustrated with the system. We're on the receiving end of the brunt of people who are angry and frustrated with having to wait for housing. That's when you look at the turnover of staff, especially in those front line service delivery roles. They're faced with, quite often very angry people, and it wears on them. We get a lot of feedback from the staff who are frustrated with the inability to make a difference and inability to handle the clientele that comes in very angry and very frustrated. So it increases the low levels of morale that are around the place. We recently had an employee opinion survey that was done throughout the

department, and the overall results were fairly staggeringly bad. In that they portrayed a general feeling of despondence from staff. A feeling that management doesn't understand what's going on within service areas. A lack of confidence in managers' ability to accurately apply HR policy and go through recruitment and selection processes. So it was overall fairly bad for the department. (DE, QLD).

[Not having enough housing] It's a huge thing. We just don't have the housing to house people and when someone comes in and you go through the process and you identify what their level of need is, and you know that they're a moderate for example, and you think 'you're not going to be housed in the time that I'm working in this office', 'I'm probably unlikely to ever see you housed'. And it's quite frustrating knowing that. (DE, QLD).

Commonwealth punished Queensland because of the floods

We're funded under the [Aboriginal] national partnership agreement to deliver a certain number of constructions and upgrades within a certain period of time. Obviously we had significant flooding and cyclones and that sort of fun stuff last year, that impacted on our ability to deliver in a number of areas because Key Build, our government service provider, was pulled off line to assist and help the other areas. And we still had the same delivery targets in place, and we didn't deliver on them because we didn't have the capacity to deliver at the time. And because of that we lost \$3 million which went to another state. So we got caned for it, even though we had quite legitimate reasons as to why it was that we couldn't deliver. [The planned houses] get deferred, and we try to fit them into another year.

People feel as though they they've failed as it impacts on the community, because they have the expectation that we're going to deliver something that is going to be a certain amount of value or a certain amount of houses and we don't end up delivering on it, so it fractures those relationships further. (DE, QLD).

2.8 Conclusion

The post-war commitment of the Commonwealth to support the States in the provision of public housing to low-income working Australian families, during the thirty year period in which it was also committed to maintaining full employment (below two per cent), made access to shelter a feasible proposition for most Australians. The two policy objectives coincided in that large scale public housing construction was a central pillar in the strategy to create and maintain thousands of public sector jobs in the post-war era.

The abandonment of full employment in the 1970s entailed abandonment of public sector employment as a means of preserving aggregate demand, and the concurrent withdrawal of public provision, most particularly in the area of public housing.

The aims of neo-liberal public policy makers in the early 1980s, with their penchant for 'small government', and reliance on markets to allocate resources, coincided with the movement to de-institutionalise people who had long been incarcerated in oppressive psychiatric hospitals and other institutions. Public housing was then progressively transformed into a receptacle for the most vulnerable and disadvantaged Australians, while low income working families were deemed of lower need, and turned away to find their shelter in an increasingly expensive private rental market.

With the embrace of public sector outsourcing since the 1980s, community sector providers have increasingly taken on the role of social housing provision, benefiting from the desire of State government politicians to distance themselves from the responsibility of maintaining and managing an underfunded and deteriorating housing stock, and its increasingly disadvantaged and needful tenant population.

The Commonwealth's failure to compensate the States for this transformation in the demographics of public housing, was compounded by its failure to build appropriate investment incentives into the tax and welfare systems in order to drive down rents to accommodate the low income working families being turned away from public housing. As house prices have climbed beyond the reach of more Australians, and rents risen even faster, more Australians are experiencing housing stress and turning in desperation to social housing.

Every State is reporting chronic housing shortages, with waiting lists for public housing stretching out for years. And while the community sector is being handed increasing amounts of public housing stock, its need to preserve a solid paying base precludes prioritising the most disadvantaged, as the public sector must, despite the advantage to the Community sector of having its tenants attract Commonwealth Rental Assistance (CRA) who can therefore pay more rent than those of the public sector who do not. This pressure can only be expected to intensify as non-profit-groups succumb to the pressure to 'leverage' the public funding they receive with loans that they will need to repay. We also note the reservations among client advocates for the growing dominance of less accountable, and less transparent not-for-profit providers.

The hard core residuum of extremely disadvantaged people that are being left to the public housing sector to manage are in an extremely vulnerable position. The 'Three Strikes Policy' of the Western Australian government is an example of how sophisticated agenda managers can engender popular support for governments to abandon their responsibility to care for our most disadvantaged citizens. With State governments around the country lining up to slash tens of thousands of public sector jobs, the prospect of further draconian measures being used by governments to further shed their responsibilities is a very real prospect.

The accounts of frontline staff and others in the community who are daily witnesses to the desperate plight of Australians in housing stress are consistent on one point: that we need more social housing, and that the Commonwealth has a clear responsibility to deliver it. Australia's housing system has suffered a lack of governance over decades, with every component of the housing continuum in chronic under-supply. While this has served the needs of rentiers in inflating prices and rents to generate consistent returns on investments, it has failed to fulfil the basic requirement of a nation's housing system which is to provide its people with adequate shelter.

It is remarkable, that despite the growth in productivity we have experienced year upon year over the past thirty years, through profound innovations in technology, and decades of so-called economic 'reform' justified on the promise of delivering higher standards of living, and despite the concentrations of wealth that some have amassed, the capacity of Australians to do something as basic as build themselves enough homes to live in has mysteriously declined. We cannot, for example, even manage to provide an indigenous mother and her physically and mentally disabled children a safe place to live.

Clearly, there is no material impediment to Australia adopting, once again, a large scale commitment to public housing as the safety net in which families may consolidate their resources until they have the means to own their own homes. Only the socially destructive

ideology of destroying the public sector to give free rein to those with market power stands in the way. A large scale commitment to public housing would bring down the cost of housing by increasing its supply, and by also committing to providing skill formation opportunities to novice building and construction tradespeople and professionals, as public housing authorities once did, would simultaneously address skill shortages, and thereby lower costs throughout the housing construction sector.

Chapter Acknowledgements

We thank the public servants and community representatives who shared their insights with us, and thank housing officers around the country for their commitment to the crucially important work they are doing for and on behalf of all of us.

¹ The total number of people who are seeking accommodation include those requiring new accommodation or those who were seeking to continue their accommodation from the previous day.

Chapter 3 Case Study of Child Protection

3.1 Introduction

Protection of vulnerable children from child abuse and neglect is critical to providing opportunities for them to realise their full potential. There is consensus in the literature that child abuse and neglect is correlated with complex economic and social phenomenon such as entrenched unemployment, poverty, housing stress, mental illness, substance abuse and poor social networks (Wood, 2008; Layton, 2003; Protecting Victoria's Vulnerable Children Inquiry, 2012). As stressed by UnitingCare Victoria and Tasmania (2004: 4):

We need to constantly remember that the families becoming involved in this system are likely to very vulnerable, with chronic, multiple and serious issues requiring multi-faceted responses. The causes of this are not necessarily individually based. They also require systemic change addressing key issues such as unemployment, poverty, social exclusion and disadvantage. The driver of the system needs to be the strengthening of our communities. If we achieve that then the demand for child protection services should diminish. This approach will include engaging with local governments and the mental health, alcohol and drug and housing systems.

There are a variety of costs of child abuse that include financial costs associated with expenditure on child protection programs as well as wider costs associated with poor outcomes for children that include increased health expenditure, educational assistance, lower productivity and higher welfare costs later in life (Phillips, 2009). Access Economics (2008) estimated that the cost of child abuse in Australia in 2007 was \$4 billion. Also lifetime costs for children reportedly abused for the first time in 2007 were estimated at \$6 billion with the burden of disease representing a further \$7.7 billion. In 2010-11 expenditure on child protection, OOHC and intensive family support services in Australia totalled \$3.1 billion (SCRGSP, 2011).

In addition to the financial costs associated with child abuse and neglect there are a number of adverse outcomes that have long-term consequences for the quality of life of victims. These include lower educational attainment, poorer health outcomes, higher probability of substance abuse or involvement in criminal activities, teenage pregnancy and poor labour market outcomes (Access Economics, 2008).

Child protection has traditionally been a state/territory responsibility in Australia. There are differences between jurisdictions in regard to the composition and emphasis of services, total funding, payments to carers and the degree of outsourcing. However, all states fund a range of early intervention and family services, statutory services, and out-of-home care (OOHC), and all states have some form of mandatory reporting of child abuse and neglect.

A number of trends are evident that are not restricted to Australia: the dramatic increase in demand for services; the preference for kinship or foster care rather than residential care and the growing importance of early intervention and family support services as a mechanism for preventing children going into care.

Governments have also embraced the purchaser-provider split that separates policy development and oversight from service delivery. As a consequence, there has been a significant increase in the involvement of NGOs in providing government-funded services. NGOs are also becoming an integral component of policy development as representatives on committees that advise governments in the process of developing new policies and programs.

There have been inquiries into child protection in all states, such as parliamentary committees, commissions of inquiry, Ombudsman and Auditor-General investigations. In many instances these have been initiated following widespread media coverage of the tragic death of a child.

The introduction of the National Framework for Protecting Australia’s children that was endorsed by the Commonwealth and state/territory governments in 2009 promotes a public health approach to child protection rather than a legalistic approach and introduces a more collaborative response to child protection issues, increased emphasis on prevention and greater attention to child protection systems. The National Framework for Protecting Australia’s Children (COAG, 2009: 8) refers to a public health model that consists of a pyramid with:

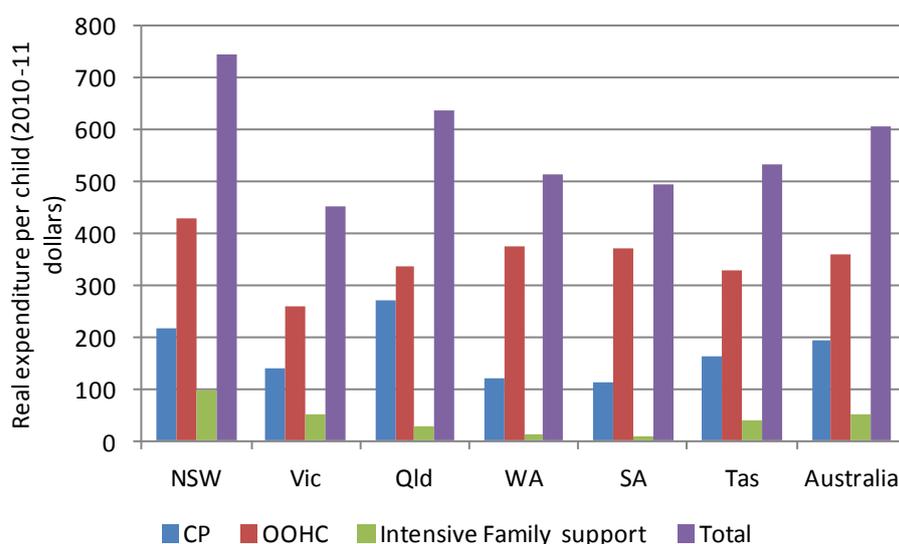
- Universal preventative initiatives to support all families and children;
- Early intervention services targeted to vulnerable families and children;
- Targeted services and programs for ‘at-risk’ families and children; and
- Statutory System.

This chapter examines recent developments in child protection in Australian states to identify trends in the funding and provision of services, workforce issues and the quality of service delivery. Section 4.2 provides data child protection statistics. Section 4.3 describes the National Framework for Protecting Children. The following six sections describe developments in the states. Section 4.10 presents the findings of the key informant interviews and concluding remarks follow.

3.2 Data on child protection by state

3.2.1 Expenditure

Figure 3.1 Real expenditure on child protection by state, 2010-11 (per child)



Source: SCRGSP 2012

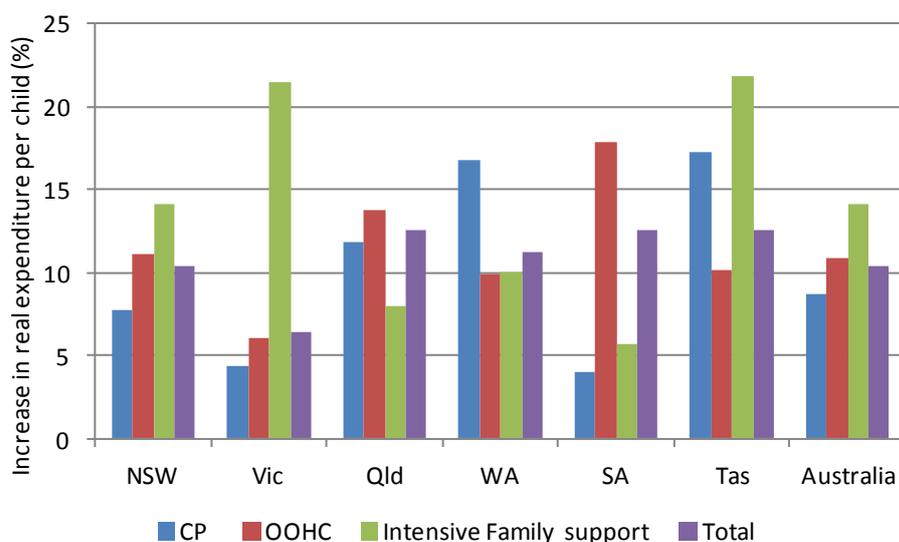
Figure 3.1 shows the breakdown of child protection expenditure by state for the three major expenditure types – child protection, out-of-home care (OOHC) and intensive family support. OOHC is the highest expenditure category for all states, ranging from \$428 in NSW to \$260

in Victoria. Expenditure per child on child protection ranges from \$113 in South Australia to \$270 in Queensland.

The large variation in expenditure on intensive family support services suggests that states attach different levels of importance to these services. NSW expenditure on these services (\$100 per child) is almost double the national average (\$54). South Australia spends just over \$10 per child on family support services and Western Australia spends just over \$13 per child.

For total expenditure per child, the national average of \$607 is surpassed by NSW which has the highest expenditure (\$747), and Queensland (\$636). Total expenditure is lowest in Victoria (\$451) and South Australia (\$495).

Figure 3.2 Increase in real expenditure per child 2001-02 to 2010-11



Source: SCRGSP 2012

Figure 3.2 provides some insight into the trajectory of real expenditure on the various child protection services between 2001-02 and 2010-11. At the national level, the fastest expenditure growth has occurred in intensive family services which grew at an average annual rate of 14.2 per cent. At the state level, expenditure on intensive family support services was the highest category of expenditure growth for Tasmania (21.8 per cent per annum), Victoria (21.5 per cent) and NSW (14.1 per cent).

OOHC expenditure increased at 10.9 per cent per annum in real terms throughout Australia. The highest growth rates were in South Australia (17.8 per cent) and Queensland (13.8 per cent) while the lowest growth occurred in Victoria (6.0 per cent) per annum.

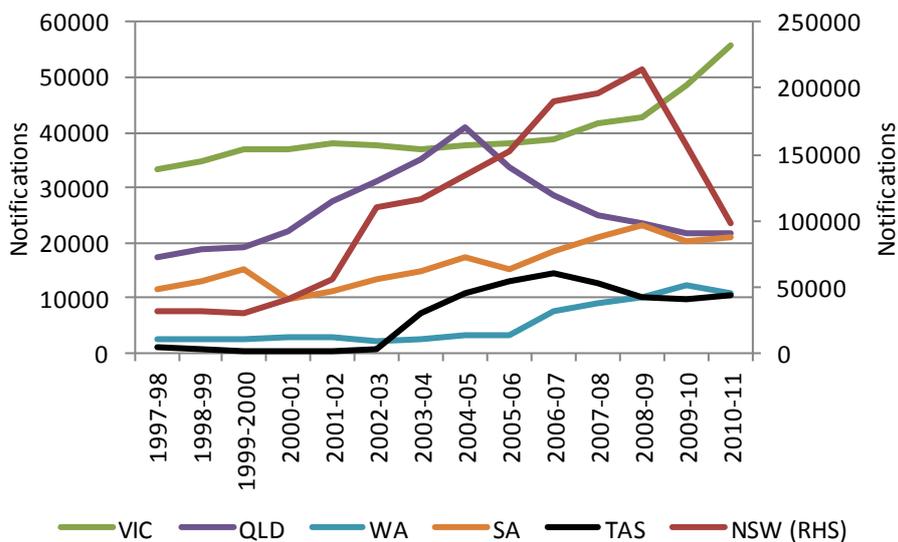
For child protection expenditure, growth rates varied considerably between states. The lowest growth occurred in South Australia (4.0 per cent) and Victoria (4.4 per cent), which were substantially below the national average of 8.7 per cent per annum. Three states achieved growth rates above 10 per cent: Tasmania (17.3 per cent), Western Australia (16.8 per cent) and Queensland (11.8 per cent).

