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Beyond roads and bridges

Critical social infrastructure for South West Sydney



A REPORT PREPARED BY **IMPACT ECONOMICS AND POLICY** FOR THE **NEW SOUTH WALES COUNCIL OF SOCIAL SERVICE**

Impact Economics and Policy

Impact Economics and Policy brings together a group of expert economists and policy specialists with experience working for government, non-for-profits and big four consulting. Established at the start of 2022, our mission is to partner with clients for impact through providing robust evidence, fresh analysis, and strategic communication to tackle Australia's biggest public policy challenges.

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Acknowledgement of Country

We acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Australia and their continuing connection to both their lands and seas. We also pay our respects to Elders – past and present – and generations of Aboriginal and Torres Strait Islander peoples now and into the future.

*We accept the invitation of the **Uluru Statement of the Heart** and support its full implementation.*

Cover image courtesy of Mirrung.



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Overview

With the population of Sydney projected to grow by over 1.2 million by 2041, the NSW Government has recognised the implications for physical infrastructure such as roads, airports and public transport. However, it has not undertaken the necessary investments required to build the social infrastructure needed by these growing communities.

Social infrastructure is the buildings, spaces, services and networks that support the quality of life and wellbeing of our communities. Investing in social infrastructure strengthens communities, and reduces how much all levels of government need to spend elsewhere, including in the health and justice systems. Meeting existing unmet need, funding expanded services and ensuring the workforce is ready to deliver services are critical to meeting the needs of growing communities.

South West Sydney is projected to be one of the fastest growing regions of NSW and its population will grow by almost 30 per cent over the period to 2041.¹ Future needs for social infrastructure will be driven by population growth and the pre-existing high rates of poverty and disadvantage.

Delivering on the social infrastructure needs of the region will require additional funding, but also effective planning to ensure that the right services exist in the right places, with a highly skilled and trained workforce.

While health and education are often prioritised by governments as areas grow, other areas of social infrastructure are too often overlooked. In this report, we shine a light on eight key areas of

social infrastructure: social housing and housing assistance; community facilities; disability services; community mental health; domestic and family violence; child protection; migrant and refugee services; and financial counselling.

All levels of government need to invest in adequate levels of social infrastructure and services in South West Sydney. A healthy and prosperous community needs more than roads and bridges.

The State, Local and Commonwealth governments spent approximately \$1.3 billion across these areas in South West Sydney in 2023.² Impact Economics and Policy modelling for this report finds that based on population growth, by 2041 there will be:

- 879 more homeless families in the region³
- 13,768 more low-income households in rental stress (in the private market)
- 38,188 more NDIS participants
- 5,620 more women experiencing physical or sexual violence each year
- 1,728 more children at risk of significant harm each year.

1. Population projections by Local Health District, sourced from NSW Department of Planning and Environment (2022), Population projections, Available: <https://www.planning.nsw.gov.au/research-and-demography/population-projections>

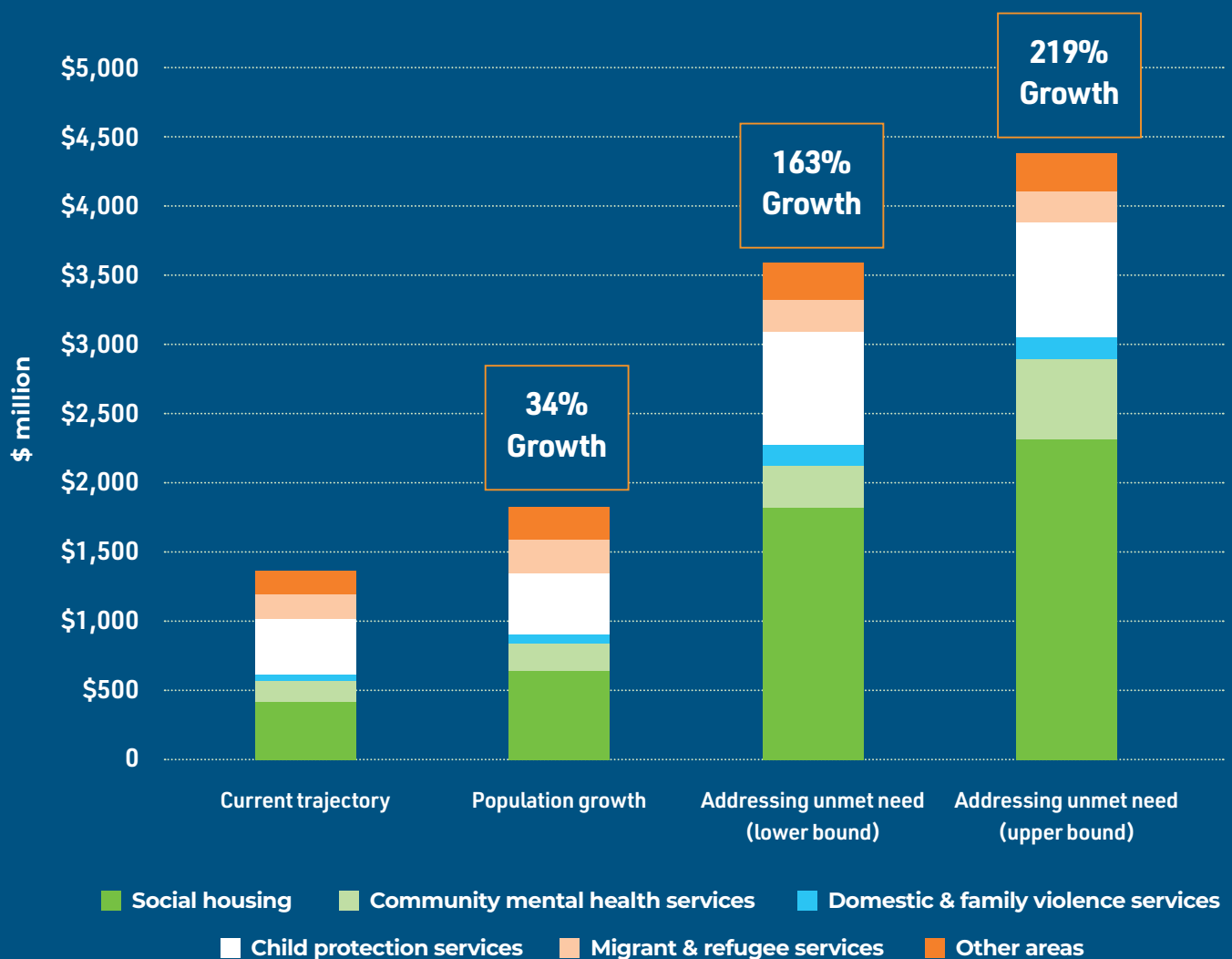
2. Excluding the National Disability Insurance Scheme and Commonwealth Rent Assistance.

3. By homeless families, we mean both singles and family units.

Impact Economics and Policy estimates that to address unmet need and population growth in South West Sydney by 2041 governments will need to invest up to an additional \$3.0 billion each year in current dollars, including⁴:

- \$1.9 billion in social housing and housing assistance
- \$426 million in community mental health services
- \$422 million in child protection services
- \$109 million in domestic and family violence services
- \$51 million in migrant and refugee services.

CHART 1 Annual government spending on social infrastructure needed in 2041 for South West Sydney



Note: These figures exclude NDIS funding and Commonwealth Rent Assistance.

4. Time and data constraints for this research made analysis across every area of social infrastructure unfeasible, and the following areas were excluded: Childcare facilities; Schools and universities; Hospitals and clinical health infrastructure; Community alcohol and other drug services; Aged care facilities; Emergency services and justice; Public transport and Parks and open space.

Investment in social infrastructure and services is essential to support growing communities across South West Sydney. The economic and non-economic benefits include:

- Increased participation in work and education
- Better health and wellbeing
- Reduced pressure on the health and income support systems.

As well as investing in adequate social infrastructure and services, governments also need to increase their investment in preventing domestic violence and child abuse, and in supporting good mental health and wellbeing. There is clear evidence of the economic value of investing in the prevention of domestic and family violence⁵, mental health⁶ and lifestyle-related diseases.⁷ Place-based approaches delivered at a local level and with community involvement are among the most effective forms of prevention.

Failure to invest adequately in vital social infrastructure risks further entrenching poverty and disadvantage, creating even greater need in the community that will have immense cost on individuals, families, communities and governments.