The national growth rate for total expenditure on these programs was 10.4 per cent. Victorian expenditure grew at only 6.4 per cent during the period, which was significantly below all the other states. Queensland, South Australia and Tasmania experienced the highest rate of growth of total expenditure of 12.6 per cent per annum.

3.2.2 Performance data

The number of notifications has increased rapidly between 1997-98 and 2010-11, rising from 98,568 to 237,273. The increase in notifications has been attributed to a number of factors including: unemployment; casualisation of employment; entrenched poverty and income inequality; mental illness and substance abuse; lack of services; increased awareness of child abuse and neglect; and the impact of mandatory reporting (Haly, 2010).

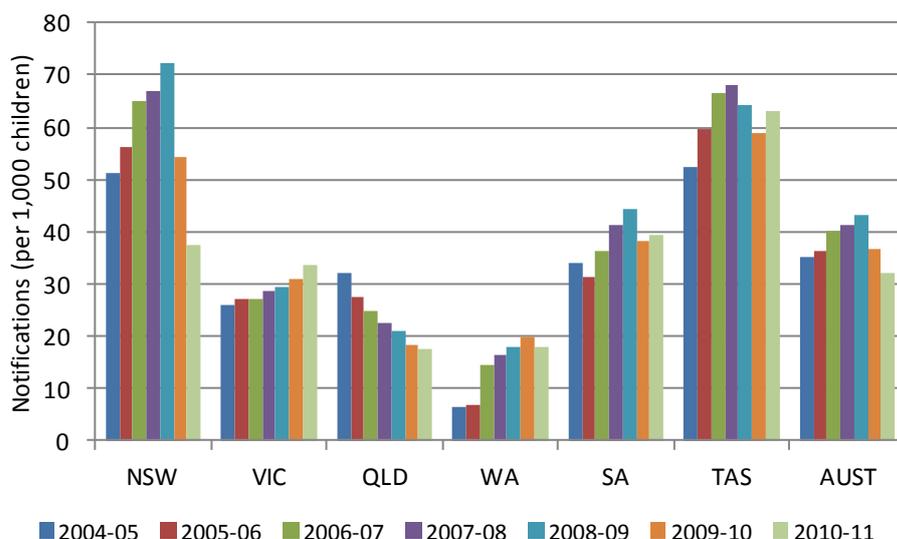
Figure 3.3 Child protection notifications, 1997-98 to 2010-11



Source AIHW, various years, Child Protection Australia

Figure 3.3 shows that notifications have increased in all jurisdictions between 1997-98 and 2010-11, however the trajectories have been quite different. In NSW notifications almost doubled in 2002-03 and continued to rise until 2007-08 before falling substantially for the past two years. This is likely to reflect the recent change in definition in the Children and Young Persons (Care and Protection) Act 1998 from “risk of harm” to “risk of significant harm” with reports that fail to meet the threshold classified as a concern rather than a notification. In Victoria, notifications rose gradually for most of the period before rising significantly in the past two years. Queensland experienced steep growth in notifications until they peaked in 2004-05 and declined rapidly thereafter. The number of notifications skyrocketed in Tasmania in 2003-04 and then continued to increase gradually. In South Australia, notifications have increased progressively since a trough in 2000-01. Notifications in Western Australia have increased markedly over the period, with most of the increase occurring from 2006-07 onward.

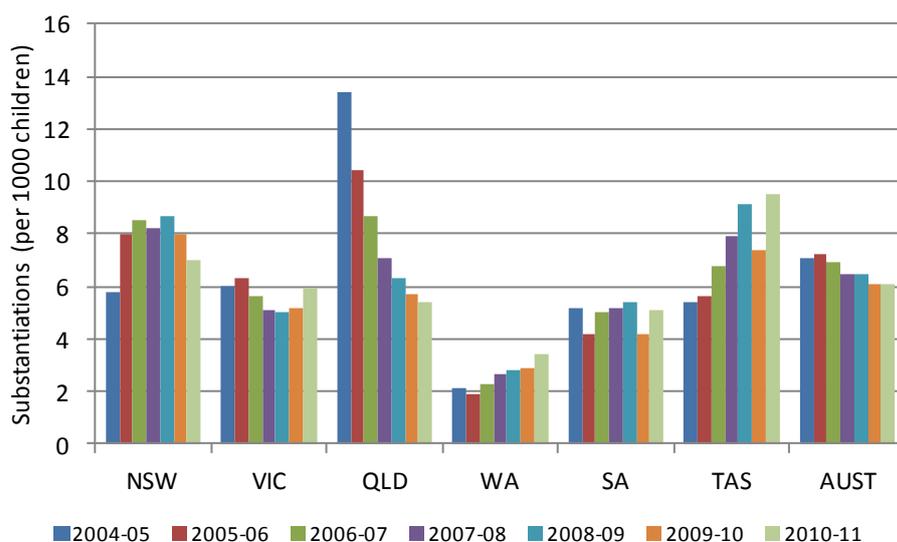
Figure 3.4 Notifications by state, 2004-05 to 2010-11 (per 1,000 children)



Source: SCRGSP 2012

Figure 3.4 shows the notification rate per 1,000 children by state from 2004-05 to 2009-10. Over this period the notification rate increased in most jurisdictions but has fallen slightly at the national level (from 35.3 per 1,000 children to 31.9). The rates are higher than the national average for Tasmania (63.1), South Australia (39.2) and NSW (37.3). In NSW there has been a dramatic decline from 72.2 in 2008-09 to 37.3 in 2010-11, as a consequence of the implementation of the Wood recommendations (see Section 4.4). In Victoria the notification rate has increased throughout the period to finish at 33.5 which is slightly above the national average. Conversely, the rate declined continually in Queensland to 17.7 in 2010-11. Western Australia had the lowest notification rate that increased from 6.4 per 1,000 children in 2004-05 to 18.0 by 2010-11.

Figure 3.5 Substantiations by state, 2004-05 to 2010-11 (per 1,000 children)

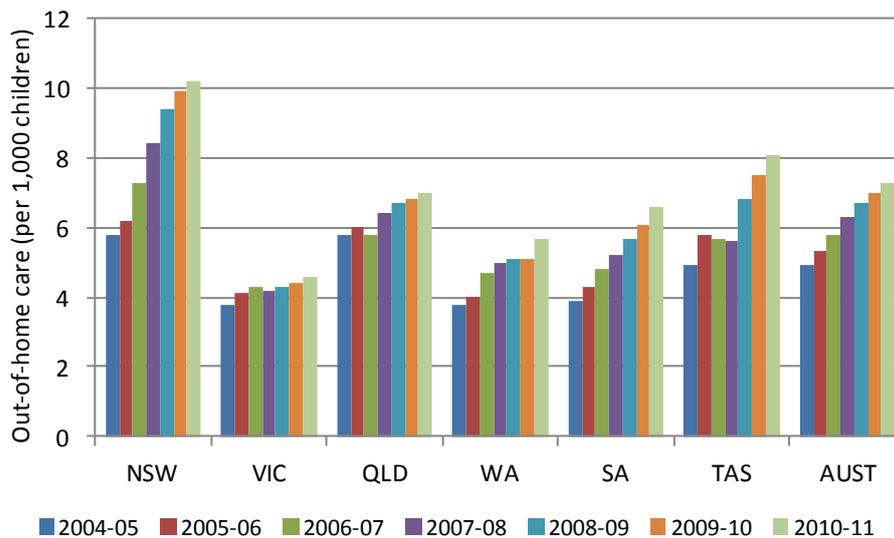


Source: SCRGSP 2011

Figure 3.5 depicts the substantiation rate between 2004-05 and 2010-11. At the national level substantiations declined slightly (from 7.1 to 6.1 per 1,000 children). The state figures reveal

more volatility. At the beginning of the period Queensland had a significantly higher rate at 13.4 per 1,000 children but this declined to 5.4 by 2010-11 which was below the national average. NSW and Tasmania were below the national average in 2004-05 (5.8 for NSW and 5.4 for Tasmania) but the substantiation rate increased to above the average by 2010-11 (7.0 for NSW and 9.5 for Tasmania). Western Australia and South Australia had the lowest substantiation rates throughout the period. The rate increased from 2.1 to 3.4 in Western Australia, while the rate was stable in South Australia (5.2 in 2004-05 and 5.1 in 2010-11).

Figure 3.6 Out-of-home care by state, 2004-05 to 2010-11 (per 1,000 children)



Source: SCRGSP 2012

Figure 3.6 shows the proportion of children in each state in OOHC between 2004-05 and 2010-11. The trajectory of OOHC contrasts with that of notifications and substantiations where we saw a decline in recent years which was more marked in some states than in others. For OOHC, the trajectory is unambiguously upward. Nationally children in OOHC have increased over the period, from 4.9 to 7.3 per 1,000 children. In 2010-11 the rate ranged from 4.6 per 1,000 children in Victoria to 10.2 per 1,000 children in NSW. NSW had the highest rate throughout the period, increasing from 5.8 to 10.2 per 1,000 children. The Boston Consulting Group (2009: A5) contended that ‘OOHC appears a response of last resort in Victoria to a greater degree than it does in NSW.’

The proportion of children in OOHC in Tasmania grew faster than the national rate, particularly in the past three years, to reach 8.1 per 1,000 children in 2010-11. Victoria had the lowest rate throughout the period and the smallest increase (from 3.8 to 4.6 per 1,000 children).

3.3 The National Framework for Child Protection

Provision of child protection services has traditionally been a state government responsibility in Australia. Each state and territory government has established services and programs underpinned by state legislation and enforcement through state-based judicial systems. There have been parliamentary initiated inquiries and commissions, ombudsman and Auditor-General investigations into child protection issues in the states over the past couple of decades.

As part of the COAG arrangements the Commonwealth, state and territory governments endorsed the *National Framework for Protecting Australia’s Children 2009-2020* (National

Framework) on 30 April 2009. The National Framework adopts a collaborative, public health model that provides a continuum of primary, secondary and tertiary services delivered by government and non-government agencies. Primary and secondary services meet the needs of most children including preventative strategies, early identification of vulnerability and risk reduction interventions. These services include child protection services, as well as specialist educational, psychological, medical and allied health, legal, justice, housing, disability and social supports (DHHS, 2012). Tertiary services consist of statutory child protection interventions to ensure children are safe. However, Goddard et. al. (2011: 4) note that ‘the effectiveness of such a model requires robust data. No such data appear to be available in Victoria.

Progress of the National Framework will be measured by key indicators. The national priorities are:

- A joined up approach to service design, planning and delivery with collaboration of the Commonwealth, state and territory governments;
- closing the gap;
- seeing early warning signs and taking early action. Developing a Common Approach to Assessment, Referral and Support (CAARS) for use in universal centres - medical centres, schools and day care centres – to identify children at risk;
- developing national standards for OOHC;
- building capacity and expertise;
- increase support for young people leaving care; and
- sharing information (FaHCSIA, 2012)

All states have introduced reforms to protection systems in recent years in response to research findings and inquiries into inadequacies in service delivery such as the failure to protect children from abuse, neglect, serious injury or death. Some of the trends in reforms adopted by states include:

- the safety and wellbeing of children is a shared community responsibility;
- collaborative interagency partnerships and, in some instances, priority service to children and young people in the care and protection system;
- expanded role for non-government providers of family support and out-of-home care services;
- strengthened requirements for the recruitment and training of foster and kinship carers;
- charters of rights for children and young people in care;
- children and families empowered to participate in decision making;
- Children’s Commissioner and/or Children’s Guardian positions created to advocate for children within systems, monitor the performance of child protection agencies and, in some cases, monitor the performance of the out-of-home care system;
- significantly increased investments in services available to vulnerable families and children at-risk;
- specific services for Aboriginal and Torres Strait Islander clients established; and

- new service delivery models established so many children at-risk can be diverted from statutory intervention (COAG, 2009: 42).

3.4 Child protection in NSW

The NSW Department of Family and Community Services (FaCS or DoCS) is responsible for child protection services in NSW, including early intervention, the care and protection of children at risk of harm and OOHC.

3.4.1 Historical development of child protection in NSW

According to Haly (2010) child protection in NSW has exemplified the neoliberal approach to service delivery with an emphasis on small government, the implementation of a purchaser/ provider split with the outsourcing of the delivery of some services to NGOs. These policies were evident during the Coalition period between 1988 and 1995. Between 1988 and 1993 around 1,100 administrative positions were eliminated, supervisory positions were cut and specialist child protection positions were replaced with generalist child protection officers (Haly, 2010). DoCS budget was also cut in the early 1990s as were community based family programs and the number of residential beds fell from 740 to 104 as 15 residential units were closed between 1988 and 1992. The closure of DoCS residential care resulted in residential care being contracted out to NGOs in 1994¹.

In 1991 the Greiner Government commissioned the Usher Report, by John Usher from Centacare, to review substitute care services in NSW. The Usher Report, released in 1992, recommended that all OOHC be transferred to NGOs over a period of three years (CCC, 2010). According to Haly (2010: 127):

Twenty-nine leading NSW community services providers concluded that the implementation of the Usher Report was ‘the most detrimental action ever taken in the entire history of NSW child welfare’.

This outsourcing process was halted after the 1996 policy shift under the Carr Labor Government to commit DoCS to continuing in the role of service provider, leaving provision of OOHC services with both the Department and NGOs.

The change of government also brought other changes between 1995 and 2003: the return of specialist officers, increased budgets and mandatory notifications. Haly (2010) makes the point that there was a skills deficit due to loss of experienced staff under the Coalition resulting in poor outcomes such as the highest rate of re-notifications of any state².

The Wood Royal Commission in 1997 described DoCS as ‘a dysfunctional department trying to treat dysfunctional families’ (Haly, 2010: 131). Major changes following the release of the report included:

- the children and Young Persons (Care and Protection) Act 1998 that made changes to OOHC including the introduction of kinship care, regulations to improve the quality of care;
- the establishment of the Children’s Guardian in 2000 and the Commission for Children and Young People in 1999 (CCC, 2010);
- the introduction of mandatory reporting in 1998 requiring professionals working with children to report situations where they believed children were “at risk of harm”; and there were increased in the budget and staffing – an additional \$91 million or an increase of 11 per cent in DoCs budget in 1998 (Haly, 2010).

A further review of OOHC occurred in 2000. The Community Services Commission's Inquiry into substitute care concluded 'that the substitute care system in NSW has failed to deliver adequate care and protection for children and young people' (quoted in Rath, 2001: 34). Contributing factors identified included inappropriately high caseloads and the inability to form relationships with children due to work pressures as well as difficulties in obtaining appropriate care for children removed from their families. The Community Services Commission (Fitzgerald review) recommended:

- DOCS should no longer provide long-term care;
- DOCS should separate child protection from "substitute care";
- Welfare agencies to be funded for the real cost of services;
- Same standards and workloads for DOCS and welfare groups;
- Review of the circumstances of all children in long-term care "as a priority";
- Children with disabilities to be cared for by mainstream agencies;
- Better services for Aboriginal children in care;
- Adequate funding for the expected increase in children in care;
- Better monitoring, accountability and training;
- Treasury and Cabinet Office to be involved in the implementation of the reforms;
- A Supported Care Advisory Council to regularly review the sector; and
- Reforms to be implemented within three years (Rath, 2001: 37).