5. PWC (2015), *A high price to pay: The economic case for preventing violence against women*, Available: <https://www.pwc.com.au/pdf/a-high-price-to-pay.pdf>

6. Carbone (2020), *Evidence review: The primary prevention of mental health conditions*, Prepared for VicHealth by Prevention United, Available: <https://www.vichealth.vic.gov.au/sites/default/files/Evidence-review-prevention-of-mental-health-conditions-August-2020.pdf>

7. Australian Prevention Partnership Centre (2021), *The value of prevention*, Evidence Brief. Available: <https://preventioncentre.org.au/wp-content/uploads/2021/10/The-Value-of-Prevention-Evidence-Brief-March-2021.pdf>





South West Sydney:

A diverse and growing region

The area of South West Sydney⁸ has over a 60,000 year history of human settlement, and covers the traditional lands of the Dharug, Dharawal and Gundungurra people. Following the frontier wars during early colonisation, the area was converted to farming land and became an important source of food during early colonisation. In recent generations, the area has become home for new arrivals to Australia that has resulted in a vibrant community with a rich diversity of cultures, languages and histories.



South Western Sydney's strength comes from this diversity, but it also faces challenges with some of the highest levels of disadvantage in Sydney and New South Wales.

Key Figures⁹

- **1.13 million** people in 2022,¹⁰ projected to rise to **1.24 million** by 2031 and **1.43 million** by 2041.¹¹
- **1.7 per cent** of people are Aboriginal and/or Torres Strait Islander—and as many as 4.1 per cent of people in the Campbelltown Local Government Area (LGA)—compared to 3.4 per cent for NSW.
- **43 per cent** of people were born outside Australia, compared to 29 per cent for NSW.
- **56 per cent** of people speak a language other than English at home, compared to 28 per cent for NSW. The most commonly spoken languages in South West Sydney other than English are Arabic, Vietnamese, Mandarin, Cantonese and Greek.
- **4.7 per cent** unemployment rate in June 2023, compared to 3.3 per cent for NSW.¹²
- **931** average score on the Index of Relative Socio-economic Disadvantage, below the NSW average of 984 (meaning more disadvantage). Fairfield is the most disadvantaged LGA in NSW.¹³
- **23 per cent** of people in Fairfield lived below the poverty line in 2021. This is the highest of all LGAs in Greater Sydney. Canterbury-Bankstown was the second highest (21 per cent), Liverpool the fourth highest (19 per cent), and Campbelltown the fifth highest (18 per cent).¹⁴
- **16 per cent** of people have a university degree, compared to 23 per cent in NSW.
- **42 per cent** of people had individual income less than \$800 a week in 2021, compared to 38 per cent for NSW.

8. South West Sydney is defined as the five local government areas of Canterbury-Bankstown, Fairfield, Liverpool, Campbelltown and Camden (see map).

9. All figures are from the ABS 2021 Census unless otherwise stated.

10. ABS (2023), Regional population by age and sex, 2022, Available: <https://www.abs.gov.au/statistics/people/population/regional-population-age-and-sex/latest-release#data-downloads>

11. NSW Department of Planning and Environment (2022), Population projections.

12. Simple average for the five local government areas in South West Sydney, from Jobs and Skills Australia (2023), Small Area Labour Markets, Available: <https://www.jobsandskills.gov.au/data/small-area-labour-markets>

13. ABS (2023), Socio-Economic Indexes for Areas (SEIFA), Australia, 2021, Available: <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release>

14. Y. Vidyattama, R. Tanton and NSW Council of Social Service (NCOSS) (2019), Mapping Significant Economic Disadvantage in New South Wales, NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Available: <https://www.ncoss.org.au/policy-advocacy/policy-research-publications/mapping-economic-disadvantage-in-nsw/>



Image from Maksym Kozlenko/Wikimedia Commons



A growing region

South West Sydney's population is expected to grow by almost 30 per cent by 2041. A range of physical infrastructure initiatives have been announced to support this growth.

The new Western Sydney International Airport is under construction and due to open in 2026. The NSW Government is rezoning land around the airport for a new urban centre (Bradfield) and the Western Sydney Aerotropolis, where it expects advanced manufacturing, technology, education, logistics and agribusiness companies to invest.¹⁵

In the 2023-24 Budget, the NSW Government announced significant investments in physical infrastructure in the South West Sydney Region. This included \$1 billion for completing the Sydney Metro, \$7.9 billion to build a Metro line to the new airport, and \$2.4 billion in road and motorway projects across Western Sydney.¹⁶ The Government also announced it would invest \$3.5 billion in schools across Western Sydney and \$3 billion in new and upgraded hospitals across the region.

However, there has been a notable lack of investment in the social infrastructure and services that will be needed as the population of South West Sydney grows. The South West Sydney region is much more socioeconomically disadvantaged than other parts of Sydney and already has significant levels of unmet need for social and affordable housing, community facilities, and key services such as domestic violence and community mental health services. As the population grows, the unmet need will only become greater unless governments invest now to address it. This unmet need will undermine the well-being of the community and potential for economic growth.

15. NSW Western Parkland City Authority (2023), The Western Sydney Aerotropolis, Available: <https://www.wpca.sydney/our-region/the-western-sydney-aerotropolis/>

16. NSW Government (2023), Our plan for Western Sydney, NSW Budget 2023-24, Available: <https://www.budget.nsw.gov.au/2023-24/budget-papers/western-sydney>

A snapshot of 8 key spending areas

Social infrastructure covers a range of services and investments, including across health, education and social welfare services. Alongside transport infrastructure, health and education services often receive the attention of government when areas are growing, while broader social support services are often neglected. This occurred in the 2023-24 NSW Budget, which was largely silent on the social infrastructure needs of growing regions across New South Wales.

To assess investment needs, government spending is quantified today, before what government will need to spend by 2041 to meet population growth and existing unmet need is quantified across eight key areas. This is a 'minimum' spend approach because it does not include beneficial investments in prevention and lifting service standards. It also does not include spending on key national programs such as the National Disability Insurance Scheme and Commonwealth Rent Assistance.

To estimate future demand and spending, a number of assumptions are needed due to the lack of detailed government data on demand and use of services. The Appendix describes all the methods, data sources and assumptions.

Social housing and housing assistance

South West Sydney has high levels of housing stress compared to other parts of Sydney. Of the estimated 368,000 households in South West Sydney:

- 2,459 households (0.7 per cent) are homeless, including people living in severely overcrowded housing¹⁷
- 28,171 households (7.8 per cent) live in social housing (public and community housing), with a further 9,214 households (2.5 per cent) on the social housing waiting list¹⁸
- 38,508 low-income households (10.5 per cent) are considered in rental stress and pay more than 30 per cent of their income on rent¹⁹
- 70,460 households (19.2 per cent) are receiving Commonwealth Rent Assistance, in addition to other income support payments from the Australian Government.²⁰

17. UNSW City Futures Research Centre (2023), Housing Need Dashboard, Available: <https://cityfutures.adu.unsw.edu.au/cityviz/housing-need-dashboard/>

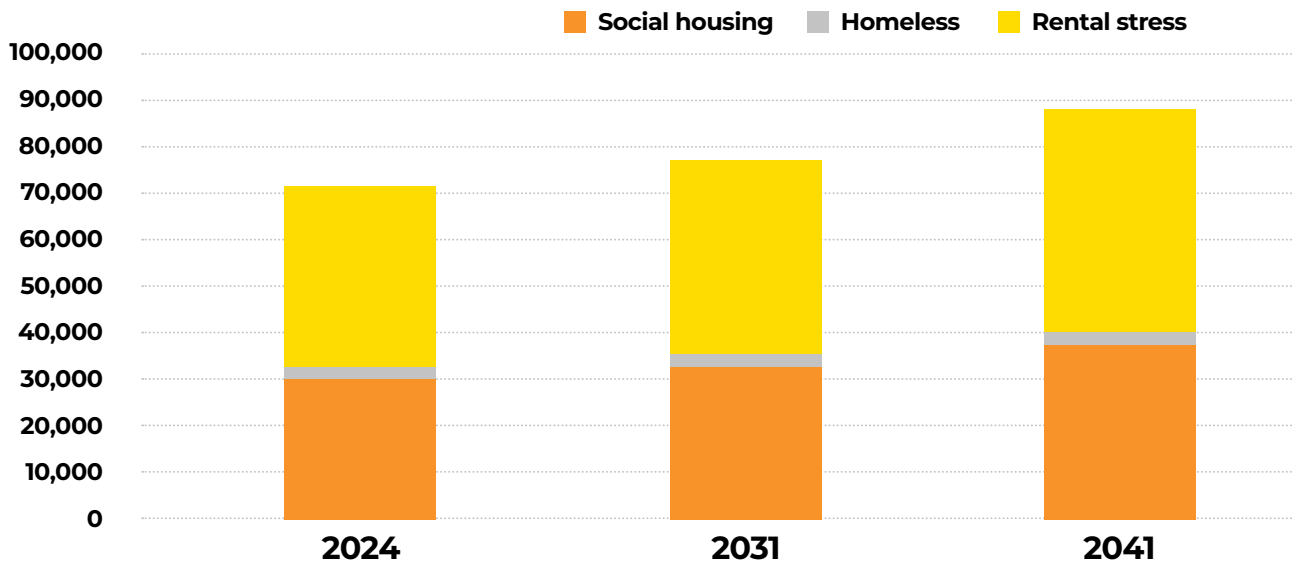
18. September 2023 data from NSW Department of Communities and Justice (2023), Social housing waiting list data, Available: <https://www.facs.nsw.gov.au/housing/help/applying-assistance/social-housing-waiting-list-data>

19. UNSW City Futures Research Centre (2023), Housing Need Dashboard.

20. Data.gov.au (2023), DSS Benefit and Payment Recipient Demographics – quarterly data.

By 2041, Impact Economics and Policy estimates that 25,458 more households will need housing assistance in the region (see chart 2). Meeting this need will require additional spending by government on social and affordable housing.

CHART 2 Projected number of households in need of housing assistance in South West Sydney (met and unmet need)²¹



To address unmet need in South West Sydney today requires an additional 29,000 to 41,000 social and affordable housing units. This represents an additional \$9 billion to \$13 billion in funding to meet the current housing needs of the region.

In the 2023-24 Budget, the NSW Government announced that it would invest an additional \$224 million in social and affordable housing across the state²² and allocated 30 per cent of surplus government land for social and affordable housing.²³ On a pro-rata basis this would represent a \$42 million investment in South West Sydney, well short of the level of investment needed to meet current demand.

The economic costs of inadequate social housing in New South Wales have been projected to increase to \$445 million a year by 2036. This includes the costs to the health and justice systems from domestic violence and homelessness, as well as lower incomes, educational attainment and individual wellbeing.²⁴ Every \$1 invested in social and affordable housing is estimated to deliver \$2 in benefits.²⁵

The Australian Government recently announced a range of measures to boost social and affordable housing supply, including the Housing Australia Future Fund. It also increased the maximum rate of Commonwealth Rent Assistance by 15 per cent. This will help some households but also falls short of what is needed to alleviate the high levels of rental stress affecting thousands of families in South West Sydney.

21. Assuming the current shares remain steady as the population grows. 'Rental stress' means non-student households in the first and second income quintiles who pay more than 30 per cent of gross household income on rent in the private rental market. For data sources and methods, see the appendix.
22. NSW Premier and Minister for Housing (2023), "NSW Essential Housing Package to start the rebuild of broken housing system", Media Release, 16 September, Available: <https://www.nsw.gov.au/media-releases/nsw-essential-housing-package>

23. NSW Premier (2023), "\$2.2 billion housing and infrastructure plan", Media Release, 19 September, Available: <https://www.nsw.gov.au/media-releases/22-billion-housing-and-infrastructure-plan>

24. C. A. Nygaard (2022), *Cost of inaction: Social and economic losses due to the social and affordable housing shortage*, Centre for Urban Transitions, Swinburne University of Technology, Available: <https://www.communityhousing.com.au/wp-content/uploads/2022/05/CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf?x70290>

25. SGS Economics & Planning (2022), *Give me shelter: The long-term costs of underproviding public, social and affordable housing*, report for Housing All Australians, Available: https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Give-Me-Shelter.pdf

C A S E S T U D Y

Women's Community Shelters servicing South West Sydney

Women's Community Shelters (WCS) provides emergency accommodation and support for women facing homelessness and other underlying complex issues such as domestic and family violence and mental health concerns. WCS operates a number of shelters throughout NSW, including shelters in Revesby, Camden and Parramatta.

The team at WCS see incredible strengths among the women and children they support. They see women who are wholeheartedly invested in better futures for themselves and their families. They see women managing multiple high needs responsibilities such as children's education, work, safety, sharing space with other families in shelter settings, and working through trauma.

However, these shelters are constantly at capacity and many women and children are being turned away each day because there are simply no available beds. The numbers of people who are unable to be assisted has increased significantly at all three sites over the past two years.

The main reason that women seek support from WCS is because they have to leave their home due to domestic and family violence. (71% of clients at Camden; 78% at Parramatta; 31% at Revesby).

Many women come to the shelters with their children – many who are aged between 6 and 9 years. While there are limited options for crisis accommodation and social housing, there are even fewer that accommodate families with more than a few children or intergenerational families. There are also very limited services for single women with no children – from crisis accommodation through to the whole range of housing, health, and human services supports.

WCS supports many women in the South West Sydney region who were born overseas (12% at Camden; 26% at Parramatta; 45% at Revesby) and relatively high numbers of women who don't speak English as their first language (4% in Camden; 16% in Parramatta; 38% in Revesby). In this region there are many women whose visa status is precarious, which means that they may be ineligible for services such as Centrelink and Medicare, so experience significant financial and health barriers and social isolation. This is particularly dangerous for women who are on partnered visas where the partner perpetrates violence.



Photos courtesy of Women's Community Shelters

Future need for social housing

Impact Economics and Policy estimates that to maintain the current level of provision, an additional 10,811 homes will need to be built by 2041. To meet the future projected growth in unmet need for social and affordable housing an additional 39,184 to 55,614 homes are required by 2041. Overall, there is a need for an additional 49,995 to 66,425 social and affordable homes by 2041 in South West Sydney to meet demand (see Table 1).

Impact Economics and Policy estimates that this represents more than a doubling of the stock of social housing in South West Sydney over the period.

However, on the current government spending trajectory, only 3,439 homes would be delivered—a shortfall of between 46,556 to 62,986 homes. Addressing this shortfall will require funding of between \$1.8 billion and \$2.3 billion per year by 2041.²⁶

TABLE 1 NSW Government spending required on social housing in South West Sydney

Year	Spending on current trajectory	Spending with population growth	Spending to address unmet need ²⁷
2024 (annual)	\$385 million	\$469 million	\$1.2 billion—\$1.5 billion
2031 (annual)	\$401 million	\$568 million	\$1.5 billion—\$1.9 billion
2041 (annual)	\$426 million	\$656 million	\$1.8 billion—\$2.3 billion
Total investment, 2024-2041 (present value)	\$6.9 billion	\$9.8 billion	\$25.8 billion—\$32.4 billion
Number of new social housing units built by 2041 ²⁸	3,439	10,811	49,995—66,425

The cost to government of delivering this investment could be reduced, for example through delivering a greater share through Community Housing providers, regulatory changes to require property developers to construct more affordable housing, or increasing Commonwealth Rent Assistance for households renting in the private market.

In addition to population growth and current unmet need for social and affordable housing, the existing and new housing stock will need to adapt to changes in the climate which have not been costed in the above figures.

The NSW Government will also need to invest more in other forms of housing support, including homelessness services, state government rental assistance programs (to help people secure a private tenancy) and funding for tenants advice services. Impact Economics and Policy estimates that spending on these supports in South West Sydney will need to increase from \$68 million to \$88 million by 2041 to keep up with population growth (see Table 2).

26. The spending projections assume that unmet need is addressed at an even pace over the 18 years between 2024 and 2041, such that 1/18th of the amount needed by 2041 is constructed each year.

27. The two scenarios are increasing the social housing stock to 16 per cent of the total (lower bound), and increasing the social housing stock equal to the estimated number of households that would otherwise be homeless or on low incomes and paying more than 30 per cent of their gross income on rent in the private market (upper bound). For more details see the appendix.

28. Relative to 2023.

Spending will also need to increase to address unmet need—especially for homelessness services, where currently almost 10 per cent of support requests are turned away and less than half of clients' accommodation needs are met in New South Wales. However, the cost of providing adequate homelessness services will be

lower if there is adequate social housing available, reducing the demand for medium and long term temporary accommodation. Including addressing the current level of unmet need and population growth, approximately \$90 million a year in funding will be needed by 2041.

TABLE 2 NSW Government spending required on private rental assistance, tenants advice and homelessness services in South West Sydney

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need ²⁹
2024	\$64 million	\$66 million	\$68 million
2031	\$64 million	\$74 million	\$76 million
2041	\$64 million	\$88 million	\$90 million

Community facilities

Community facilities provided by local governments play a vital role in communities across South West Sydney. Across the region, there are currently 790 council-provided community buildings, of which about 30 per cent are neighbourhood and community centres (see Table 3).