NSW announced a \$1.2 billion reform of child protection over five years from 2002-03 to 2007-08 with over half to be spent in the final two years. The initiative included an additional 875 case workers and their support staff. Staffing was further enhanced with an additional 150 OOHC workers provided in 2005-06.

3.4.2 The Wood Report

The Special Commission of Inquiry into Child Protection in NSW (Wood Report) emphasised the importance of preventing children entering the statutory child protection system and recommended in 2008 that:

- An increase in the threshold for DoCS investigations to "risk of significant harm". Otherwise the child should be referred to Brighter Futures (if eligible) or to a Regional Intake and Referral Service that can link families to appropriate support services. These services were recommended to be operated by NGOs with one or more outposted child protection caseworkers.
- Extend the number and range of family support services provided by NGOs.
- OOHC be transferred to NGOs over a period of 3 to 5 years (echoing the Usher report). Three options were outlined:
 - DoCS retains parental responsibility and a non-government organisation is responsible for case management, placement and casework services.
 - DoCS delegates parental responsibility and transfers case management, placement and casework services to a nongovernment organisation;
 - Children and young persons with significantly complex needs or who are assessed as at high risk of immediate or serious harm or whose case

management requires high level collaboration with other government agencies will remain case managed by DoCS.

- DoCS and/or relevant NGOs should receive sufficient funding to service the actual and projected OOHC population to enable an average ratio of one caseworker to 12 children and young persons.

3.4.3 Keep Them Safe

The government responded to the Wood Report in March 2009 with the *Keep Them Safe: A Shared Approach to Child Wellbeing (KTS)* reform package that committed expenditure of \$750 million over 5 years, including additional child protection staff, and commenced operation in January 2010. In line with the Wood recommendations, the Government increased the threshold for intervention from “risk of harm” the “risk of significant harm”. The trends to increased attention to early intervention, family preservation and family reunion continue with the objectives of preventing children entering care or reducing the length of time spent in care.

The government is increasingly contracting out service provision to the non-government sector which will receive 40 per cent of the \$750 million (over five years) funding for Keep Them Safe for services such as the expansion of Brighter Futures and new programs such as Family Referral Services, Family Case Management and a range of services to Aboriginal families. Structured Decision Making (SDM) tools are being trialled to facilitate consistency decision-making. Child Wellbeing Units were established in 2010 in NSW Health, NSW Police, the Department of Education and Communities and the Department of Family and Community Services.

Early Intervention Services

Sustaining NSW Families is an integrated high intensity home visiting program for vulnerable families with social and economic disadvantage and psychosocial stress. The program commences during pregnancy and continues until the child turns two. It includes home visits and facilitates access to early intervention services. The program commenced in 2009-10 at three sites, Fairfield/Liverpool, Cessnock/Kurri Kurri/Maitland, and Wyong and additional services for Kyogle/Lismore/Richmond Valley and a multicultural service in Arncliffe commenced in March 2011.

Safe Start assists families with social and emotional issues during pregnancy and after the birth of the child. The program provides comprehensive psychosocial assessments to families during pregnancy and in the first year after birth and offers support and assistance with issues including domestic violence and substance abuse. In 2009-10 an additional eight positions were provided.

Brighter Futures commenced in 2002 to provide early intervention services by connecting families with appropriate services. The program was delivered both by the Department of Community Services and non-government agencies for families with long-term support needs. Reforms introduced as part of Keep Them Safe additional funding of \$8.7 million per annum has been provided to increase the number of families participating in the program by 200 places over 4 years. Revisions to the program announced in 2011 include delivery of Brighter Futures exclusively by the non-government sector, the transfer of \$10 million funding from Community Services to NGOs and better linkages to services such as domestic violence and substance abuse. Community Services will retain responsibility for families that are above the threshold of ‘risk of significant harm’ or with previous involvement with the

child protection system through provision of the Stronger Families program. In 2010-11, a total of 7845 children were assisted by Brighter Futures (68 per cent by NGOs).

The **Early Intervention and Placement Prevention (EIPP)** program subsumed part of the Community Services Grants Program in 2010-11. The program provides support services to prevent children from entering or remaining in the child protection and out-of-home care system. EIPP funded 430 services and distributed \$11.2 million through a tender process to 117 service providers and 130 services (80 expanded early intervention services; 32 new family support services; and 18 new intensive family preservation services (FaCS,2011). From 2011-12, the EIPP Program will have an annual ongoing budget of \$64.2 million.

Family Referral Services were introduced in 2010 as part of the Keep Them Safe reforms to establish centres that link families with appropriate services in the local area. Total funding of \$38 million will be provided to the non-government sector over 5 years for the staged implementation of the program. Trials between May 2010 and April 2011 included two models, a telephone centre at Mt Druitt and ‘augmented’ face-to-face services in Hunter/Central Coast and an Aboriginal service in the Western part of the state. New augmented services have since commenced in the Illawarra and New England/North West (Aboriginal focus).

Family Case Management is also part of the Keep Them Safe reforms that is being implemented over time. The program will provide integrated case management for families that are ‘frequently encountered’ by government and non-government agencies with a focus on families with children ‘at risk of harm’. Three pilot programs have commenced: South West Sydney, South East NSW, and Western NSW and each centre is expected to assist 15-30 families that are selected by local interagency groups. The expectation is that existing services will be utilised with some augmentation for brokerage of specific services (\$1 million per annum for five years or around \$5100 per family).

Acute Services

New Street- provides response to children and young people 10-17 years who sexually abuse. KTS funding enhanced two existing services (Sydney/Central Coast and Hunter/New England) and funded a new service in Dubbo in June 2011 with an aboriginal focus (FaCS, 2011).

Keep Them Safe Whole Family Teams were established to address the needs of families where the carer has substance abuse problems and parenting difficulties (FaCS, 2011). In December 2010 teams were established in Nowra, Lismore, Newcastle and Gosford to make assessments, and provide case management and specialist interventions (group, family, and individual) over a period of six months. The teams also link clients with other support services.

Sexualised Behaviour Program for children under 10 provides therapeutic intervention for kids under 10 who exhibit harmful sexualised behaviours. KTS funded 2 additional positions.

OOHC

Expenditure on OOHC has increased rapidly in recent years; from \$304 million in 2004-05 to \$694 million in 2010-11 or almost 15 per cent per annum (Lambert, 2011). Costs depend on the number of children in OOHC, the length of stay and the unit cost of service provision. Additional funding of \$540 million was provided over 2008-09 to 2013-14 in the 2008-09 Budget and subsequent mini-Budget, then a further \$45 million was provided for 2008-09 and \$50 million per year from 2009-10 as part of the KTS package (Boston Consulting Group, 2009).

The transfer of responsibility for OOHC was recommended by the Usher Review, the Wood Report/Review and the Lambert Review which stated:

...the appropriate, long-term role for the Department of Community Services should be to assess and review service needs, negotiate contracts with service providers, and to monitor standards, and to ensure programme and financial accountability on the part of service providers. The Department should not continue to operate as a major substitute care provider. Such activity by the State Government seriously compromises its proper assessment, contracting, review and monitoring roles in relation to the provision of services (Lambert, 2011: 15-24).

In June 2011 there were 3,165 children in OOHC placed with NGOs, representing 17.7 per cent of the total of 17,896 children in OOHC in NSW. There are currently around 1,200 children in OOHC with the NGO sector from a total of 17,896 in OOHC (FaCS, 2012). The majority of OOHC will be transferred to NGOS over time. In March 2012 the government signed contracts with 35 NGOs (out of 37) for OOHC and invited tenders from other organisations to commence in July 2012. The new contracts offered various payment rates: General Foster Care and Care +1 \$37000 per annum; General Forster Care +2 - \$37000 plus up to \$10000 per annum; Intensive Foster Care \$88000 per annum; Residential Care \$176000 per annum; Intensive Residential Care \$288000 per annum. (ACWA, 2011). NGOs will be responsible for: assessing, recruiting, retaining and training carers; providing caseworker support to carers and children; and arranging specialist assistance such as psychologists or speech therapists.

If all children were to transition to the NGO sector this would entail the transfer of 7,602 children based on the number of children in the Community Services sector in June 2010. An expansion of this magnitude will require NGOs to expand the physical and human resources (buildings and staff) substantially over a short period of time. Some of the difficulties that they are likely to encounter include the availability of suitably qualified and skilled staff, training and development, building organisational capacity and internal communications, increasing infrastructure and management capacity.

The Lambert Review provides some insight into differences between the role of NGOs and the Department in OOHC provision. NGO places have been expensive relative to places provided by the Department, costing up to twice as much due to poor contract management and low levels of utilisation of paid places. The report states:

For example, the unit cost of some NGO General Foster Care places can be double the cost of a place provided by Community Services for a child with the same level of assessed needs. It is unclear the degree to which the child's outcomes are improved by receiving the higher cost place and whether this represents value for money for the taxpayer. It is also questionable on equity grounds whether such variability is acceptable (Lambert, 2011).

In addition to other expenses, a range of additional or contingency payments may include child care, clothing and footwear, education, therapy and the like. In recommending tighter controls over contingency payments, the Boston Consulting Group noted that contingency payments varied with the type of OOHC, with average payments for children in DoCS foster care of \$3,700 around half the rate of those for children in NGP general foster care (\$7,500).

3.4.4 Outsourcing in NSW

This section presents data on grants to NGOs for the delivery of services on behalf of the NSW Department of Community Services in 2010-11.

Community Services Grants for Child Protection

In 2010-11 23 organisations received funding for Community Services Grants for Child Protection. Table 3.1 details the top 10 organisations by funding level and total amount funding. The Uniting Church received the largest grant of \$928,029 which was over 21 per cent of total funding for the program. Organisations who received more than 5 per cent of funding are shown in Table 3.1.

Table 3.1 Community Services Grants, Child Protection, 2010-11

Organisation		Funding	Share of Total Funding
		\$	%
1	Uniting Church	928,029	21.2
2	Department of Health	383,831	8.8
3	Rosie's Place Inc	353,350	8.1
4	Gunedoo Child Protection Service Inc	352,626	8.1
5	CatholicCare	346,968	7.9
6	Wollongong West Street Centre Inc	256,891	5.9
7	Rosebank Child Sexual Abuse Service Inc	194,381	4.4
8	Child Abuse Prevention Service (Sydney) Inc	191,136	4.4
9	Swinson Cottage Family Centre Inc	178,545	4.1
10	Rosemount Good Shepherd Youth & Family Services	146,543	3.3
Total funding		4,379,950	

Source: FACS Annual Report 2010-11

These grants are now part of the new Early Intervention and Placement Program (EIPP) which funded 430 services to reduce the likelihood of young people entering or remaining in the child protection system (FaCS, 2011). Funding of \$5.5 million was provided to assist services transition to the new model and implement performance-based contracting.

Table 3.2 shows the major recipients of funding for the provision of Out-Of-Home Care, ranked by the amount of funding received in 2010-11 and the total funding for OOHC. Funding to NGOs for the delivery of OOHC has almost doubled in only two years. Life Without Barriers received the largest funding share (around 25 per cent of total funding) which more than doubled, from just under \$24 million in 2008-09 to more than \$55 million in 2010-11. The largest proportional increase was for Allambi Youth Services with an increase from around \$5 million in 2008-09 to almost \$213 million in 2010-11. Large funding increases were also obtained by The Uniting Church, Anglicare and CatholicCare. The transfer of almost all OOHC to NGOs over the next 5 years (10 years for Aboriginal children) will provide these organisations with massive increases in funding.

Table 3.2 Funding for OOHC, 2010-11

Rank	Organisation	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
1	Life Without Barriers	23,912.5	48,382.1	55,593.7
2	Uniting Church	14,314.3	20,992.5	24,298.2
3	Allambi Youth Services Inc	5,179.8	17,622.9	22,801.3
4	Anglicare	8,754.7	12,640.9	14,709.6
5	CatholicCare	9,915.5	12,961.0	13,811.7
6	Barnados Australia	12,355.9	12,854.2	13,342.2
7	Marist Youth	12,283.2	13,135.8	13,320.6
8	Southern Youth and Family Services Assoc.	2,329.9	5,079.7	7,332.7
9	CareSouth	3,668.3	6,028.4	7,151.5
10	The Benevolent Society	1,724.2	5,088.0	6,400.3
Total Funding		127,040.0	196,614.6	225,251.2

Source: FACS Annual Report 2010-11

Brighter Futures

The 9 organisations shown in Table 3.3 receive 94.7 per cent of Brighter Futures funding for NGOs. The major providers are UnitingCare and The Benevolent Society who account for almost 50 per cent of total funding. The transfer of the component of the Brighter Futures program previously provided by Community Services to NGOs will result in increased funding. In 2010-11, NSW Community Services provided assistance for 2,500 children or 32.1 per cent of those participating in Brighter Futures.

Table 3.3 Brighter Futures funding

	Organisation	Funding	Share of Total Funding
		\$'000	%
1	UnitingCare	13,139.1	26.6
2	The Benevolent Society	11,389.4	23.0
3	Mission Australia	6,756.0	13.7
4	SDN Child and Family Services Pty Ltd	5,246.5	10.6
5	Bega Valley Shire Council	2,696.7	5.5
6	Samaritans	2,533.6	5.1
7	Mid Richmond Neighbourhood Centre	2,314.0	4.7
8	Red Cross Society	1,475.6	3.0
9	Barnardos Australia	1,287.3	2.6
Total Funding		49,443.0	

Source: FaCS Annual Report 2010-11

3.5 Victoria

3.5.1 Historical development of child protection in Victoria

The Victorian Children's Protection Society was responsible for child protection in Victoria until the state assumed responsibility in 1985 as a result of the recommendation of the Carney Committee in 1984 that 'responsibility for investigation and intervention be vested in the then Community Welfare Services Department' (Protecting Victoria's vulnerable Children Inquiry, 2012: 58). The committee also recommended an increase in resources, greater attention to supporting and strengthening families and an emphasis on family reunification; themes that remain prominent in child protection discussions to this day.

A "dual-track" system involving the police and the child protection services remained in force until it was abolished in 1994 (Lamont and Bromfield, 2010). In line with international trends there was a shift away from large residential care units to foster care during the 1980s and 1990s. When mandatory reporting was introduced - in 1993 for doctors, nurses and the police, and in 1994 for teachers and school principals - there was a large increase in notifications and the number of children placed in OOHC.

The Government initiated a review of statutory services in 2002 in response to demand pressures using a three stage process. The Allen Consulting Group released the *Protecting Children: The Child Protection Outcomes Project* in 2003 which recommended an integrated broad-based service to protect children. Following consultations around the recommendations, the Victorian government released the *Protecting children: Ten priorities for children's wellbeing and safety in Victoria* report in 2004 (Bromfield, 2004). The ten priorities were:

- A cohesive policy and legislative framework;
- Enhanced strategic management of the service system;
- Reduced Aboriginal over-representation in Child Protection and Alternative Care Systems, strengthening of self-management and an increased range of culturally-specific supports and services;
- A service system that supports earlier intervention and prevention;
- A differentiated range of service responses which form a services system;
- Information sharing in an integrated system of children's and family services;
- Enhanced child protection practice and out-of-home care;
- The Family Division of the Children's Court and Alternative Dispute Resolution Models;
- Enhanced stability for children; and meeting the needs of young people, including those leaving care.

Some submissions in response to the report were critical of some aspects of the report. The Youth Affairs Council of Victoria (YACVic, 2004) raised concerns about the lack of attention to resources to implement the reforms:

The paper presents a vision for significant systemic reform. While the desired changes will not be sustainable without a considerable injection of resources, a discussion about resources is notably absent from the consultation papers (YACVic, 2004: 7).