TABLE 3 Number of community buildings in South West Sydney, 2022

Neighbourhood and community centres	233
Recreation centres (e.g. leisure and aquatic centres)	49
Libraries	22
Other buildings	486
Total	790

Source: Local government annual reports and asset management plans

The five councils in South West Sydney are estimated to spend close to \$33 million a year on maintaining their community buildings and renewing them when they need to be replaced. Impact Economics and Policy estimates that, on the current spending trajectory, the councils of South West Sydney will spend a total of about \$644 million from now until 2041 on their existing stock of community buildings. In annual terms, this translates to \$34 million in 2024, increasing to \$43 million by 2041 due to projected growth in maintenance and renewal costs.

29. These figures assume an increase in expenditure to meet available estimates of unmet demand, as well as a decrease to reflect lower spending requirements as a result of adequate provision of social housing. See Appendix for details.

C A S E S T U D Y

The Parks Community Network in Wetherill Park

The Parks Community Network (Parks) provides services, support and practical help for communities, families and individuals in South West Sydney, through the initiation, coordination and development of community programs. Its core funding is from Targeted Early Intervention (TEI) which it uses to support families and children to link in with relevant support services, promote the safe and appropriate development of children and foster stronger relationships.

During the pandemic, Park's main aim was to remain accessible and communicate with not only people that were already engaging in the service, but also to anyone in the community that needed help. By September 2021, Parks was delivering over 350 food hampers and 1,800 frozen meals per week. They received referrals from other community organisations including neighbourhood centres, ethnic-specific organisations, schools, Fairfield Council, Fairfield Hospital, as well as numerous self-referrals. Parks undertook welfare calls including grief and loss for people who lost families in Australia and overseas, people not able to work or pay bills, or those dealing with domestic violence.

Being a place-based organisation embedded in the community, Parks was particularly well placed to understand, respond to, and advocate for community needs, including for the preparation of culturally appropriate meals. Once the additional COVID funding ended in 2022, Parks had to withdraw from providing food services and material aid.

The culmination of the cost of living and housing crises has meant that the hardships faced by families has remained, if not become greater and more complex.

The Centre is facing challenges in engagement with its TEI programs due to limitations in funding. The financial stress of making ends meet has meant that families are not able to prioritise attending parenting and resilience programs. Parks has also seen a significant increase in the number of people coming in to access the No Interest Loans Scheme to pay for car registration, bonds and arrears. An added complexity for the Centre is that previously it was able to access interpretation services but since funding has been cut to this, it is unable to take referrals for families who do not speak English.

Funding as it currently stands means that Parks is only able to provide case work without brokerage funds. With no programs that sit between TEI and intensive family support, Parks is seeing an increase in families who are experiencing crisis and but would benefit from support in the form of food vouchers, relocation and transport assistance. These funds are an important way that Parks can support families to engage in TEI programs. Parks continues to actively look to connect with opportunities where they are able to access food vouchers, material goods for children to support its families through winter and in the lead up to the holidays.



Image from Kichijo Jin/Flickr

To keep up with population growth councils in the region will need to build an additional 230 community buildings by 2041. This will mean investing an extra \$450 million over the period to 2041, or \$1.1 billion in total (see Table 4).

Available information did not allow the estimation of existing unmet need for community facilities.

TABLE 4 NSW Local Government spending required on community buildings and facilities in South West Sydney³⁰

Year	Spending on current trajectory	Spending increases with population growth
2024 (annual)	\$34 million	\$55 million
2031 (annual)	\$37 million	\$62 million
2041 (annual)	\$43 million	\$77 million
Total investment, 2024-2041 (present value)	\$644 million	\$1.1 billion
Number of new community buildings built by 2041 ³¹	0	230

While some of these future costs could be recouped from developer contributions, local governments will need funding assistance from the NSW Government to significantly increase their investment in social infrastructure and support the growing region.

Disability services

Almost 36,000 people aged under 65 in South West Sydney reported that they had a disability in 2021.³² This is a higher rate than across New South Wales as a whole (4.0 per cent compared to 3.2 per cent). About 2.3 per cent of South West Sydney's population participates in the National Disability Insurance Scheme (NDIS).

The number of NDIS participants in South West Sydney is expected to more than double between now and 2032, from about 26,000 to 56,500 participants—that's 117 per cent more NDIS participants in the region, compared to 67 per cent growth for the NDIS overall.

30. Due to data limitations, these estimates do not include the costs of operating facilities (some of which will be recouped through user fees) or the costs of purchasing land. The estimates also exclude the costs of non-government sector provision of neighbourhood and community centres.

31. Relative to 2022.

32. This is a measure of how many people report they have a need for assistance with core activities due to a long-term health condition or disability.

Impact Economics and Policy estimates that the cost of providing services through the NDIS in South West Sydney will reach \$7.7 billion a year by 2041 (see Table 5). The Commonwealth Government will meet about 83 per cent of these costs, with remainder of the cost the responsibility of the NSW Government.

We have not included these costs in our overall projections as policy and funding for the NDIS are set at a national level.

TABLE 5 Projected Commonwealth and NSW Government NDIS spending for participants in South West Sydney

Year	Spending on current trajectory
2024	\$2.0 billion
2031	\$4.1 billion
2041	\$7.7 billion
Number of NDIS participants, 2041	64,236

However, the NDIS alone will not provide the services and supports that all Australians with a disability need. Currently, governments also fund a range of other disability-specific programs, with three-quarters of this spending going to disability employment services.

We estimate that spending on these other disability programs will need to increase from \$53 million today to \$68 million by 2041 in South West Sydney to keep up with population growth, and increase further to \$98 million to address the quantifiable unmet need for disability employment services (see Table 6).

TABLE 6 Projected Commonwealth and NSW Government spending required on other disability services in South West Sydney³³

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need ³⁴
2024	\$53 million	\$54 million	\$77 million
2031	\$53 million	\$59 million	\$85 million
2041	\$53 million	\$68 million	\$98 million

33. These include disability employment services, accommodation support, community support, community access, respite services, and advocacy, information and print disability services.

34. These projections do not include spending required to address unmet need for non-employment services.



Image from Newtown grafitti/Flickr.



Data availability meant that it was not possible to model the extent of unmet need outside of employment services. As a result, the unquantified unmet need is likely to be significant with the NDIS called the ‘oasis in the desert’ because of the inadequacy of supports outside of the scheme. Over time state governments have reduced funding for these supports with the introduction of the NDIS, increasing the extent of unmet need for those outside the scheme.

As the population grows, the demand for non-NDIS supports for people with a disability will also grow. This will require additional investment in mainstream education, health and transport systems, as well as for community mental health services (which we consider below).

Community mental health services

In 2021, about 63,000 people in South West Sydney had a long-term mental health condition, which represents almost 1 in 17 people.³⁵ A higher share of the population suffered from high or very high levels of psychological distress than across the rest of New South Wales (18.5 per cent for South West Sydney, compared to 16.7 per cent for NSW).³⁶

Impact Economics and Policy estimates that poor mental health in South West Sydney imposes economic costs of about \$6.4 billion to \$7.3 billion a year.³⁷ This includes the costs of pain and suffering, diminished health and premature death, as well as the costs of providing health care and lower workforce participation and productivity.

On a per capita basis, the NSW Government spends the lowest among all States and Territories on specialised mental health services, and the second lowest on community mental health services.³⁸ The National Mental Health Commission has highlighted the significant unmet need for community mental health services that sit between general practitioners and emergency departments—which it calls the “missing middle”.³⁹

35. 2021 Census.

36. The figure is for the South Western Sydney Primary Health Network region, sourced from HealthStats NSW (2023), High or very high psychological distress in adults by Sex for 2020, Available: <https://www.healthstats.nsw.gov.au/#/indicator?name=-men-hidistress-phs&location=NSW&view=BarHorizontal&measure=prevalence&groups=Period,Sex&compare=Sex,Period&filter=Period,2020&filter=Sex,Persons,Females,Males>

37. Based on estimates from Productivity Commission (2020), Mental Health, Report no. 95, Available: <https://www.pc.gov.au/inquiries/completed/mental-health/report> (see appendix for the methodology)

38. SCRGSP (2023), Report on Government Services 2023, Services for mental health data tables, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/services-for-mental-health>

39. National Mental Health Commission (2019), Submission to the Royal Commission into Victoria's Mental Health System, Available: http://rcvmhs.archive.royalcommission.vic.gov.au/National_Mental_Health_Commission.pdf



Photos courtesy of Mission Australia.

C A S E S T U D Y

Mission Australia Housing Accommodation and Support Initiative (HASI) program located in Sydney.

Monica* was referred to HASI, having recently been released from Corrective Services into unsuitable living arrangements. Monica had a long history of homelessness and limited access to supports with a diagnosis of schizoaffective disorder and a history of substance misuse, which had largely gone untreated or unaddressed during her term of imprisonment. She was accepted into the program with the aim of securing stable accommodation and developing a strong support network to aid in her recovery journey.

** name has been changed*

Monica had previously been under various community mental health teams but found it difficult to engage. She did not wish to take medication and would eventually be lost to care. This would result in her experiencing a decline in mental state which would cause her to commit unlawful acts to survive, resulting in custodial sentences and a distrust in support providers.

Monica also did not understand the requirements of her legal orders and advised she had not previously accessed or understood legal aid. She would sign and accept whatever was presented to her, despite limited comprehension of the impact this may have on her.

In the initial stages it was very difficult to connect with Monica, she would often cancel meetings last minute or not be at her accommodation at agreed visit times. It took a great deal of perseverance from staff to build rapport.

Monica's priority recovery goal was to live independently in the community and have a place of her own, so she agreed to be supported to submit a priority housing application and source temporary accommodation options.

Monica found the period of time spent waiting for permanent housing at times

frustrating and exceptionally stressful and from time-to-time she would use marijuana and ice, though had a strong desire to cease, so she willingly accepted a referral to drug and alcohol counselling to develop strategies to deal with the cravings. Monica also faced difficulties with her physical health and weight gain as a result of her antipsychotic medication and was referred to exercise physiology and dietetics through the local mental health community centre.

After approximately 12 months of strong advocacy from the HASI team at the monthly DCJ housing meetings, in which Monica spent time moving between temporary accommodation and periods of living on the streets (where she felt the safest), she was offered social housing.

Whilst excited, initially Monica was reluctant to spend time there as it was new and unfamiliar. She also had no possessions and limited finances. HASI supported her to source donated furniture, whitegoods, and other necessary household items and over the following months she would increasingly settle and felt ready to take the next step having reached her ultimate goal of living independently in her own home.

Monica continues to engage with HASI, now accepting that external supports are necessary for her to be able to maintain successful tenancy and wellbeing.

Based on its share of the population, it is estimated that there were just over 20,000 users of community mental health services in South West Sydney 2020-21, with about 466,000 contacts with services. However, actual usage is likely to be lower than these estimates. Both community and hospital-based services are under-resourced in the South West Sydney regions compared to other parts of NSW, with a review by the Primary Health Network for the region finding long wait lists for clinical services, inadequate levels of community and psychosocial services, and significantly lower levels of access for people from culturally and linguistically diverse backgrounds.⁴⁰

Investing in community mental health services can reduce costs elsewhere in the health system. A recent review of the NSW Government's Community Living Supports and the Housing and Accommodation Support Initiative found that these programs generate a net cost saving to government of about \$86,000 per person over five years, by reducing hospital admissions and interactions with the criminal justice system.⁴¹

In the 2023-24 Budget, the NSW Government announced it would spend \$20 million on dedicated mental health housing, \$34 million on supporting Women's Health Centres to provide mental health services

for women, and 250 additional school counsellors to support students with mental health needs and disabilities.

Notwithstanding this funding increase, Impact Economics and Policy estimates that by 2041, the NSW Government will need to increase its spending on community mental health services in South West Sydney from \$149 million a year to \$197 million a year to keep up with population growth (see Table 7).

However, there is a high level of unmet need with Impact Economics and Policy estimating that 31 per cent to 59 per cent of need for these services is currently being met. To address unmet need for services, the NSW Government needs to increase spending to between \$305 million to \$581 million a year by 2041.

Investing in mental health prevention can significantly reduce the incidence of mental ill-health in future and the costs this imposes on the health system.⁴² By investing more in prevention, the NSW Government could significantly reduce the cost of addressing unmet need for community mental health services.

40. South Western Sydney Primary Health Network (2022), Primary Health Network Program Needs Assessment, Available: <https://swsphn.com.au/wp-content/uploads/2022/04/Needs-Assessment-2022-2025.pdf>

41. UNSW Social Policy Research Centre (2022), Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative, Prepared for NSW Ministry of Health, Available: <https://www.health.nsw.gov.au/mentalhealth/resources/Publications/cls-hasi-eval-rpt.pdf>

42. Carbone (2020).

TABLE 7 NSW Government spending required each year on community mental health services in South West Sydney⁴³

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need
2024 (annual)	\$155 million	\$155 million	\$240 million—\$457 million
2031 (annual)	\$155 million	\$171 million	\$265 million—\$504 million
2041 (annual)	\$155 million	\$197 million	\$305 million—\$581 million
Number of service contacts, 2041	475,347	604,055	1.1 million—2.0 million



Image from Maksym Kozlenko/Wikimedia Commons

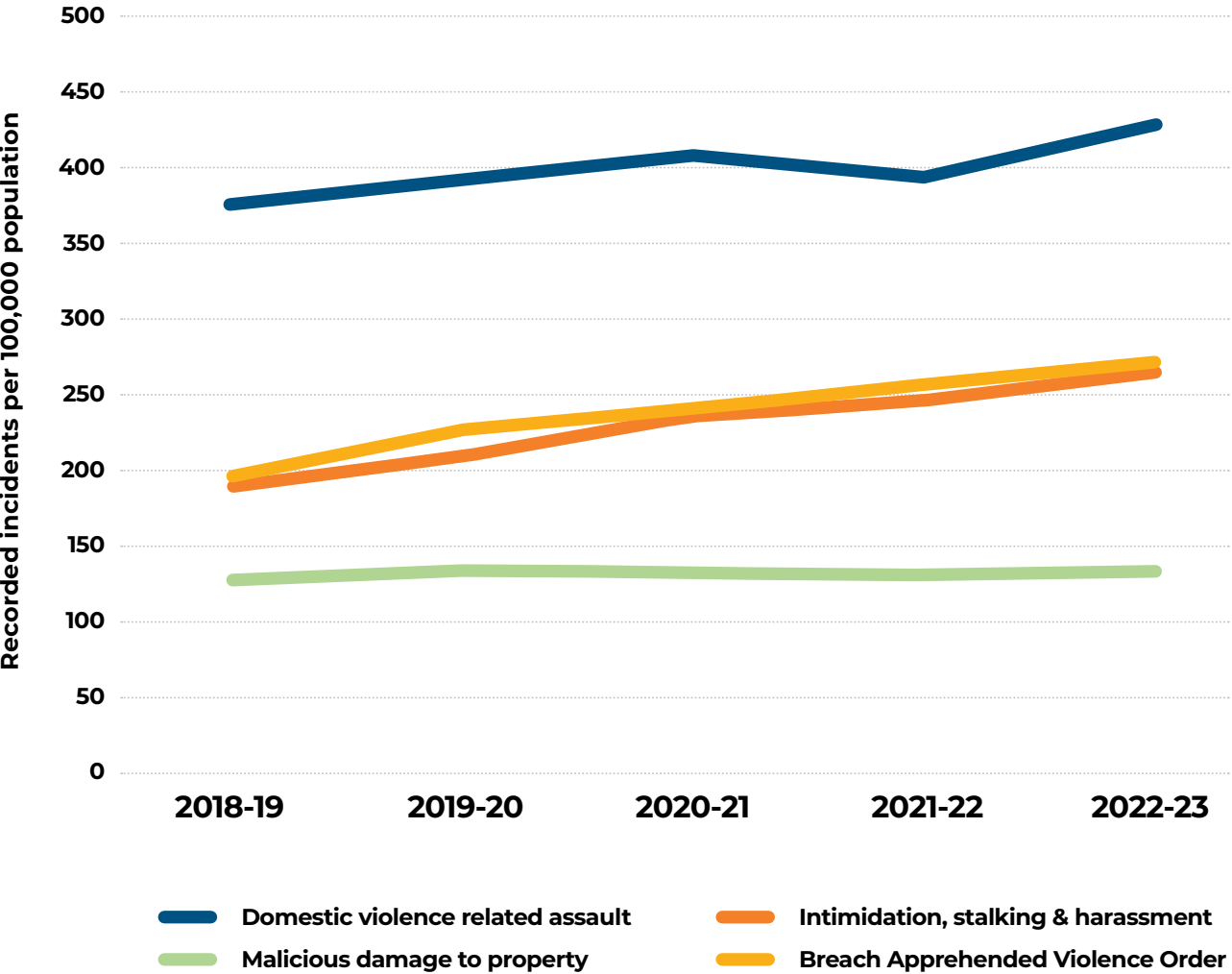
43. These estimates cover NSW Government spending on community and non-government specialised mental health services. They do not include the cost of Commonwealth-funded psychosocial mental health services, which are generally funded through the NDIS.