The submission also raised concerns about community organisations being involved in child protection which could result in ‘blurring their support role with an investigative role’ (YACVic, 2004: 16).

3.5.2 The Child FIRST reforms

In the 2003-04 Budget, the Government allocated \$88 million over four years to implement *Children First*, an integrated approach to meeting the diverse needs of children, encompassing preschool services, early intervention and child protection:

- \$17 million over four years to upgrade maternal and child health centres and provide professional development for maternal and child health nurses;
- \$8 million over three years for grants to integrate preschool and childcare resources into a single network of programs and specialist services such as speech therapy, nutritional advice and psychological therapy;
- \$8 million over three years to establish new preschools in growth suburbs with an emphasis on linking them with extended childcare;
- \$6 million over four years for additional early intervention services for autism, speech and behavioural problems to enable early detection and referral for assessment and treatment;
- \$5 million in 2003-04 for the provision of computers and information technology in preschools;
- \$16 million over four years to boost payments to foster carers to ensure that children receive the best possible care and carers receive the best possible support; and
- \$28 million over four years to trial innovative approaches to early intervention and prevention of child abuse and neglect.

In 2005 the government released the White Paper, *Protecting children: the next steps*, that outlined major reforms to child protection services in Victoria to ensure that children and families had access to services when needed in order to provide security and stability for children. Specific components included:

- Earlier intervention and prevention by having government funded community-based intake and referral services capable of assisting families engage with appropriate services;
- Integrating services required by vulnerable children and families through collaboration between services such as health, education, family services, drug and alcohol services and the like;
- Child Protection to assess reports and investigate those classified as notifications, or for less serious cases, provide advice or referral to NGOs for further assistance. This was designed to ‘fill the current gap in responding to vulnerable children and vulnerable young people and their families (page 7); and
- Provide stability for children in OOHC by developing a stability plan for each child, more solution-based decision making through family group conferencing, and developing new models of kinship care for Aboriginal children.

Subsequent changes were enshrined in *Children, Youth and Families Act 2005* and the *Child Wellbeing and Safety Act 2005*. The legislation provided a new framework for child protection and services for vulnerable children and families and established oversight bodies:

the Victorian Children's Council; the Children's Services Coordination Board; the Child Safety Commissioner (DHS, 2006; AIHW, 2010, Child Protection Australia, 2008-09). Importantly Child FIRST enabled child abuse reports including those by mandatory reporters to be made to either DHS or by referral to Child FIRST, thereby incorporating a statutory role for community organisations.

The Child and Family Service System Reforms commenced in July 2006. From April 2007, Child FIRST (Child and Family Information Referral and Support Teams) and Integrated Family Services were introduced to provide an identifiable entry point to services needed to support children, young people and families where there are concerns for the wellbeing of a child or young person. Child FIRST is now in place across all of Victoria, covering 24 catchments (COAG, 2009). There are three components to the system. The first component is Child FIRST family and placement services delivered by NGOs. Child FIRST centres provide a range of services: information and advice, referral to assessment, planning, arranging support through a Family Services agency. Child FIRST has linkages with universal services and child protection through the co-located Community Based Child Protection worker.

The second component is the child protection services delivered by DHS. Under the reforms child protection services focus on statutory intervention while cases not reaching the threshold for statutory intervention are referred to support services. Child Protection also accepts referrals from Child FIRST where children are assessed as being at risk of significant harm. The final component is the Children's Court which makes legally binding decisions in relation to the care and guardianship of children.

Child and Family Services Alliances were established in each Child FIRST region to facilitate the effective operation of the new system and coordinate local services. These Alliances consisted of representatives of Child FIRST, all funded family services, Child Protection and the Department of Human Services Family Services Partnerships. According to the Ombudsman (2010), these arrangements further cemented the long-standing relationship between the state and NGOs in relation to child protection.

Funding was provided for the new Child FIRST centres and Family Support Innovations Projects, with recurrent funding for 46.5 FTE staff for the Child FIRST centres employed by NGOs. However, no additional funding was provided for the Community Based Child Protection workers transferred from Child Protection (KPMG, 2011). A boost to outsourced services included funding for new Early Childhood Development Workers in Child FIRST.

The Brumby Government provided an injection of \$160.8 million in funding in 2009 for a range of services (Victorian Government, 2009-10):

- An overhaul of OOHC through the new *Directions for Out-of-Home Care* with funding of \$134.7 million to provide more OOHC placements including residential care and 100 new line-in carers for children with challenging behaviours, better support for community organisations providing residential care, expanding therapeutic services to assist children recover from trauma;
- \$14.6 million for additional capacity in the after hours child protection emergency and crisis response telephone services and Streetworks Outreach Service;
- \$10.5 million for sexual assault counselling for children; and \$1 million for improved Koori Maternity Services.

A review of Child FIRST by KPMG (2009) found demand pressures and the complexity of cases caused suboptimal outcomes. Strategies that precluded effective early intervention.

However, in some sub-regions, increasing demand (often associated with sub-regional population growth, increasing client complexity and slower throughput) is causing Alliances to redesign their models, with a number of Alliances deciding to not accept referrals in times of heightened demand, in preference to leaving families in active holding for very lengthy periods of time. While recognising that this reflects the need to manage organisational risk, such strategies may act as an impediment to the full testing of Child FIRST and Integrated Family Services capacity for earlier intervention (KPMG, 2009: 3).

The third review found that the Community Based Child Protection worker was ‘one of the core strengths of the reform process, providing substantial value to the Child FIRST and Integrate Family Services’ (KPMG, 2011: 7). Accessibility had improved as clients increased by 9.3 per cent between June 2006 and June 2009, Child FIRST was dealing with more complex cases and there was evidence of earlier intervention. Additional funding in 2010 had relieved demand pressures somewhat but it remained a problem. However, demand pressures were still evident as were other issues relating to skills deficits and the lack of other resources such as housing³:

Alliances have put in place a range of strategies to manage demand. Where demand is moderate, these have been relatively effective. However, in sub-regions experiencing demand at a less sustainable level, this is proving more difficult, with less capacity to undertake active holding and a requirement (in a number of cases) to restrict their intake of new clients in order to effectively manage organisational risk. This is reducing accessibility for families, Child Protection, and professionals to Integrated Family Services, with a tendency for referrers to ‘give up’ when faced with these constraints’ (KPMG, 2009: 16).

The report recommended establishing the real level of demand and ‘where necessary allocating additional funding to enable demand to be met in an ongoing and sustainable manner’ (KPMG, 2011: 21).

Subsequent Budgets boosted child protection funding further. In 2010-11 there was an additional \$34.8 million (Victorian Ombudsman, 2010). In the 2011-12 Budget funding of \$203.6 million over five years for the Better, More Transparent Services initiative established an independent children’s commissioner, a new case management process and \$19.5 million over four years for an additional 47 child protection staff.

In July 2011 the Government released the *Protecting children, changing lives: Supporting the child protection workforce* to operate from March 2012. The new operating model for child protection designed to provide more experienced child protection workers in frontline positions, provide more support and supervision for child protection workers and provide a better career and pay structure (Wooldridge, 2011).

3.5.3 How well are children protected?

An own motion investigation by the Ombudsman Victoria (2009) into child protection in Victoria discovered that:

- Many allegations of child abuse and neglect did not receive a timely response;
- The department meet targets for cases requiring an immediate response but there was evidence that the response indicator was ‘at times manipulated to achieve targets’ (Ombudsman Victoria, 2009: 9);

- The department did not meet targets for cases assessed as not requiring an immediate response;
- Resource constraints resulted in poor quality of service delivery;
- In June 2009 ,197 children (22.6 per cent of cases) had no allocated case worker and this figure is probably an underestimate;
- ‘some regions have a level of demand for child protection services they could not meet even if fully staffed’ (Ombudsman Victoria, 2009: 10);
- Staff stated that they had, at times, been directed to close cases even though they considered that further action was required;
- There were several instances where care plans were not prepared.

In making these findings the Ombudsman (Ombudsman Victoria, 2009: 9) stressed that staff were highly committed and ‘the current failures of the system should not be seen to reflect on the many dedicated staff working under difficult circumstances’.

In 2010, the Ombudsman conducted an own motion investigation into OOHC in Victoria and concluded that ‘some children do not experience *out of home care* placements as the secure and safe environment they should be. Rather, they are subjected to further abuse and neglect’ (Ombudsman Victoria, 2010: 9). Some of the disturbing findings included:

- Some of the 40 community service organisations with contracts to supply OOHC were failing to adequately document carer screening processes and reference checks so that it was not possible to establish that the checks had occurred;
- Some children could have been spared further harm if adequate screening and assessment had taken place;
- There is a lack of transparency and oversight of the quality of care delivered to children in OOHC;
- Many residential care staff are unqualified, transitory workers or have skills gaps;
- Results of external reviews for 19 OOHC agencies found that a large proportion of agencies were not fully compliant with standards:
 - culturally competent and inclusive services (10 per cent fully compliant);
 - training and development (58 per cent fully compliant);
 - supervision, performance monitoring and review (47 per cent fully compliant);
 - promoting development (53 per cent fully compliant);
 - assessment (63 per cent fully compliant);
 - Planning (53 per cent fully compliant);
 - Aboriginal children and youth’s cultural identity (42 per cent fully compliant) (Ombudsman Victoria, 2010: 53).

The complexity of the relationship between the Department and NGOs and the conflict of interest involved received particular attention:

I note that under the current system, a decision to refuse a community service organisation re-registration on the basis of poor external review performance would have significant consequences for the department. Given the current resource demands on the *out of home care* system (see chapter titled ‘Availability of Care’), it may also

put the children placed with that agency at risk. This clearly creates a conflict for the department as a regulator (Ombudsman Victoria, 2010: 54).

Moreover, outsourcing the care of vulnerable children required structured monitoring and placed the Department in the ‘conflicting roles of customer, regulator and partner’ (Ombudsman Victoria, 2010: 21).

The following year the Ombudsman conducted a further investigation into allegations that management were misrepresenting the number of unallocated cases by not providing services (Box 4.1).

Box 3.1 Failure to investigate reports of child abuse or neglect in the Loddon Mallee Region

The Victorian Ombudsman investigated complaints from a whistleblower that the Department of Human Services was directing intake staff not to accept cases for further investigation, closing cases without adequate assessment and allocating child protection cases to supervisors, managers and specialist staff.

In the Loddon Mallee Region the number of children without a caseworker fell from 27.3 per cent on 30 June 2010 to 1.4 per cent in April 2011 and then rose to 5.5 per cent in July 2011.

The Ombudsman found that:

1. One element of the region’s strategy to reduce the number of children without an allocated child protection worker was to investigate fewer reports...Despite receiving 551 more reports in 2010-11, it conducted less than three-quarters as many investigations.
2. Witnesses claimed that managers attempted to reduce the number of children on the awaiting allocation lists by closing large numbers of reports quickly. The data revealed that a large number of cases were closed on some days – 90 cases were closed on a particular day compared to the average of 22.7 cases.
3. ‘File examinations by my officers found many cases which I consider were closed prematurely by regional managers. A number of these cases were closed during the last few days of June 2011. Because of the department’s use of snapshot data when reporting on the number of children not allocated a child protection worker in its 2009-10 Annual Report, I am not surprised that the significant closure activity during that period led to a complaint that the region was attempting to misrepresent its performance’ (Victorian Ombudsman, 2011: 9).
4. There was poor documentation of why cases were closed.
5. Staff believed that cases had been allocated to staff on extended leave, supervisors, managers and specialist staff. The Ombudsman recommended that the department audit of the allocation of cases to these staff. The department accepted the recommendation and replied that no cases were allocated to specialists at 1 July 2011.

Source: Victorian Ombudsman, 2011

3.5.4 The Victorian Vulnerable Children's inquiry

The Protecting Victoria's Vulnerable Children Inquiry (Cummins Report) was commissioned in 2011 to investigate family support services, statutory child protection and the roles and responsibilities of the public and the community sector (NGOs). NGOs provide all OOHC services on behalf of the Department of Human Services (DHS) – foster care, kinship care and residential care.

Summarising submissions on the role played by the DHS in the system, it reported:

...that the statutory child protection system was stretched beyond capacity, reflected in the heavy demands placed on child protection workers and the inability to carry out adequate case assessments (PVVCI, 2012: 98).

...that DHS services are not structurally established to manage high levels of case complexity in an integrative and comprehensive fashion (PVVCI, 2012: 98).

The high turnover of child protection staff and the resultant impact on case worker continuity for vulnerable children was commented on in submissions (PVVCI, 2012: 99).

A combined submission was produced by Anglicare, McKillop Family Services, Berry Street Victoria, VACCA, the Salvation Army and the Centre for Excellence in Child and Family Welfare, they recommended:

- Stronger and earlier response to vulnerable families;
- Broader interface of child protection across secondary and universal service systems;
- More effort to build family capacity at the investigation phase of the child protection process;
- Outsourcing of statutory case work to the community services sector;
- Increase efforts to recruit carers, better remuneration and involve them in care planning, respite care, more support for carers;
- More therapeutic care including residential care;
- Joint DHS-CSO assessment and referral panels to assess referrals and placements for kids entering OOHC. (Protecting Victoria's Vulnerable Children Inquiry Submissions (2012))

Evidence to the Protecting Victoria's Vulnerable Children Inquiry quoted in Box 4.2 provides an insight into the experience of young people in residential care in Victoria.

Box 3.2 Evidence from young people about residential care experiences in Victoria

This excerpt from the Protecting Victoria's Vulnerable Children Inquiry (2011: 96) paints a concerning picture about the experiences of young people in residential care that contrasts starkly with the overriding principle of the Victorian child protection system that the 'primary focus is the child's best interests (Protecting Victoria's Vulnerable Children Inquiry, 2011: 55):

'Most young people in residential care who spoke with the Inquiry expressed with considerable anguish their concern about conditions in some residential units. Most spoke of how deeply unsettling it was to have new residents and staff continually come and go. Some spoke of their fears for their personal safety, having witnessed and in some instances experienced, intimidation, physical assault and unwelcome sexual behaviour from other residents. Some young people described serious bullying at a time when they were psychologically fragile and preoccupied with suicidal thoughts. Others spoke of how hard it was to maintain a commitment to their

education and to study in the evening when there was strong peer pressure not to attend school. The mental health and substance abuse problems of many young people in residential units was mentioned as posing enormous difficulty, as was the frequent attendance of police at the units as a result of property damage and assaults within the residential units. Some young people had numerous convictions for offences committed in their unit. While some young people remarked on positive relationships with a few residential care staff, negative attitudes were expressed towards those staff who withdrew from interaction with them, by ‘retreating to the office’.

‘The Berry Street written submission echoed these experiences, noting a case study where three young people in residential care were moved around residential care units in different country towns with very little notice or connections to the places to which they were moved (p. 47).’

Source: Protecting Victoria’s Vulnerable Children Inquiry, 2011

The 2011-12 Budget introduced funding of \$203.6 million over five years for the *More Transparent Services* initiative. This includes funding for the establishment of a children’s commissioner and a pilot of new case management practices. There was also \$19.5 million over four years for 47 additional child protection workers in response to demand. Additional staffing resources will also be utilised by a restructure of the workforce to free up another 160 staff for front-line child protection duties.

3.5.5 The extent of outsourcing in Victoria

Table 3.4 shows the organisations funded by the Department of Human Services that received more than \$20 million funding in 2010-2011 and the total amount of funding by DHS for the year. Some of the organisations receive funding for programs that are not related to child protection. The Yooralla Society Of Victoria and Scope Vic Limited provide services to people with disabilities.

Table 3.4 Funding by DHS, 2010 and 2011

Organisation	2011 \$m	2010 \$m
Yooralla Society Of Victoria	57.0	51.6
Scope Vic Limited	50.2	47.5
The Salvation Army (Victoria) Property Trust	48.2	46.1
Anglicare Victoria	46.3	42.5
Berry Street Incorporated	41.2	39.3
Loddon Mallee Housing Services Limited	39.5	49.0
Common Equity Housing Ltd	38.7	23.7
Moira Child & Family Support Inc	38.0	29.9
Uniting Church in Australia Property Trust (Victoria)	35.7	35.4
Port Phillip Housing Association Ltd	35.0	38.8
Yarra Community Housing Limited	34.4	86.7
Community Housing Vic Limited	30.3	54.2
Mackillop Family Services Limited	27.8	15.5
Supported Housing Limited	27.5	34.5
Wesley Mission Melbourne	26.0	26.1
Homeground Services	25.0	10.3
Melbourne City Mission Incorporated	20.8	21.1
Total grants and other expense transfers	2,238.1	4,397.3

Source: Department of Human Services, 2011, Annual Report

3.6 Queensland

3.6.1 Historical development

1999-2000 commenced implementation of the recommendations of the Forde Report of Commission of Inquiry into Abuse of Children in Queensland Institutions (AIHW, 2001).

The Forde Inquiry *Commission of Inquiry into Abuse of Children in Queensland Institutions*, made a number of recommendations including: increasing staffing (both services delivery and administrative); capacity building of community-based child protection and family support services; introducing a client complaint system; and improving responses to children and young people in care.

In 2001-02 OOHC services were licensed out and a Child Death Review was established.

In 2004, the Crime and Misconduct Commission made the following recommendations:

- a new department of Child Safety to focus on core child protection functions (implemented).
- govt maintain commitment to developing primary and secondary child abuse prevention services (implemented).
- Increase of 160 child protection family service officers and team leaders to deal with intake, assessment and casework (implemented).
- Annual increase in front-line CP workers in line with workload increases.
- Review the ratio of front-line staff to management and admin with view to increasing ratio (implemented)
- Enhanced training and professional development for child protection staff (partially implemented).
- Staff to complete induction training prior to assuming casework responsibilities.
- Responsibility for prevention and early intervention programs be with another agency not DCS.
- 40 specialist FSO positions to work with families whose children have been subject to low level investigation but continue to reside at home.
- Establish a Child Guardian –in the Commission for Children and Young People.
- ‘That alternative funding models that would more adequately meet the true needs of children, families and carers be investigated’ (CMC, 2007: 72).
- Partnership model between DCS and NGOs.
- Placement needs of kids to be identified and broad range of options-foster care, residential care, family-group homes, therapeutic foster care, intensive support, and supported independent living be provided.
- More therapeutic treatment programs for children with severe psychological and behavioural problems.
- Respite for carers to prevent burnout and placement breakdown.

- Each child has a dedicated DCS caseworker who maintains regular contact with child develops a detailed case plan to be reviewed every 6 months CMC (2007).

Following the Crime and Misconduct Commission in 2004 the Beattie Labor Government in Queensland commenced implementation of reforms to child protection that centred around structural reform to create a “stand alone” Department of Child Safety. Expenditure on child protection in Queensland increased from \$296 million in 2004-05 to \$500 million in 2006-07.

By 2007 the Department had largely achieved implementation of the recommendations of the Crime and Misconduct Commission by passing new legislation and developing new child protection policies and practices and increased placement options as well as increased support and training for foster carers (AIHW, 2008). Initiatives to improve service delivery included new screening, assessment, training and support for carers and education support plans and Child Health Passports. Structured Decision Making tools were introduced to assist staff with assessment and case management.

In 2008 the government committed \$15 million over five years for recruitment, training and support for foster and kinship carers (AIHW, 2010). Safe Houses have been set up in remote communities. These have a Family Intervention Services worker who can provide emergency and short-term placements so that children can remain in their communities. In addition, new therapeutic residential care services have opened in Cairns and Townsville to provide a wider range of placement options (AIHW, 2010).

3.6.2 Recent developments in child protection

The Department of Child Safety was amalgamated with the Departments of Communities, Housing and Disability Services, Sport and Recreation, the Office of Women and the Indigenous Government Coordination Office to form the new Department of Communities as part of the machinery of government changes in 2009, based on the attempt to provide holistic services through the “no wrong door” policy that will ‘enable client-centred, accessible coordinated services’ (AIHW, 2011: 111).

The *Helping Out Families* reforms received \$55 million in 2009-10 for support for families who were notified to child protection but did not meet the threshold for a statutory response (AIHW, 2011). The components of Helping Out Families are: family support services; enhanced domestic and family violence services; increased health home visiting program for children up to three years; and improved child safety regional intake processes. Similarly in the 2010-11 Budget there was \$8 million in additional funding for staffing child protection functions. The 2011-12 Budget delivered additional funding of \$12 million over 4 years to employ additional child protection workers.

A central component of the Helping Out Families reforms was the establishment of a new Family Support Alliance service run by a NGO that receives referrals from child protection and assists them to engage with services in the local area. Three centres have been established – Eagleby/Nerang/Beenleigh; Logan, and the Gold Coast. The services provided are: in-home support, parenting, budgeting, counselling, and referrals to other services.

3.6.3 Outsourcing in Queensland

There are currently 83 NGOs with contracts to deliver 279 services on behalf of Child Safety Services. Table 3.5 shows the major organisations that received funding from the Department for child protection services. Life Without Barriers has the largest amount of funding and received a large increase in 2010-11 (from \$22.2 million to \$29.4 million) due to the

establishment of residential care services in Rockhampton and Gladstone during 2010-2011 (Life Without Barriers, 2011).

Table 3.5 NGO funding in Queensland, 2009-10 and 2010-11

Provider	2009-10	2010-11
	\$m	\$m
Life Without Barriers	22.2	29.4
Lifeline Community Care	19.1	23.7
Churches of Christ in Queensland	15.9	22.4
The Order of the Sisters of Mercy in Queensland	12.4	17.6
The Synod of the Diocese of Brisbane - Spiritus	10.6	12.4
IFYS Limited	6.2	10.5
Anglicare - Central Queensland and Northern Queensland	8.3	9.2
ACT for Kids		5.8
Alternate Care Pty Ltd	3.1	4.5
Lifestyle Solutions (Aust) Ltd	3.4	4.0
Silky Oaks Children's Haven	2.0	3.7
St Vincent de Paul Society Queensland	3.0	3.5
FSG Australia	2.7	3.2
Total	154.6	203.0

Source: Department of Communities, 2011, Annual Report 2010-11

3.7 South Australia

This section details developments in child protection in South Australia. The responsibility for Child Protection has changed due to the machinery of government changes in 2011. The Department for Families and Communities (DFC) is now the Department for Communities and Social Inclusion (DCSI). Families SA, including the child protection and family support functions, is now part of the new Department for Education and Child Development.

3.7.1 Historical development of child protection in South Australia

The Department for Social Welfare was established in 1965 and became the Department for Community Welfare in 1972 when the *Community Welfare Act* and then the *Children's Protection and Young Offenders Act 1979* was passed.

The Task Force on Child Sexual Abuse that was established by the Bannon Labor Government reported in 1986 with in excess of 100 recommendations. As a result of the Task Force the State Council of Child Protection commenced operating in 1987 with the function of coordinating, monitoring and evaluating child protection programs in South Australia (Layton, 2003). Other outcomes included expansion of mandatory reporting and the establishment of a hospital based Child Protection Unit.

In 1989 a Select Committee was appointed by the Legislative Council of South Australia to investigate child protection policies in regard to mandatory notification, and interaction with the system from assessment to family reunifications. Subsequently the *Children's Protection Act 1993* placed greater emphasis on keeping children with their families. *Keeping Families Together* provided funding of \$2.4 million to Anglican Community Services, Centacare Adelaide, and South East Anglican Community Care for family support services to prevent

children going into care by increasing parenting, life skills and coping abilities (Select Committee on Families SA, 2009).

3.7.2 The Child Abuse Prevention Strategy

A joint working group of government and non-government representatives was convened in 1995 to develop a Child Abuse Prevention Strategy. The recommendations included: (1) the establishment of a Child Death Review committee; (2) review mechanisms to examine serious child abuse and neglect cases; (3) a diversionary system for sex offenders; and (4) universal home visiting (Layton, 2003).

Major reforms were introduced in 1997. A centralised intake system commenced with the objective of ensuring consistency of decision-making. A three tier classification system was implemented: Tier 1 indicated immediate danger; Tier 2 was serious risk of significant harm; and Tier 3 indicated that the child was in need but at low risk of harm (Select Committee on Families SA, 2009; Layton, 2003). Structured decision making was used for assessments and there was closer cooperation between agencies (Select Committee on Families SA, 2009).

Most of the alternative care system was outsourced in 1997 through competitive tendering to Anglicare SA, Aboriginal Family Support Services (AFSS), Anglicare Community Care, and Port Pirie Central Mission/Centacare Whyalla. These Alternative Care Service Providers (ACSPs) provided emergency, short/long-term and respite care and were responsible for providing the placements, as well as recruiting, assessing, training and supporting carers.

The 2002 Semple Review into OOHHC found that relationships between stakeholders was adversarial and there was a confusion of roles that needed to be clarified. In addition the Review recommended more flexible care packages and emphasised the need to focus on family preservation to prevent children entering the child protection system (Select Committee on Families SA, 2009: 16).

3.7.3 The Layton Review

The *Review of Child Protection in South Australia* (Layton, 2003) recommended a child centred holistic approach to child protection and made 206 recommendations relating to mandatory reporting, early intervention, OOHHC, interagency coordination and monitoring the performance of OOHHC providers. The goals of the State Plan (Layton, 2003:1.2) were to:

- Promote a whole of Government and whole of community response to child protection and the prevention of child abuse and neglect;
- ensuring a voice for children and young people and promoting their best interests;
- promoting quality and strategic governance, public accountability and transparency;
- improving quality in the child protection system focussed on better outcomes for children, young people and their families;
- developing and supporting a sustainable skilled workforce;
- preventing child abuse and neglect and improving outcomes for children, young people and their families and communities;
- promoting safer communities for children and young people.

Layton (2003) was critical of past failure to implement planned reforms and recommended the establishment of five statutory bodies: South Australian Child Protection Board; Regional Child Protection Committees in country and metropolitan areas; Commissioner for Children and Young Persons; Guardian for Children and Young Persons who are in any out of home

care situation, with a particular focus on those under the Guardianship of the Minister; and Child Death and Serious Injury Review Panel.

Recommendations with significant cost implications were:

- Implementation of State-wide Nurse Home Visiting Services;
- Increasing the staff of FAYS and reviewing their levels of remuneration at the base level;
- Increasing the availability and flexibility of suitable alternative care placements particularly for children under the Guardianship of the Minister;
- Developing and providing a package of services called “Youth Help” for adolescents at risk (Layton, 2003:1.11).

In relation to OOHC, the Layton (2003) report recommended an expansion in the number of OOHC providers accompanied by monitoring of performance standards.

3.7.4 Keeping Them Safe

In response to the Layton Report the government introduced the Keeping Them Safe (Government of South Australia, 2004a) reform of child protection. The priority areas for reform included: support to families and children through universal services and early intervention; effective, appropriate intervention; reforming work practices and culture; collaborative partnerships; and improved accountability.

In recognition of the importance of foster carers, the program included opportunities for training and skill development. The reforms included establishment of a number of agencies: the Office of the Guardian for Children and Young People; the Child Death and Serious Injury Review Committee and the Council for the Care of Children. Prevention and early intervention included expansion of preschool services, implementing the High Risk Infants Program, and Youth Support Teams to work with young people aged 15-25 years. Children under guardianship orders were given priority access to government services.

The Government provided funding of \$148.1 million over four years in 2004-05. 186 new positions were to be created in child protection and 73 additional positions created in 2003-04. Of the new positions:

- 54.5 positions to be employed directly into the core business areas of Family and Youth Services;
- 78.5 positions in alternative care therapists and support workers for children and young people in emergency care and other settings;
- 20 positions will be created to provide direct treatment services for abused children and young people;
- 26 new positions will be created to provide additional support for high need families with the view of preserving family connections while protecting children;
- 3 new positions to create the Office for the Guardian for Children and Young People;
- 2 new positions to create the Child Death and Serious Injury Review Committee;
- 2 new positions dedicated to the on-going training of teachers and school counsellors in child protection measures (Government of South Australia, 2004b: 2).

3.7.5 Recent developments

The Mullighan Inquiry was released in 2008 (Commission of Inquiry, 2008) and the Select Committee on Families SA (2009) was released in 2009. The Select Committee summarised evidence of inadequacies in Families SA operations and concluded that:

The evidence established that the statutory child protection system in South Australia is in crisis. The total number of notifications has doubled in 10 years. The Tier system for isolating children at severe risk of abuse or neglect has failed. The Committee heard that Families SA investigates less than half the notifications. On some occasions, five to six notifications may be made about a child before a case manager is assigned. Those same workers stated that finding a serious case in the system is like finding a needle in a haystack' (Select Committee on Families SA, 2009: 5).

In recent years there have been injections of funding to meet additional need and implement new programs. The 2007-08 Budget allocated \$103.9 million over 4 years for reforming the alternative care system as part of the Keeping Them Safe – In Our Care: Implementation Plan that was launched June 2007. The funding covered the following components of the package:

- Stronger Families, Safer Children Initiative to support families and prevent children going into care. NGOs were funded to deliver the program that commenced in April 2009 (Anglicare SA, Centacare Port Pirie Diocese, Centacare Adelaide, Nunkuwarrin Yunti, Aboriginal Family Support Services, Uniting Care Wesley Port Pirie and Anglican Community Care). The programs are: Targeted Early Intervention Family Support Services; Intensive Placement Support; and Reunification Support Services (Department for Families and Communities, 2011);
- Care planning improvements to provide greater stability and certainty;
- Care packages – tailored to individual children's needs;
- Aboriginal children – effective and culturally appropriate responses;
- Connected care – better integration of care teams and care families;
- Children with complex needs – better response;
- Valuing foster carers – increase numbers of carers, provide support, more training and appropriate remuneration (increase payments by 5% July 2007);
- Residential care and leaving care – more flexibility, diversity and quality support including more support for care leavers.

In 2008-09 an additional \$142.1 million was allocated over four years for alternative care places and services for children in OOHC due to increasing numbers of children in care. The funding included \$48.4 million to reduce the number of children entering OOHC and support for families and carers (increased payments) and a range of other measures. Additional funding and staffing resources were contained in the 2009-10, 2010-11 and 2011-12 Budgets to meet demand and to improve family reunification and children's services. In 2011-12 an extra \$69.1 million was provided over 4 years to meet home-based, residential and emergency care costs (41.7 million); \$8.4 million for six new residential care homes; and \$19 million for reunification services (Kelton, 2011).

3.7.6 The extent of outsourcing in South Australia

There has been extensive outsourcing of OOHC and early intervention services in South Australia. The agencies providing foster care services are:

- Foster care: Aboriginal Family Support Services; Anglicare SA; Centacare – Eyre and Western Region; Lutheran Community Care; Southern Country aboriginal Partnership; Uniting Care Wesley Country SA; and
- Specialised foster care: Baptist Care (SA); Key Assets; and Life Without Barriers.

NGOs funded to deliver the Stronger Families, Safer Children Initiative that commenced in April 2009 include: Anglicare SA; Centacare Port Pirie Diocese; Centacare Adelaide; Nunkuwarrin Yunti; Aboriginal Family Support Services; Uniting Care Wesley Port Pirie; and Anglican Community (Department for Families and Communities, 2011).