Domestic and family violence services

About 27 per cent of Australian women have experienced violence by an intimate partner or family member since the age of 15, and about 41 per cent of people—both women and men—have experienced physical or sexual violence since the age of 15.⁴⁴

The rate of domestic and family violence incidents reported to police has been increasing, and on several measures was higher in 2022-23 than during the COVID-19 pandemic (see chart 3).

CHART 3 Recorded incidents of domestic and family violence by NSW Police per 100,000 population, selected offences⁴⁵



44. ABS (2023), Personal Safety, Australia, 2021-22, Available: <https://www.abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release>

45. NSW Bureau of Crime Statistics and Research (2023), Domestic violence statistics for NSW, Available: https://www.bocsar.nsw.gov.au/Pages/bocsar_pages/Domestic-Violence.aspx



Image from Travis Chau/Flickr

However, many victims of domestic and family violence do not report violence to the police or seek help from government services. An estimated 40 per cent of victims of physical domestic or family violence in NSW did not report the most recent incident to police.⁴⁶

Violence against women has been estimated to cost the Australian economy up to \$27 billion each year.⁴⁷ These costs include pain and suffering, lost productivity, and the costs governments incur in providing justice, health and support services.

In South West Sydney, almost 5,000 domestic violence-related assaults were reported to police in 2022-23.⁴⁸ Using survey data on how many people report experiencing violence, Impact Economics and Policy estimates that almost 20,000 women living in South West Sydney experienced physical or sexual violence each year, and this will increase to over 25,400 women by 2041. It is also estimated that about 1,000 people in the region received Crisis Payments from the Australian Government.

46. NSW Bureau of Crime Statistics and Research (2023), Domestic and Family Violence trends in NSW, July 2020 to June 2022: Update, Bureau Brief No. 167, Available: <https://www.bocsar.nsw.gov.au/Publications/BB/BB167-Report-DFV-Trends-NSW.pdf>

47. Costs estimates from PWC (2015) updated to 2023 dollars using the Consumer Price Index.

48. NSW Bureau of Crime Statistics and Research (2023), Domestic violence statistics for NSW.

C A S E S T U D Y

Biyani House – Revesby Women's Shelter

Mary* is 39 years old, originally from Lebanon. She was married, had three children at a very young age, then divorced. After the divorce, Mary's mother came to Australia and took her back to the Middle East. Mary's three children remained in Sydney with their father.

Mary's mother brought her back to Australia in December 2022, with the understanding that Mary's eldest daughter (now 18 years old) would care for her, however the daughter reported that she was studying at university and didn't have the capacity to care for her mother. As a result, Mary became homeless.

Mary spoke very little English, had limited cognitive abilities (as reported by the daughter), had no knowledge and no practice of basic processes such as using public transport, using a bank card, purchasing something from the shops, going out even for short walks on her own, and had a seemingly strong belief that she could not do anything on her own. Mary's daughter was holding Mary's bank card and was giving Mary's small amounts of cash on a needs basis.

The casework's focus was to assist Mary develop independent living skills using a strength-based approach, and to find suitable long-term accommodation.

To do this, staff assisted her to enroll in English classes at the local TAFE; went with Mary on the bus to and from the college; assisted Mary to recognise landmarks along the way as reference for getting on and off at the right bus stops; purchased an OPAL card and showed Mary how to use it; advocated with Mary's daughter for Mary to be in possession of her own bank account card; showed Mary how to use the bank card to purchase items.

As a result of strong advocacy to the Department of Communities and Justice, Mary was offered a 2-bedroom unit after 6 weeks and 4 days of stay at the shelter. She received brokerage money to purchase furniture and white goods.

At the time of moving out, Mary's verbal and written English had improved, as well as her confidence in her own abilities. She had her own bank card, was going out for little walks every day on her own, could catch the bus to TAFE, even though occasionally she had asked a friend for a lift back to the shelter.

* name has been changed



The NSW Government has recognised the need to invest more in tackling domestic and family violence. In the 2023-24 Budget, it announced \$39.1 million in new funding for preventing domestic, family and sexual violence and supporting victim-survivor safety.⁴⁹ This includes \$4.4 million over three years to establish a new specialist multicultural domestic and family violence centre in South West Sydney.

Further investment will be required. Impact Economics and Policy estimates that the NSW and Commonwealth Governments will need to increase their investment in domestic and family violence services in South West Sydney from \$51 million a year to \$66 million a year by 2041 to keep up with population growth (see Table 8). To address unmet need, spending will need to increase by \$150 million to \$160 million a year by 2041.

TABLE 8 NSW and Commonwealth Government spending required each year on domestic and family violence services in South West Sydney⁵⁰

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need
2024	\$51 million	\$52 million	\$118 million—\$126 million
2031	\$51 million	\$57 million	\$130 million—\$139 million
2041	\$51 million	\$66 million	\$150 million—\$160 million

However, governments can significantly reduce this future need by investing more in prevention and early intervention now. Violence against women is preventable, with research demonstrating that gender inequality is a key driver of sexual, domestic and family violence. Increased funding towards primary prevention is vital to end gender-based violence within our broader communities and population, and further reduce the economic costs of domestic and family violence.

49. NSW Government (2023), Reducing domestic, family and sexual violence in New South Wales, Gender Equality Budget Statement, Available: <https://www.nsw.gov.au/working-and-business/gender-equality-statement/health-and-wellbeing/reducing-domestic-family-and-sexual-violence-new-south-wales>

50. These estimates include NSW Government expenditure on family and domestic violence services (including victim support and perpetrator intervention) and Commonwealth Government grant payments relating to family and domestic violence. Estimates do not include Commonwealth spending on Crisis Payments due to a lack of available data.



Photo courtesy of Mirrung

Child protection services

Across South West Sydney, over 13,000 children (out of about 300,000 in total) were reported to child protection services in 2022–23 as being at risk of significant harm. Impact Economics and Policy modelling estimates that about 2,200 children had at least one out-of-home-care placement during the previous year, and 1,250 children commenced intensive family support services.

Across Australia, Aboriginal and Torres Strait Islander children are significantly overrepresented in the child protection system—for example, over 40 per cent of all care and protection orders in place in New South Wales in June 2022 related to Indigenous children. While Indigenous

children comprise only about 2.9 per cent of the child population of South West Sydney, we estimate that about 3,000 of the 13,343 children reported as being at risk of significant harm are Indigenous (23 per cent).

Impact Economics and Policy estimates that the NSW Government will spend about \$397 million in 2024 on child protection services, and this will increase to \$446 million in 2041 with population growth (see Table 9). This is slower than growth in other spending areas as the population of children in South West Sydney is expected to grow only half as fast as the overall population.



Photo courtesy of Mirrung

C A S E S T U D Y

Mirrung

Ashcroft Public School is a vibrant primary school of approximately 300 students, located in Ashcroft, in the Liverpool Local Government Area. Culturally diverse, it is both a community of considerable strength and resilience and a community that experiences significant disadvantage.

Research has revealed that the service system operating in Ashcroft is fragmented and there is a perception that services are more crisis related, rather than focusing on complex issues related to entrenched disadvantage.

There is one social service organisation located in Ashcroft, the South West Sydney Women's Centre, which means that children and families need to travel to neighbouring suburbs such as Liverpool or Miller to access much-needed supports.

Families at the school noted several barriers to accessing available services including a lack of familiarity with what was on offer, concern about potential costs, and access to transport.

Mirrung is a wellbeing hub within Ashcroft Public School that supports the education and wellbeing of children through an integrated whole-of-family approach.

It opened in 2022 in partnership with the New South Wales Council of Social Service. It is philanthropically funded and backed by the Ashcroft school community and the NSW Department of Education.

It takes a place-based approach to respond to the priorities and needs identified by the Ashcroft community.

The school facilitates whole-family early intervention support services through a hub located at the school entrance, with dedicated staff to support family wellbeing. It is premised on the fact that improvement in student wellbeing and learning will only occur if families are also supported.

While it is still early days, it is clear that Mirrung is already creating impact. Ashcroft community and the families at the school feel a sense of community and connection with the hub. Mirrung has helped families navigate complex service systems, linking them with appropriate health and social services. Since Mirrung opened, families are now more comfortable to approach the school for help in moments of crisis, including families at risk of homelessness or experiencing domestic violence. School staff have also appreciated the role that Mirrung plays in providing wellbeing supports for their students.

However, government is underinvesting in child protection services. Just 24 per cent of the children in South West Sydney who were reported at being at risk of significant harm in 2022-23 were seen by a caseworker.⁵¹

Impact Economics and Policy estimates that if caseworkers saw all children reported as being at risk of significant harm, spending on protective intervention services would need to increase from about \$105 million to \$437 million a year in 2024. This means total spending on child protection services will need to increase to \$819 million by 2041.

TABLE 9 NSW Government spending required each year on child protection services in South West Sydney

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need
2024	\$397 million	\$397 million	\$729 million
2031	\$397 million	\$413 million	\$760 million
2041	\$397 million	\$446 million	\$819 million

Most of the costs to government in this area are in providing care services, such as out-of-home-care (61 per cent of the total in 2021-22). Many of these costs could be avoided through greater investment in prevention, such as support for families, early intervention for at-risk children, and policies to reduce economic and social disadvantage.

51. Department of Communities and Justice (2023), Caseworker statistics – Interactive dashboard, Available: <https://www.facs.nsw.gov.au/resources/statistics/caseworker-statistics/dashboard>

Migrant and refugee services

South West Sydney has a large migrant and refugee population. About 43 per cent of the region's population was born overseas, compared to 29 per cent for NSW as a whole.⁵²

Over 31,000 humanitarian migrants settled in the region in the 10 years to 2022-23, which is nearly 60 per cent of the total for all of New South Wales over the period. Nearly 20,000 of these humanitarian migrants settled in the Fairfield local government area.

As a result, settlement support and other migrant services are essential social infrastructure in South West Sydney. Impact Economics and Policy estimates that by 2041, spending on these services will need to increase from about \$181 million to \$233 million a year (see Table 10). This includes Commonwealth expenditure on refugee, humanitarian settlement and migrant services, as well as NSW Government funding for grants and subsidies disbursed by Multicultural NSW.

TABLE 10 Commonwealth and NSW Government spending required each year on migrant and refugee services in South West Sydney

Year	Spending on current trajectory	Spending increases with population growth
2024	\$181 million	\$183 million
2031	\$181 million	\$202 million
2041	\$181 million	\$233 million

These projections do not include the impact of the \$48 million Multicultural Communities Support Package for community languages schools, or the \$30 million Multicultural Capital Partnership Fund, which were announced by the NSW Government in the 2023-24 Budget.⁵³

Lack of available data meant it was not feasible to quantify the extent of unmet need for migrant and refugee services, or to quantify the spending needed on health, education and other services to meet the needs of the growing migrant population of South West Sydney.

52. 2021 Census.

53. NSW Government (2023), Our plan for Western Sydney.

C A S E S T U D Y

Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)

NSW settles 38 per cent of the total number of Australia's humanitarian entrants, with almost 60 per cent settling in South West Sydney. STARTTS is a specialist, non-profit organisation that has provided culturally relevant psychological treatment and support, and community interventions, to help people and communities heal the scars of torture and refugee trauma and rebuild their lives in Australia for over 30 years. Initially established in 1988 in Fairfield, it now has several regional and metropolitan service delivery locations, including its head office in Carramar.

The Mental Health Community Living Supports for Refugees (MH-CLSR) is a unique program that provides trauma-informed, recovery-oriented, culturally safe and responsive psychosocial supports to refugees and asylum seekers who are experiencing psychological distress, mental ill health and impaired functioning. The program is funded by NSW Health, and STARTTS is one of the partner agencies contracted to deliver the program in four Local Health Districts, including South West Sydney in partnership with New Horizons.

The MH-CLSR program helps people like Monir*, who fled his home country Myanmar (formerly known as Burma) due to the persecution he faced from militia, that included experiencing torture and witnessing the murder of a family member. On his arrival to Australia, Monir was held in immigration detention on Christmas Island for five months.

He was then released in Sydney, where Monir chose to live in Fairfield. Monir found himself dealing with feelings of depression and panic attacks, which had started while in immigration detention. Monir was unable to access education or find secure employment due to his visa conditions, which significantly worsened his wellbeing. He found it difficult to connect with his community and became further isolated

when he began to experience paranoia. The pressure of trying to prepare for his temporary protection visa interview intensified into symptoms of psychosis. Monir was scheduled under the Mental Health Act and subsequently received treatment for three months in a mental health facility.

Monir was referred to the MH-CLSR program by his hospital social worker. Through the MH-CLSR program, Monir was supported in identifying his goals and aspirations. He joined the MH-CLSR "Empowering Minds" group, where he meets other people from all backgrounds, makes new friends, and practises his English skills. Monir was supported to attend medical appointments and purchase medication. Monir expressed his interest in gardening and with the guidance of his support worker he was able to participate in his local community garden on a weekly basis.

With the support of his MH-CLSR support worker, Monir attended his immigration interview and was eventually granted a temporary protection visa. He continues to receive psycho-social supports from the MH-CLSR program and now feels more confident and able to take care of his well-being. He feels more in control of his mental and physical health, and can identify and manage signs of mental distress.

* name has been changed



Photos courtesy of STARTTS

Financial counselling

Financial counselling services help people to participate in the economy. Currently these services are provided by community-based organisations, which are funded by Commonwealth and state government grants.

In November 2023, the Commonwealth announced a new industry funding model for financial counselling, in which companies from the banking and finance, energy, insurance and other sectors would contribute about \$30 million over three years to fund financial counselling services.⁵⁴ This is in addition to about \$80 million in annual government funding from the Commonwealth, states and territories.

As this new funding model was announced following a review of unmet need for financial counselling services, it is assumed that the new funding level is adequate to address this need (but exclude industry funding amounts in our estimates of government expenditures). On this basis, Impact Economics and Policy estimates that spending on financial counselling services in South West Sydney will need to increase from about \$4.8 million to \$6.2 million a year by 2041 (see Table 11).

TABLE 11 NSW and Commonwealth Government spending required each year on financial counselling services in South West Sydney

Year	Spending on current trajectory	Spending increases with population growth	Spending increases to address unmet need
2024	\$4.8 million	\$4.8 million	\$4.9 million
2031	\$4.8 million	\$5.3 million	\$5.4 million
2041	\$4.8 million	\$6.1 million	\$6.2 million

54. Minister for Social Services (2023), Industry to fund additional financial counselling services, Media Release, 21 November, <https://ministers.dss.gov.au/media-releases/13201>

Conclusion

Current government policies are aiming for growth, but ignoring the needs of communities for investment in social infrastructure. This report has highlighted the extent of growth in demand across services in one of the fastest growing regions in New South Wales, South West Sydney.

The future needs of South West Sydney go beyond roads and bridges, and include eight crucial areas of social infrastructure—social housing, community facilities, disability services, community mental health, domestic and family violence support, child protection, migrant and refugee services, and financial counselling.

While Government expenditure across these sectors in South West Sydney is estimated to be around \$1.3 billion in 2023, projections to 2041 that account for current unmet need and population growth indicate an additional \$3.0 billion each year in current dollars will be required in 2041. This increased investment is vital for sustaining the economic and non-economic benefits of social infrastructure, such as increased participation in work and education, improved health and well-being, and reduced pressure on health and income support systems.

The findings in this report underscore the importance of preventative measures in areas like domestic violence, child abuse, and mental health.

A failure to meet existing and future unmet demand and ensure that there is the workforce to deliver services will undermine the benefits of population growth, and risk exacerbating existing levels of disadvantage across South West Sydney. Investing in these services has the potential to drive the economic fortunes of the region, and lift many of the residents of South West Sydney out of financial stress and poverty.

Appendix

General methodology

We use three main scenarios for our projections:

- **Spending on current trajectory** – government expenditure remains constant in real terms at its current level (or, where spending has been volatile, its average over the past five years).
- **Spending to meet population growth** – government expenditure increases at the rate of population growth. Unless otherwise stated, this is the projected number of people living in South West Sydney each year.
- **Spending to address unmet need** – government expenditure increases meet available estimates of unmet need as well as population growth.

In some cases, minor variations to these scenarios have been made, and are explained throughout this appendix. In some spending areas, not all the scenarios are relevant—for example, where we could not source estimates of the extent of unmet need.

Impact Economics and Policy projected spending required in each year from 2024 to 2041, inclusive.

We have only quantified explicit budgetary costs to governments. We do not count, for example, the forgone rental yield when land is used for local government facilities or social housing instead of commercial uses. Expenditure figures and estimates for the NSW Government are gross of any funding contributions from the Commonwealth.

We used population projections at the LGA level from NSW Department of Planning.¹ We have also used population data from the 2021 Census conducted by the Australian Bureau of Statistics (ABS),² for example, for the population of other States and estimates of the Aboriginal and Torres Strait Islander population.