Table 3.6 Funding for NGOs from the Department for Children and Families

Organisation	2008 \$'000	2009 \$'000	2010 \$'000	2011 \$'000
Minda Incorporated	31,332	32,762	33,916	35,083
Anglicare/Anglican Community Care Inc	15,355	16,650	19,775	20,014
Royal District Nursing Service of SA Inc	16,696	17,073	17,810	18,387
Community Accommodation & Respite Agency Inc	11,321	11,946	12,335	13,370
Life Without Barriers	3,519	7,742	10,153	11,680
Novita Children's Services Inc	14,318	9,962	10,863	10,788
Aboriginal Family Support Services Inc	4,770	5,292	6,603	7,121
Uniting Care	10,129	7,027	7,571	7,009
Aged Care & Housing Group Inc	5,465	6,437	6,465	6,927
Leveda Inc	2,969	5,826	5,899	6,488
Spastic Centres of SA Inc	4,592	5,629	5,538	5,966
Centacare Catholic Family Services	6,885	4,605	5,813	5,597
Resthaven Inc	2,884	3,692	4,137	4,621
Baptist Care SA Inc	3,909	5,401	5,168	4,409
Total funding to Non-Government Organisations	247,289	234,674	257,976	274,569

Note: 1. In 2008-09 the Supported Accommodation Assistance program (SAAP) transferred to Housing SA. SAAP grants to non-govt organisations are not included in the 2008-09 totals.

Source: Department for Families and Children, 2011

Table 3.6 shows the funding for the NGOs with the largest grants from the Department for Children and Families and the total amount of funding provided to NGOs. This funding is not restricted to child protection programs. For example, Minda Incorporated provided services to people with intellectual disabilities. The Royal District Nursing Service of SA provides specialised nursing services, allied health services and home care support services. Novita Children's Services provides services to children with disabilities.

There was substantial growth in funding over the period. The decrease in total grants between 2008 and 2009 is attributable to the transfer of responsibility for the Supported Accommodation Assistance Program to Housing SA. The SAAP grants are included in funding for 2008, but are not included in 2009. In the two years from 2009 to 2011 total funding increased by almost \$40 million or just over 17 per cent.

Minda Incorporated received the largest grants that increased from \$31.3 million in 2008 to \$35.1 million in 2011. The religious charities were prominent in the funding distribution. Anglicare received more than \$20 million in 2011, Uniting Care received in excess of \$7 million, Centacare received funding of \$5.6 million and Baptist Care SA received \$4.4 million.

3.8 Western Australia

Child protection services are provided by the Department for Child Protection. This section briefly considers the development of child protection in Western Australia.

3.8.1 Historical development of child protection

The Ombudsman Western Australia (2006) provides an outline of the development of child protection services. Historically, children removed from their families were either placed in foster care or large residential facilities which were largely run by religious organisations⁴. In 1982 the Edwards Report noted that Western Australia had the highest rate of juvenile detention in the country. The Report recommended that child welfare issues should be separate from young offenders. Over time there was a refocussing of child protection toward keeping children with families where possible or returning them as soon as it was appropriate. For those in OOHC the preference was for foster care rather than residential care placements. In the early 1990s the department provided Adolescent and Children Support Services (ACSS) to provide temporary placements for a small group of youth with high needs who could not be placed in foster care.

Over time the focus shifted from residential care to alternatives. Following the 1991 review of Service Delivery and Management, resources directed towards support services and alternatives to residential care, such as foster care and one-on-one intensive foster places. The Gallop Labor Government, in the early 2000s, provided funding of \$10 million over four years for the Family Strengths early intervention program and a Men's Resource Service.

3.8.2 The Ford Review and after

The 2007 Ford Review was a comprehensive appraisal of the operations of the Department for Community Development that built on this trend. In total there were 79 recommendations (COAG, 2009). The Department for Child Protection was formed with three primary areas of responsibility:

- Supporting children and young people in the CEO's care.
- Protecting children and young people from abuse.
- Supporting individuals and families at-risk or in crisis.

The Department adopted the *Signs of Safety* framework in 2008. This program allows child protection workers and other professionals to meet with family members. A pilot project commenced in 2008 for collaboration in cases where pre-birth planning was used as part of the Interagency Pre-birth Protocol (AIHW, 2011). The Signs of Safety program is currently being rolled out throughout the state. Other initiatives following the Ford Report included:

- Collaboration with the Department of Education and Training and the Department of Health to implement health and education assessments for children in OOHC;
- OOHC placements in NGO family group homes has increased;
- The Department's residential services are being restructured in to three Tiers that will include children and young people in need of secure care, supports for foster carers

include respite services, additional training and a more inclusive approach through the Foster Carer Partnership Framework.

- There is also a greater emphasis on permanency planning.

The Secondary Family Support State Plan 2010-13 (DCP, 2010) outlined a strategy for the introduction of Secondary Support Hubs to be established and run by NGOs in targeted sites throughout the state. The Hubs provide:

- Intensive family support and other counselling services;
- Targeted parenting services; homelessness services;
- Family and domestic violence services;
- Services for young people; and
- Targeted community support.

The Signs of Safety framework has been adopted to create a more constructive culture around child protection organisation and practice. Central to this approach is the use of specific practice tools and processes where child protection and other professionals and family members can engage to address situations of child abuse and neglect.

The 2011-12 Budget announced an additional 37 child protection workers to case manage children in care, but these positions have to come from existing FTE through efficiencies. Additional funding was provided to NGOs:

- \$1.61 million in 2011-12 and \$6.74 million over 4 years to the non-profit sector for additional out-of-home care placements –additional 36 places in 2011-12; and
- \$0.15 million to community sector for trial of delegated case management of children and young people in care.

3.8.3 Outsourcing

A range of services are outsourced by the Department for Child Protection:

- Early intervention and family support programs such as home visiting services, domestic violence services, financial counselling, youth counselling and intensive in home family support services;
- Family Abuse Intervention – Child Sexual Abuse;
- Adoption services;
- Leaving Care Services;
- Placement services for foster care and residential care including family group homes; and homelessness services.

Outsourcing to NGOs in DCP in the 2009-10 to 2012-13 period is expected to account for 37.7 per cent of the total cost of services provided by the department.

Table 3.7 Department for Child Protection funding to NGOs

Provider	Total Funding	Contracts Awarded	
	\$m	From	To
Short-Term Accommodation for Youth	6.8	2009	2011
Salvation Army	5.3	2007	2010
Life Without Barriers	4.7	2008	2009
Mission Australia	4.4	2007	2011
UnitingCare	3.8	2009	2010
Anglicare	2.0	2007	2010

Source: www.tenders.wa.gov.au

The information on DCP contracts to specific organisations in Table 3.7 shows the total value of contracts and the period that contracts span. The value of outsourcing will increase in the future due to the expansion of OOHC, particularly in the Kimberley (Life Without Barriers, 2011) and initiatives contained in the 2011-12 Budget; the outsourcing of intensive therapeutic foster care and a pilot case management program.

3.9 Tasmania

In Tasmania child protection is the responsibility of the department of Health and Human Services. There have been a number of investigations and reviews of child protection issues in Tasmania in recent years. A review of child protection (Jacob and Fanning, 2006: 3) painted a disturbing picture of a system in crisis:

...it is imperative that the child protection system designed to keep children safe within their families is effective, highly focused and has high credibility.

Yet increasingly the evidence suggests that this is not the case in Tasmania. While the vast majority of child protection workers do a difficult job to the maximum of their ability, the system in which they are working is collapsing.

For several years the number of cases that have not been allocated for further investigation (unallocated cases) has continued to grow; industrial action has been continually threatened and occasionally instigated by over worked and overwhelmed staff; and the generally positive public perception of the system and capacity of child protection workers to intervene has been shaken.

Short term strategies such as increasing staff numbers have not alleviated the problem. In addition, staff have become increasingly disillusioned and weary of constant reviews, consultations and efforts to respond to their growing concerns without any significant changes being evident. The community has become disillusioned with the chronic problems that appear to continue despite increased government funding.

The report noted that long required changes had been initiated by staff, including a full induction program for staff and the upgrading of the computer system as well as a promising pilot program designed to prevent families from entering the statutory system. However, significant structural reform was needed. Recommendations were framed around ten strategies for reform:

- Build a framework for professional practice;
- Undertake legislative and policy reform;
- Reform management practices and organisational structure;

- Strengthen family support and early intervention services;
- Make children’s safety and well being everyone’s business;
- Build a professional and supported workforce;
- Provide the tools that staff need to do their job;
- Make the ‘State’ an exemplary parent;
- Enhance stability and permanent solutions for children affected by abuse and neglect;
- Improve accountability and quality assurance.

The report noted that the large number of notifications due to mandatory reporting was ‘overwhelming the system’ (page 59) which heightened the risk of inappropriate responses, prematurely closing cases to relieve pressure on the system, and resulted in higher numbers of clients than could be serviced and high re-notification rates. Pressure could also result in child protection workers removing children rather than implementing a safety plan to allow the child to remain at home.

KPMG were commissioned to develop an integrated strategy for child protection, family services and out-of-home care that was released in January 2008 (DHHS, 2008) *New Directions for Child Protection in Tasmania: An Integrated Strategic Framework*. The new framework was described as a child-centred model that integrated a continuum of services to respond effectively to the needs including a wider range of OOHC placement types. Over five years OOHC was to be outsourced to NGOs, including rostered care (residential care) ‘care planning, and in some cases, case management’ (DHHS, 2008: 39). The expanded roles of NGOs could include case management of children who are in long term, stable placements and providing a Permanent Care Program.

3.9.1 New services outsourced

NGOs were appointed to Gateway and Integrated Family Support Services and commenced in August 2009 to provide access to family support services (DHHS, 2010, Annual Report 2009-10)⁵. The services were contracted out to Baptcare in the Northern and South Western regions and Mission Australia in the North Western and South Eastern regions. Gateway Services refer clients to established family services and disability services and have a co-located child protection worker to assist with interactions between the Department and Gateway providers to ensure children receive the appropriate services.

Targeted Youth Support Services commenced in August 2010 to support young people aged 10 to 18 who are at risk of entering the child protection or youth justice system. The service valued at \$1.4 million per annum was outsourced to Mission Australia in the South and Anglicare in the North. Similarly a new program to support young parents with children under five years (the Early Years Parenting Support Service) that commenced in January 2010, was outsourced to Anglicare in the North West and Uniting Care Family Services in the remainder of the state. In September 2010 Anglicare Victoria and Anglicare Tasmania commenced provision of Therapeutic Residential Care Services in the Northern regions, while The Salvation Army (Tasmania) and The Salvation Army (Westcare) covered the South. Staff training was provided in working with involuntary clients, understanding trauma, attachment, cumulative harm and resilience and documentation requirements.

3.9.2 Latest developments in child protection in Tasmania

The Auditor-General's (2011) audit of OOHC that commenced in 2010 provided an opportunity to gauge progress in Tasmania over the past several years. The Auditor-General (2011: 2) observed that:

...the most costly and substantial recommendations [from previous reviews] have either not been implemented or have been delayed pending funding. We are usually reluctant to recommend specific funding on the grounds that an increase in one area inevitably results in a decrease in another. Such prioritisation is the province of government, not of auditors-general. Nonetheless, it needs to be recognised that OoHC is an area in which a short-term saving can lead to much greater long-term social, health and financial costs. This is particularly relevant to the need to improve system access and support for carers.

The Auditor-General found that:

- DHHS and Gateway processes were effective in ensuring notifications were effectively triaged;
- 36 to 61 per cent of investigations did not commence within the required timeframes but urgent cases were being managed;
- There were deficiencies in support for carers: unavailability of training for therapeutic foster care; insufficient numbers of support workers, support visits and annual reviews; insufficient assistance for carers in dealing with challenging behaviours;
- For children who were reunited with their families most of the sample did not have leaving care plans as required.

Recommendations included: upgrading ICT systems; ensuring all children received health assessments; had care plans; leaving care plans; increasing information and support to carers; and provide respite care.

An audit of case files by the Commissioner for Children Tasmania (2011a) found that: (1) only 27.2% of cases complied with requirements for visiting children in OOHC; only 14.8% complied with visiting requirements for carers; and involvement of children in care planning appeared to be very low⁶.

In April 2011 a new Deputy Secretary for Children was appointed and implemented a review of all Children and Youth Services (CYS) models of care (Auditor-General, 2011). Government launched *Agenda for Children and Young People, Our Children, Our Young People, Our Future* in July 2011 which is a whole of government approach to delivering services to improve outcomes for children.

The Select Committee on Child Protection (2011: 3) noted that the system was struggling and:

..the child protection system in Tasmania had failed children and families in the past, was currently failing children and families, and would continue to fail children and families into the future if nothing changed (Select Committee on Child Protection (2011: 3).

The Committee also received substantial evidence that the child protection system needed a major injection of funds or else the current reform agenda would stall and there would be little improvement without a substantial resource allocation (Select Committee on Child Protection (2011: 4).

The Committee recommended that Tasmania adopt a public health model of child protection. Additional services including: specialist and universal services; increased mentoring and support of child protection workers; training; adequate resourcing and manageable caseloads. The Committee also accepted the view that there was a conflict in DHHS being both a funder and provider of services and recommended further outsourcing of support for carers and to investigate the feasibility of contracting out case management for children in residential care.

The Government responded to the Parliamentary Committee report in 2012 by accepting most the recommendations, including further outsourcing of management and support of carers and investigating the feasibility of contracting out case management of children in out of home residential care. Also accepted was the recommendation that:

The workload and caseload of Child Protection workers should be manageable and should be monitored to ensure it is manageable within established ratios. (DHHS, 2012: 20).

The 2012-13 Budget indicated that fiscal constraints are likely to be a factor in the implementation of the recommendations:

Action on the Tasmanian Government Response to the Select Committee on Child Protection will first target areas where outcomes can be achieved through the redirection of current resources; working more cooperatively across the government and the community sectors, and intervening earlier to reduce the potential for chronic problems to develop (Department of Treasury and Finance, 2012: 5.7)

The impact of fiscal policy on the ability of the Department to deliver improvements to child protection will become evident over time. However, the cuts to staffing over the past twelve months does not appear to demonstrate putting the needs of children first.

Currently child protection is not meeting the target of finalising investigations of abuse or neglect within 28 days of notification, although only 29.3 per cent of notifications were finalised within that timeframe in 2010-11 (Department of Treasury and Finance, 2012). The number of children in OOHC continues to increase and almost one in five children in care (18.3 per cent) had three or more placements in the previous 12 months.

3.9.3 The extent of outsourcing in Tasmania

In 2010-11 DHHS provided a total of \$187 million to 251 NGOs under the Central Grants Program to deliver 600 services. Of this \$26.6 million was for children and family programs (DHHS, 2011 – Annual report 2010-11). Table 3.8 shows the amount of grants to the larger beneficiaries of grants. The impact of recent outsourcing is immediately obvious. Grants to The Salvation Army skyrocketed to \$2.8 million after it obtained funding to provide Therapeutic Residential Care Services in the South of the state in 2010. Mission Australia grants increased from less than half a million dollars in 2008-09 to almost \$4 million in 2010-11. Similarly, Anglicare Victoria successfully entered the market in 2010-11 with grants of \$2.4 million. Anglicare grants increased by almost one million dollars in 2010-11 as did Baptistcare funding.

Table 3.8 Outsourcing of child protection services in Tasmania, 2007-08 to 2010-11

Provider	2007-08	2008-09	2009-10	2010-11
	\$	\$	\$	\$
Mission Australia		457,650	2,466,957	3,907,710
Baptcare			2,533,050	3,432,683
Kennerley Children's Home Inc	868.5	1,105,342	1,558,916	1,554,022
Salvation Army (Tasmania)	107,328	137,295		2,800,407
Centrecare Tasmania	661,493	763,089	667,830	829,704
Anglicare Tasmania	745,593	884,683	764,591	1,729,522
Anglicare Victoria				2,370,667
Australian Childhood Foundation			752,000	568,150
Sexual Assault Support Service Inc	619,173	639,606	660,710	682,516
TASCOSS	603,800	613,395	653,636	654,547
Glenhaven Family Care Inc	332,680	425,438	431,214	461,972
Total Funding	10,110,620	13,640,873	16,814,718	25,776,513

Source: DHHS Annual Reports, various years

3.10 Qualitative research - Key informant interviews

3.10.1 Introduction

This section reports the findings of the qualitative research component that consisted of key informant interviews designed to provide a deeper understanding of the issues and outcomes related to child protection in Australian states. Semi-structured in-depth interviews were conducted by telephone between November 2011 and February 2012. Respondents were asked to comment on:

- The major issues in relation to child protection in the state;
- State government policy changes in relation to child protection in the past five years, and significant policy changes that may have occurred prior to that time;
- Who has been affected and how;
- Any groups or individuals who have commented on child protection services;
- Evaluations, reports or outcome measures that address the adequacy of services;
- Whether child protection services have improved or worsened services over time;
- Whether the situation in that state differs significantly from other states; and
- The impact of Commonwealth Government policies.

The interview participants included child protection workers as well as representatives of non-government organisations, regulatory bodies and foster carers. There were 17 child protection workers, with representatives from each state and a mixture of metropolitan and regional workers. There were 9 other participants including community groups, foster carers, and representatives of state regulatory or oversight bodies. Four participants were based in NSW, two in Victoria, four in Queensland, five in South Australia, six in Western Australia and five in Tasmania. In the remainder of this section respondents will be identified as belonging to one of two groups; departmental employees will be coded as DE and state.

Other respondents will be identified as belonging to another organisation and coded as AO and state.

The interview data was transcribed and analysed using NVivo to identify major themes. The remainder of the section examines the themes that emerged from the interviews:

- Inadequate resources;
- Unallocated cases;
- Insufficient early intervention services to prevent children entering care;
- Staff recruitment and retention;
- Case load sizes leading to insufficient support for children in care and carers;
- Quality of services –eg generic care plans; etc

3.10.2 Resourcing issues

The picture that emerged from the key informant interviews was of a system attempting to deal with complex social issues emanating from structural as well as individual failings in an environment of chronic underfunding and under-resourcing. This finding accords with the findings of numerous reviews and previous research. In a similar vein the need for adequate resourcing for child protection was elaborated by UnitingCare Victoria and Tasmania (2004: 4):

For significant change to occur there needs to be a broad commitment at government and community level that investment in the welfare of children and families is a priority.... From commitment flows resources and the will to implement change.

Commissioner for Children Tasmania (2011b) stated that access to services was difficult, there was a lack of accommodation for children in care, no drug and alcohol withdrawal unit and inadequate mental health services. She commented:

It is clear that the Government needs to make a serious investment of funding over a number of years to prevent abuse and neglect and respond to those children who have been harmed (Commissioner for Children Tasmania, 2011b:7).

3.10.3 Unallocated cases

A perennial issue that points to poor service provision is the lack of a sufficient number of caseworkers to enable all cases to be allocated. In Western Australia the caseloads are capped at 15 as part of an industrial agreement. One worker explained how this restriction interacts with growing demand and inadequate levels to leave, on average, the equivalent of one caseload unallocated.

The gap will never be filled, you look at the data on the number of responses and the number of reports, unless the government was going to increase the number of case workers 2 or 3 fold, which it is not going to do. You will always find a situation where the majority of families of children that are subject to a report don't get the response. (DE, NSW).

The Government seems to think if they can jockey everything around to make sure kids are allocated then they will get a better service. But that's not the case. Unless you have a reasonable case load, you won't necessarily give everybody a good service. If you have 2 to 3 difficult people on your list you will spend all day all, week long with those difficult kids and the other 9 or 10 don't get any service at all (DE, Vic).

Respondents from Tasmania from inside the department and other organisations described a situation where there had been major improvements in service delivery through the elimination of large unallocated lists of up to 800 to 1000 cases a number of years ago but pointed to the danger of a decline in standards due a rationalisation of regions as a consequence of the current budget cuts imposed by the state government.

Sort of going back to the old ways again. Which never worked because we had a huge unallocated list (DE, Tas.).

As of today we've got 7 unallocated families. So 7 at the front end that are just sitting there. That are quite concerning, and we certainly need to do something about them, but we just haven't been able to touch them because we've got no one to do anything (DE, Ta).

So we have cases that in our language, they are queued to a team leader. So they are sitting on the team leaders' case load, and as a team leader you may either ask your workers to do tasks on it or you do nothing on it. We would be really prioritising all the time. If the child is unsafe now, and you can see that from the report that comes in, you would basically drop everything else and deal with that. So as team leader we have to have an idea of what sits on everyones' case load. And to say OK it's so urgent now I'm going to take something else off you and give you this one (DE, WA).

3.10.4 Caseload sizes

Caseload sizes vary substantially between states. It is difficult to set a standard caseload size because of the variable complexity of cases. NSW does not have a set caseload size, though one informant reported that it averaged 20-25 and there are “a high number of unallocated cases in out of home care”. WA has a caseload cap of 15 cases which can increase slightly for short periods. Queensland caseloads average 20-25, South Australia between 15 and 25, while Tasmania operates with caseloads of 20-30 cases.

In WA the case loads are capped at 15. So you cannot have more than 15 cases other than in exceptional circumstances, for short periods of time you may have 18. And that's an industrial ruling that came in about 5 years ago, that was hard fought for. ... My workers would not have 15 cases because you cannot do 15 investigations at the same time. It's not safe, so they would have less than that (DE, WA).

A consequence of the high ratio of caseworkers to children is the difficulty of managing cases when caseworkers go on leave as expressed following:

...they're left unallocated or the team leader has to manage them. Mostly though what happens is that they are shared out among the other workers to work with them off the side of their desk while that worker is away (DE, Tas).

We've also got child safety officers that need to act up into team leader when the team leader goes away. They need to carry their case load and learn to be a new team leader at the same time, with no backfill of child safety officers (DE, Qld).

Also when the CSO goes on holidays, there is never any backfilling. ... [people go on holiday, during that time the cases are given to other people, so you are managing your own workload plus backfilling the person on leave] [...work is waiting for you when you get back]

... that's standard practice, because there is definitely not backfilling of CSOs. And a manager has the discretion about backfilling team leaders, which occasionally happens

... If a senior practitioner doesn't get backfilled, then they will often come back from holidays to find that highly complex matters haven't been dealt with. ..or dealt with inappropriately. ... senior practioners regularly not backfilled and are seen as expendable .. (DE, Qld)

I would dread to come back because of the amount of work I know would be piled up. And when you come back from your leave, it takes a day to figure out, you're overwhelmed with the work that's been piled up. It's a nightmare (DE, WA).

You have people on maternity leave who are not being backfilled and you have people on stress leave because they are not coping with the workload and then you have even more demands on the staff who are left standing (DE, Tas).

Staffing is insufficient to deal with the rising complexity and intensification of the workload. As well as being noted by departmental staff, this issue has also been raised by outside organisations. Baptcare's submission to the Protecting Victoria's Vulnerable Children inquiry noted wide acknowledgement of increasing complexity in cases:

Families now require much more intensive work before any progress is achieved... We are seeing families with multiple issues that are being passed on to each generation; including family violence, homelessness, mental health issues and drug and alcohol abuse .This rising complexity means that families with a single high risk factor now struggle to gain access to services (Baptcare, 2011:1).

In addition to the more complex nature of the problems clients are presenting with, administrative and legal complexity is also contributing to the heavier workload.

We simply don't have enough people to fill the chairs so we have more work...The system has changed, it has become more rigourous, which is a good thing. We've got more compliances to manage, more computer work, a whole new system. So that's a direct impact on the employment. We do have workload mangement which puts a cap on how many cases we are meant to have, but when the workload management was introduced there was less reporting to the system...workload's increased, so even though there is a cap, inside there is more work to do now(DE, WA).

When upper management are pushing to have more cases allocated because its not OK to have cases unallocated then they get pushed into allocating more and more cases to workers. And because case management, that's the last stop so they don't have as many coming back out or closing as what's needed so there's more cases going in and less cases coming back out the other end. So the ability to pick up new cases all the time isn't there. Now they're being directed to pick up the extra cases even though they've just been told off because they're not meeting KPIs. They've not got their care plans up to date and lots of other admin duties aren't being maintained. They're going to blow the stats out even further by upping the caseloads again (DE, Tas).

The reality with DOCS is that so much more of the work now is bogged down in childrens' court. So a case potentially could even take up to half of one case workers time, just spent doing the court documentation and meeting the court dates as well as the contact demands for the children to have contact with their parents during that time. Another component to that in regard to what's holding case workers back from more direct case work with children and families is the legislation. The childrens' court

process itself has become an extremely time consuming and very demanding in regard to what documentation needs to be prepared for the court (DE, NSW).

With reunification there are quite stringent access plans. We've got clients who are dealing with 3 or 4 accesses per week, which take a lot of logistical balancing. The social workers have to oversee and supervise many accesses so that their time slots become very far and few between. When we have to reorganise things around school and programs and activities and all those sorts of things, it becomes logistically nightmareish to organise and very inflexible.... The case load increases or decreases based on the child. It seems to me that increasing case management occurs when the child has done something wrong, when they're not travelling too well, or if the child is close to transition or close to reunification. Those sort of things (DE, SA).

There are also not enough options for placing children:

Look the whole system in Tasmania is very very underfunded. So I don't know what the staff ratio is, but I know there aren't many options for those staff. So if a kid comes into care, they've either got foster care placements for them or they've got therapeutic resi[dential] care placement, or they've got some cottage care placement. There's nothing else. So for child protection I think they're damned if they do, and damned if they don't. Because often when you get a teenager come into care, foster care placement is not the best option for them. So what we've got now is often child protection often placing ... kids who are under orders in crisis homeless shelters because they can't find any other beds. Now that shouldn't happen. We're talking about young kids, but they are very hampered because there is no suite of residential options for them to put a kid in. (AO, Tas)

I think the difficult-to-place children have been most affected because that's unresolved, that remains in crisis. General lack of placements also affects case work because we can't find placements for children so you can't take them to care. You have to work with them in different ways. ... Keeping children in inappropriate placements, or with families that are not really that crash hot (DE, WA).

However, some staff have noted that recruitment and training had improved over time:

When I started the initial training program was the induction program, and that changed to the Beginning Practice Program that practitioners are now sent through. It's run over a different length of time, it has a very different focus. With the induction program could have commenced any time after you had been employed. So when I came along I had a case load and started work duties prior to having done any training, whereas now the initial program is very supported. New practitioners are not supposed to be allocated any case loads until they have done their 7 week Beginning Practice Program. So its much more protected, in terms of the learning environment. Very different to the way it was. There's also a bigger focus on orientating new workers to other parts of the program and the services that are available. More supportive than it used to be (DE, Vic).

3.10.5 Staff Turnover

The DHS (2011) reported a turnover rate of 25 per cent, that practitioners had reached a “tipping-point” and were ‘frustrated by feeling held back by the system’ (DHS, 2011: 7). High staff turnover means that children have a succession of case workers. DHS (2011) noted that 43 per cent of kids subject to orders for less than two years had 3-5 caseworkers and 39% of those >2 yrs had 6 or more allocated workers. This was borne out by the qualitative analysis, with most respondents mentioning the detrimental impact on children and carers of dealing with a procession of caseworkers due to high rates of staff turnover or reassignment due to structural changes in the department:

The case managers are usually graduates, that's why there's such a high turnover I think. They come out of university, .. stary eyed and going to change the world and do something for these kids, and then after about a year, they leave because they can't work. They realise with the case load and the number of children and the restrictions on the resources and everything, and they go off and do something else. It's very hard for the children, because they just get to know one case manager and then that person leaves (AO, WA).

We are not able to provide a very good or efficient service. We can't provide enough of a proper service to our clients, who are children, who are vulnerable, and who do require a bit more support. Previously, when I first came to the department there was a time when we could pick up a child and take the child out for a couple of hours with a child and build a report with them and have them know that you were someone that they could come to if there were issues or problems with the placement or at school or whatever's going on in their life. Now to be able to do that with the children we've got on our caseloads, its quite impossible. So unfortunately we do the minimum, provide the minimum face to face contact when we should be providing quite a lot more... they [the child] won't have anywhere to go with their information or with their concerns. Therefore if there is something going on in that placement that is not appropriate or that the child could be being harmed, they've got no voice (DE, SA).

I think that our clients do feel like they're the last chain in the case work. They feel like they have to repeat their story to every new case worker. And it's the same with the foster carers I've had when I first got cases, they say oh another new case worker. And you say how many have you had, they said 7 or 8 and you feel quite embarrassed (DE, WA)

They see less of the case workers, they don't have a relationship with the case workers. With the higher turnover of case work staff, every time that the case worker calls to see them, quite often it is a different person. The children don't have the continuity of a relationship with the case worker over years...which really, if you can have that, it's of such benefit in regard to that relationship, one for the child outside of the foster carer home, so that they feel and have a relationship with, somebody they can turn to if they have other problems, and just for the stability and continuity of case work per se and the planning around that (DE, NSW).

3.10.6 Support for foster carers

Most NGO's have been foster care providers and they can support foster carers better, than what the poor old child protection worker is trying to do with 40 families (AO, Tas).

But out of home care, that deals with us foster carers, they've recently had as many as 40 on each case load. You can't possibly look after 40 foster carers. To be able to make contact with them in 6 weekly cycles, you'd be doing your head in. Plus doing your placements and anything else they have to do in out of home care (AO, Tas).

...in regard to the relationship with case workers, that's been eroded over the years. and in many ways they are left to their own devices, they do the best they can, but sometimes that can lead to poor outcomes both for the carers and the children (DE, NSW).

Recruitment is certainly an issue, but sustainability for foster carers is a massive issue. First of all most foster carers aren't really provided with the necessary background and context that they need to be successful in their roles. Nor are they treated as professionals, they're treated as family carers and they're paid, across the board they're not paid particularly well to care for people (AO, SA).

A foster carer in Tasmania recounted the reduction in support workers over the past year. Support workers used to take children for access visits and supervise access. Now foster carers are being asked to transport children to access visits and the case workers are supervising the access. The large workload of caseworkers has resulted in many access visits being cancelled because the caseworker has been required to attend to urgent duties:

That's having a bit impact, because if the case worker doesn't actually have the time to do it, if they're required to be in court or have some other crisis pop up. Most of the accesses are being cancelled. We never saw that before. We used to see accesses cancelled with parents, you know the children would go off and in 20 minutes if the mum didn't show, then we'd get a phone call and [the kids] would come back. Lots of cases are getting cancelled now because of the CP worker just cannot be there. (AO, Tas).

3.10.7 Comments on outsourcing

State governments have outsourced services to some extent over the past 20 years or so.

I know in Victoria and NSW there is a significant number of not for profits running residential care facilities and foster care support and placement programs, whereas in SA, I think there are only 4 major not for profits who are running residential care and foster care support. The rest of that service is provided by Families SA (AO, SA)

Some draw the connection between the inadequate staffing of public agencies that have compromised the department's performance, that then justifies outsourcing:

So basically, what has happened, because of the extreme difficulty and the inability to service the case load in the child safety and statutory work, those resources got boosted and the department no longer had that role of worrying about the family

support, early intervention. That was taken off them and then somehow farmed out to the community sector. With or without resources (DE, Qld).

Of the \$680 million we have going into out of home care, 46% goes to the non government service providers and we keep the 54%. But here's the thing that's interesting: the non government providers have got 2,500 kids in their care, and they get 46%, we've got the other 15,000 and we and get the 54%. So we're paying the non government providers \$100,000 a child and we're doing it on about \$26,000 a child. Not too badly I might add, I know that everybody points a bone at us and says we're not very good as carers, but if we had the resources that the non-govs got we could have done a remarkable job (DE, NSW).

Another departmental employee made a similar point, contrasting the disparity in resources available to staff in the two sectors, which contributed to the perception of superior performance in the non-government sector and invites conclusions that child protection services should be contracted out:

The rationale behind that is that the non-government sector provides better care for children, they have greater flexibility than the government sector traditionally has. The reality behind that is that the non government sector took on the placement of children in line with their own capacity and capability. So they would take on children where they would have case workers to work with, and traditionally worked with a far lower ratio of case worker to child. One example is Bernados Stretched Family who work on a case worker child ratio of 1:6, but it's seen more generally in the non government sector to be 1:8 or 1:10 children. So one case worker to every 10 children. (DE, NSW).

With DOCS, they're left with the rest. Their ratio would be about 1:45. So obviously the vast majority of children in out of home care don't have an allocated case worker, the foster carers, the relative carers, kinship carers, the carers that they have, have minimal contact from DOCS, because they just do not have the staff to provide that. And what's happened over the years is more a triage type service in out of home care. (DE, NSW).

Where there's a crisis and a placement's broke down for a child, case workers would be allocated that particular child or case to do the work that needed to be done. Once the crisis had been taken care of, then another crisis situation would be allocated to the that case worker, and that case would be taken off. So there is a circular allocation of work ... there is no long term allocation in most cases, case work was allocated to deal with the crisis situations that arose. With so many unallocated children in out of home care for DOCS. (DE, NSW).

Can we assume outsourcing would be accompanied by significantly higher resources?

I haven't seen a dollar sign backing this up as yet ... how that plays out, if they reach agreement on that, and if they can actually back it up over time - that remains to be seen. In reality, if you look at the numbers involved, ... currently you have roughly \$25,000 per child in the government sector, at \$25,000 per year, and in the non government sector, \$100,000. Even if you split that in half and say at a \$50,000 level, the increase in funding that the government would have to put into that sector, I think is beyond what they would be willing to do. The other key obstacle in this is for the non govt. to be able to increase it' workforce, by that degree, I don't think it's possible in the time frames they are talking about. (DE, NSW).

One worker suggested that the reason for outsourcing is that NGOs are cheaper because they use less qualified staff and pay a lot less:

One of the reasons for the outsourcing of the service, is that having to provide a service 24/7, they pay a lot less than what the government is expected to pay. As a case support worker I'm at the bottom of the totem pole, but I would get paid a lot more, and get overtime after 5 o'clock. The contracts for those people in the NGO's are a lot cheaper. The conditions aren't as good. And there would be a huge turnover. They find a lot of lovely good, caring people, sometimes a new worker or younger person who is just trying to earn a few bucks while they are going to school. And sometimes there are middle aged people who have come back into the workforce and who don't need a lot of qualifications, just need to have some life experience and put up with some very difficult behaviour. They would have minimum qualifications (DE, Victoria).

Another former Departmental and NGO worker considers the problem to rest more with the competitive tendering processes that award the contracts, rather than outsourcing *per se*:

They do a lot of competitive tendering processes. I think that that has been to the detriment of service delivery to be honest. When I worked for an NGO who tendered for services - competitive tendering came into alternative care and these sorts of services around 1997 - and I think that has been the undoing of good quality work because agencies just want to get those tenders so they undercut. And they end up being in a position where they've got to provide a service and they've got to pay with the SACS Award [Social and Community Sector award] which is way less than what social workers in the Department will get. So they can't recruit the calibre of staff that they need to do this work, that is very complex and you where have to have those engagement skills and those assessment skills. So, the quality of work out there, I think, has been pretty poor (AO, SA).

But differences in the qualifications required to work in the two sectors, and consequent differences in remuneration, may not deliver the expected savings for government over time:

You're not just talking about recruiting case work staff. This whole thing about working in the child protection system - not only in Australia but in most western countries - is a problem in finding staff. The difference with the non-government sector is they don't have the degree qualification for case workers that the public sector currently has. So essentially you're going into a lower level of qualified case work staff. It was also premised on the fact that the award conditions, and the industrial agreements covering the wages of the staff in the non-government sector, equated to roughly about \$20-25,000 a year less than wages per case worker. So they see that they will be able to do that because they will be able to do it cheaper. But when you're looking at the pay equity case, the ASU case, which at a federal level, the Prime Minister came out and supported, you would have seen on the news a few weeks back. Because it is an issue of equity here, because the vast majority of people employed in the sector are female. But when you look in comparison to other industry, they are paid considerably less. So then the issue comes at the state level, will that increase in wages to that sector flow through? Because if it flows through, that will be another obstacle in regards to funding the transition. Because those case workers in the non government sector, won't be cheaper any longer. They will be on par with what is paid in the government sector (DE, NSW).

That's the interesting thing, because the government always thinks they're cheaper. But they're not, because NGO's do provide a good service, but they provide it at a market price. ... NGO's are much more sophisticated than what they used to be. They run like businesses now (AO, Tas).

When faced with significant expansion of responsibilities, the NGO's do not appear inherently more skilled than the public sector, and are generally considered to have lower qualifications. In reference to the outsourcing of the specialist fostering team in WA, one worker commented:

Well it's interesting that the agency that the placements have been contracted out to, in initial meetings, are not demonstrating that they understand trauma and disruptive attachment as we do and we're not hearing, we're not instilled with confidence, that they are going to be able to deliver. They certainly don't have the same resources e.g. the Education Officer, they don't have a specific Education Officer attached to their program. Education is a huge area of concern for our kids and also they're just not, they're showing that they are in those very early stages, we've had several years now to get to the point we're at now (DE, WA).

What we're hearing is that they're having the same problems understanding why children are behaving the way they do, so they don't understand attachment, and trauma problem, neurobiology problems. They've got all the information they need to understand why children don't function well because of their abuse history, [but] they're having staff problems - keeping staff - and they're doing things like hiring people who are not qualified, students, international people, their just doing exactly what the department used to do because nothing fundamentally is changing.(DE, WA).

While one worker understands the need to conduct public services in a 'business like' manner, the government is uniquely positioned to be effective in this area:

I think we've got some difficulties with ... based on what I've seen across the continuum is, outsourcing is good, but don't outsource your highest risk stuff. That should be held by government, and we should take responsibility for it. Because we've got the ability to do the hard stuff, with the statutory backing, with extra accountability. You can't really put that on the community sector... To be honest, if I had it my way, I'd keep it all in-house. But government can get a bit more efficient in its business model, you want to be sure you put in the right people for it, don't have any of that old school, 'I'm in the jobs for life' and 'I'm just going to plug along', 'I don't like change'. I'm over-generalising. You need to take that kind of element out because there are still pockets of it. But essentially it is in the best position to provide services (DE, Qld).

Advocates of outsourcing acknowledge that the performance of departmental staff is undermined by operating with fewer resources (higher staff: child ratios) than the NGOs, yet nevertheless consider the NGO's are better placed to assume caring roles.

They made it very clear in the KPMG review of child protection they made a very clear stance that government should be a purchaser of services. Except in the statutory care system where they are, they become a guardian. But any care, or that type of care should be operated by a NGO. So they've got clear delineation about what their role is. Really, traditionally, most NGO's have been foster care providers and they can support foster carers better, than what the poor old child protection worker is trying to do, with 40 families (AO, Tas).

My view is that they should outsource the case management to the NGO of the kids that are under guardianship orders. Because dealing with the kids all day every day, they

know them internally, what's happening, the kids at school, what the kids going through and all that sort of stuff. And to expect a child protection worker to case manage, when they've got a huge case load, it just doesn't work, they can't provide proper case management. And it would then bring them back into their statutory function. It doesn't mean they would not be involved in care planning for the kids, they would be there for a critical part of the care planning. But it would mean that the case management of the child would be much more effective, and I think we'd see some better outcomes for the kids. So child protection here are reluctant to do that because it annoys them... (DE, SA).

A lot of policy looks at outsourcing now. I have come to believe that that doesn't work, I'm finding that outsourcing a lot of services means that ..say in the case of support of foster carers, or assessment of foster carers, what seems to happen is that it adds another layer into the relationship with foster carers, which now becomes very invasive to a foster home, and not necessarily useful to foster kids. And I think that we could still enact through our Act the care and support and training of foster carers and kinship carers ourselves. But it very much happened in the '80s that we started to realise that we couldn't get the money into the department for alternative care and we decided there would be more money in the community than we could bring into the department, and it kind of went from there. But I don't think the outsourcing is necessarily useful (DE, QLD).

Examples are given of situations where a failure to adequately specify what is required of providers of outsourced services, who are paid to provide a service but fail to do so, further undermines the work of caseworkers trying to manage children and adolescents in crisis.

...but I think the guidelines around that funding and what's expected and what's to be delivered ..I don't think that that funding contract is as worded up as it needs to be. So what the Dept is expecting to have provided and what is provided is two different things. I believe it is due for an evaluation for more funding...so that's where they might tighten up the detail in the contract. And its the same with outsourcing out of home care. Now, where supposed to have fostered care programs, we're supposed to be going through [Provider] who won the contract to provide therapeutic care and what they've agreed to provide and what they've been funded to provide, again, the detail in the contract was just so inadequate that what we're getting on the ground is very different to what we requested or needed (DE, Tas).

This is children, mostly adolescents that are very challenging, that break down placement after placement. They're very highly traumatised. They need therapuetic style placements so that we can start working through some of that trauma, as well as giving them a stable environment. But what we're getting is a service that we can't action straight away - it takes days at times to try to pull a placement together to get a kid into it - and then the staff that provide it are just not highly trained, they're not providing a therapeutic level of service. And then they're also coming back to us and saying 'we can't work with this child, they're too traumatised, they're too damaged and they're too dangerous for my staff to work with' . Well we get left with the child again. But we haven't got the funding to do it because they've got the funds to do it, but they're not prepared to do it or not able to do it. And they say well that's not in the detail of the contract so we can't force them to do it (DE, Tas).

On the other hand, caseworkers are also undermined by contracted service providers who stick too rigidly to the letter of their contracts whereas previously department-run services were more flexible and accommodating:

When it's our service, even though we have criteria, there is always some room for us to go round. And if it doesn't have the best match, we can still pursue a way. If a young person or a child doesn't have a bed, we can make an adjustment because it's the responsibility of DCP to find them a bed. When we use another agency ...they don't really care if they have a bed or not. So if the young person or the child doesn't match their criteria there isn't a placement, so we end up with more kids needing placements (DE, WA)

So when it comes to looking for a placement we go to our option first, and then we go to foster care services. And it used to be that the group homes, if we can't place a child or a young person, they will end up in a bed in group homes. Now because quite a few of the group homes are managed by outsourcing agencies, we have to go to fostering services, but then we get declined of those places because they don't match the criteria. And they cost us more .. than our placement services, group homes and our fostering services. Foster carers. Because it used to be our group homes managed by us, it used to be more easily accessible, but that's been going on for a long time (DE, WA).

Foster carers who face the prospect of moving from departmental employment to agency employment feel anxious at the loss of the protections afforded carers by effective government appeals mechanisms given, the extent to which allegations are made against carers, and their absence among NGOs.

...they've got steps they can take if there is an allegation or a concern or you're not happy with the service, there are lots of steps you can take, through the department. You've probably got about 12 steps before you get to the administrative decisions tribunal. In an agency, that's not set up. I don't know of any agency that sets that up for carers when there's a complaints unit to go to. That's separate from the agency itself, where if you have a complaint against an agency here, you go to the case worker and the manager. You can ask for an internal review, and if they don't give you that ... then you can go to the administrative decisions tribunal straight away. Which is hard work, takes a long time it's quite emotional. We'd like a complaints unit that is set up separate from all the agencies to oversee complaints and allegations (AO, NSW).

One observer is mindful of how the difficulties NGOs face in attracting staff may prompt them to take who they can get, opening up the possibility of inappropriate people being placed in charge of vulnerable children.

...the focus from the non government agency is on the carers. So all the support went to them, and things like allegations that might have come up as a consequence of that. The child was never interviewed on their own, there was no process that tested any information that might be coming from the child. In all cases the support workers from the non government agency focused on what the foster carers needed. .. That agency actually paid its' workers, like a finders fee for every new carer that they could bring online. So they get a certain payment for that. ... some of the carers that they end up recruiting are the ones that, forgive the pun, "John West rejected". So in our case we would have had significant concerns about the safety of the child in the care of some our applicants that were never approved, or when they were approved and found to be abusive, then we de-authorized them. They showed up in the non government sector (DE, NSW).

3.11 Conclusion

The protection of children from neglect and abuse warrants a large resource commitment of a civilised community, via its' agency - government. This is irrespective of the many billions of dollars of expenditure that will be avoided by averting the future losses that result from the deterioration in health standards in the future, increased rates of crime, and lost productivity associated with an approach that ignores the needs of these children and their families today.

It is clear from the extant research and the results of the research carried out in this project, that our State and Federal governments have not adequately grasped the importance of this issue. They have permanently undermined the lives of thousands of children in pursuit of an ideological penchant for 'small government', believing it to be more efficient to under-staff the child protection and care services while the amount and complexity of the need for these services has grown.

While notifications and substantiations of risk of harm trend differently in different states, significantly responding to changes to legal definition, the demand for out of home care and the governance obligations arising from it, have unambiguously grown. So too have the number of problems impacting on the average case, as generational unemployment, generational substance abuse and family violence, create needs in individuals and families for highly skilled intervention and care.

Much has been done on the policy front in response to inquiries and substantial academic studies, acknowledging a theoretical awareness of the issues, with a trend toward separating the statutory and care aspects of the work, and to operate more holistically and more respectfully to children. Whereas these principles are informing service design in both public and non-government sectors, the trend has been to increasingly outsource the provision of services to non government organisations through competitive tendering. Comparisons between the effectiveness of the two sector's performance that have encouraged this shift were made on the basis of substantially different levels of resources, where the non-government sector received as much as four times the money per child as the public sector, and had the luxury of refusing service of the cases they did not want.

Common problems of operating a public service via contract have already emerged, such as quality shading, where less qualified people have been employed to manage complex situations, generating high levels of turnover, even in situations where they are contracted to provide therapeutic accommodation for traumatised children and adolescents, who require stable, long-term relationship building. The illusion that governments transfer risk, such as the political odium that arises where a child's death through neglect hits the headlines, is revealed by circumstances where contracted agencies use the terms of their contracts to leave departmental staff with the 'too hard basket', having taken the resources allocated to deal with it. And what of the children whose futures hang in the balance as they do?

The support of foster carers by skilled, accessible, reliable and permanent case workers, with the time to get to know and understand the children under foster care, is a critical missing component of the system. Caseloads need to be brought down from 40 to 10 children per case worker, and if this were done, the public sector would unquestionably deliver a higher, more equitable and accountable standard of child protection. The perceived advantages of the non-government sector would evaporate, as a service armed with the resources and statutory authority to act, which had no contractual definitions to hide behind to avoid its responsibilities, gave its' staff the time to do the work they joined the department to do, that of saving the futures of our nation's children.

The problems encountered in Australian child protection systems will only increase as the workload shifts to contracted NGOs, and the funds per child approach the levels at which the public sector had been operating, reproducing the same issues and problems, but with less scrutiny and accountability. As practical engagement in the delivery of service disappears from government over time, as it contracts all its services out, so too will its ability to know what contracted suppliers are doing, and what they need to do. It will only be a matter of time before more deaths, more abysmal stories of neglect shame governments into further inquiries and reviews. To the extent that outsourcing provides them the means to distance themselves from blame and responsibility, by providing contracted scape-goats, the contract system will become locked-in, and the prospect for ever delivering a decent standard of service to our most vulnerable citizens will be lost.

¹ The last DoCS residential services Ormond/Minali closed in 1997-98.

² In 1997 the staff turnover rate for front-line workers in DoCS was 45 per cent (Haly, 2010).

³ The report relates to the situation up to July 2010.

⁴ In 1947 the department had only one residential facility.

⁵ Gateway services for specialist disability services commenced in 2010.

⁶ The standard for children is: once a week for a child on an Assessment Order; once every four weeks for child on twelve-month care order; and once every six weeks for child on Care and Protection Order until age 18. The standard for carers is: once every four weeks for carers with less than 12 months experience; and once every six weeks for carers with more than 12 months experience.

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