We converted all historical expenditure figures into 2023 dollars using the Consumer Price Index.

When calculating present value figures for cumulative investment, we used a real discount rate of 0.6 per cent. This is the rate that IPART recommends local governments apply when calculating local infrastructure contributions.³

Social housing and housing assistance

Social housing

We used data on the number of social housing units in 2022 by local government area (LGA) and on total NSW Government expenditure on social housing, which we apportioned to South West Sydney using its share of the NSW social housing stock (which is 19 per cent).⁴ The expenditure data includes Government spending on public housing, state owned and managed Indigenous housing, and community housing. For public and Indigenous housing, the data captures recurrent expenditure such as maintenance, and capital expenditure such as renewing the existing housing stock and investment in

1. NSW Department of Planning and Environment (2022), Population projections, Available: <https://www.planning.nsw.gov.au/research-and-demography/population-projections>. Note that the projections for the number of people and households in South West Sydney in 2021 slightly less than reported in the 2021 Census.

2. Australian Bureau of Statistics (ABS) (2023), Census, available: <https://www.abs.gov.au/census>

3. Independent Pricing and Regulatory Tribunal NSW (2023), Local government discount rate, Fact Sheet, 24 August, Available: https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Fact-sheet-Local-government-discount-rate-August-2023.PDF https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Fact-sheet-Local-government-discount-rate-August-2023.PDF

4. For data on the stock of social housing: Australian Institute of Health and Welfare (AIHW) (2023), Supplementary data tables: Social housing dwellings 2023, Available: <https://www.aihw.gov.au/reports-data/health-welfare-services/housing-assistance/data>. For data on government expenditure: Steering Committee for the Review of Government Service Provision (SCRGSP) (2023), Report on Government Services 2023, Housing data tables, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness/housing>

new social housing units. For the community housing sector, the data captures NSW Government subsidy payments.

Because expenditure has been volatile in recent years, we used the average expenditure (in real terms) over the past five years to estimate spending levels on the current trajectory.

In projecting the amount of investment required, we used the stock of social housing units in South West Sydney 2022 (30,057) as the baseline, assuming that the existing stock can be fully utilised. We cite a different figure cited in the report for the number of households living in social housing (28,171), which is an estimate based on the occupancy rate for social housing in NSW major cities (the number of households living in social housing divided by the number of social housing units).⁵

Because we only have aggregate estimates of capital expenditure, we are unable to distinguish between expenditure on building new social housing units and expenditure on renewing or maintaining existing units. Therefore, we have taken the current rate of new building as part of the baseline to estimate spending on the current trajectory, i.e. we assume the stock of social housing increases by 0.6 per cent a year on the current trajectory, and NSW Government expenditures increase at the same rate to reflect growth in maintenance and renewal costs as the social housing stock expands. This is based on the average annual rate of growth in the stock of new buildings over the past five years for major cities in NSW (about 180 units a year).

Our projections for the current spending trajectory do not include recent

announcements such as the measures for social housing in the 2023-24 NSW Government Budget and the social and affordable housing measures announced by the Commonwealth Government (including the new Housing Australia Future Fund).

For the other scenarios, we estimated the incremental cost of providing new social housing above this baseline.

In the population growth scenario, we assumed that the number of social housing units increases at the rate of overall growth in the number of households in South West Sydney.

To estimate the extent of unmet need, we used two scenarios.

In the first scenario, we used estimates of the number of families in South West Sydney that were homeless (including living in severely overcrowded housing, but not in other overcrowded housing) in 2021, and non-student households in the first and second income quintiles that were renting in the private rental market and paying more than 30 per cent of their gross income on rent ('rent-stressed households').⁶ We assumed that each of these populations grows over time at the projected rate of growth in the number of households in South West Sydney (meaning that their shares of the overall number of households would remain constant without investment to address the unmet need).

In the second scenario, we used the target for 10 per cent of all dwellings in New South Wales to be social and affordable housing by 2041. This target has been advocated by NCOSS and others.⁷ To reflect the fact that South West Sydney already has a much greater than average share of public housing

5. AIHW (2023), Supplementary data tables: Social housing dwellings 2023.

6. UNSW City Futures Research Centre (2023), Housing Need Dashboard, Available: <https://cityfutures.ad.unsw.edu.au/cityviz/housing-need-dashboard/>. This dashboard uses data from the 2021 Census and applies the methodology set out by J. Lawson, H. Pawson, L. Troy, R. van den Nouweland and C. Hamilton (2018), *Social housing as infrastructure: An investment pathway*, Australian Housing and Urban Research Institute, Available: <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-306-Social-housing-as-infrastructure-an-investment-pathway.pdf>

7. NSW Council of Social Service (NCOSS) (2023), NSW Budget 2023-24 Analysis: Housing and Homelessness, Available: <https://www.ncoss.org.au/nsw-budget-2023-24-analysis-housing-and-homelessness/>

than other parts of NSW (8.3 per cent for Sydney versus 5.1 per cent for NSW overall), we ‘scaled up’ the 10 per cent target by dividing it by the actual state wide figure then multiplying by the actual South West Sydney figure. This results in an equivalent target of 16.1 per cent for South West Sydney.

To estimate the cost of building new social housing units, we used the following inputs and assumptions:

- For land purchase costs, we used estimates of land costs for social housing in South West Sydney⁸ and inflated these to 2022 values using land price indexes for residential land in Sydney from the NSW Valuer General.⁹ This results in \$137,000 per unit in 2023 dollars.
- For construction costs, we used estimates of the share of attached, low-rise and high-rise social housing units required in the Greater Sydney region, and the floor size of these units.¹⁰ We then costed these using recent construction cost estimates for a two-bedroom single level townhouse, a unit in a three-level walk-up complex, and a unit in a 4-8 level complex, all with a low (basic) level of finish.¹¹ This results in an average of \$223,000 per unit in 2023 dollars.
- We assumed that governments pay 100 per cent of the land and construction costs for new public housing and SOMIH, and 61 per cent of the costs for community housing (based on NSW Government data on government and sector contributions in 2021-22¹²). This implies that the NSW Government will bear 87 per cent of the

overall cost of building new social housing units.

- We assumed that the composition of the social housing stock remains constant over time (i.e. the number of units of each size and type, and the shares of public, Indigenous and community housing).
- For the costs of maintenance and renewal, we used current per-unit government expenditure on public housing (as most of this cost relates to maintenance and renewal, and there are no disaggregated data available for maintenance, renewal and new construction costs).

We assume that unmet need would be met gradually over time, with 1/18th of the need met each year over the 18 years between 2024 and 2041.¹³ This means that a level of unmet demand will persist until 2041. However, there is adequate new construction to house the homeless population in all years (except for 2024 in scenario 2, where there is a shortage of 300 social housing units).

While we have modelled these unmet need scenarios as requiring construction of new social housing units, they are economically equivalent to government purchasing existing properties from the private market and dedicating them to social housing.

Private rental assistance and tenants advice

We used data on total NSW Government expenditure on Private Rental Assistance (PRA) in 2021-22¹⁴ and grant funding for tenants advice services in 2022-23.¹⁵ We

8. Lawson et al. (2018).

9. NSW Valuer General (2023), Long term land value trends, Available: https://www.valuergeneral.nsw.gov.au/land_value_summaries/historical_values.php

10. We have used the same estimates as Lawson et al.

11. BMT Quantity Surveyors (2023), How much does it cost to build a house in 2023?, Available: <https://www.bmtqs.com.au/construction-cost-table>

12. NSW Department of Communities and Justice (2022), 2021-22 Annual Report, Volume 1, p. 67, Available: https://dcj.nsw.gov.au/documents/resource-centre/annual-reports/Volume_1_-_DCJ_2021-22_Annual_Report-AMENDED_10.11.22_bf5b17.pdf

13. This is based on the approach used by Lawson et al.

14. SCRGSP (2023), Housing data tables.

15. NSW Fair Trading (2023), Community grants administered in 2022-2023, Available: <https://www.fairtrading.nsw.gov.au/about-fair-trading/our-services/grants/community-grants-administered-in-2022-2023>

apportioned figures to South West Sydney using data on the number of recipients of Commonwealth Rent Assistance in the five LGAs in the region (as a share of all recipients in NSW)¹⁶ as a proxy for the proportion of other forms assistance that are spent on households in South West Sydney.

We estimate that 2,524 households in South West Sydney received PRA from the NSW Government in 2021-22, equivalent to 6.6 per cent of the number of rent-stressed households.

However, in our scenarios where the stock of social housing is increased to address unmet need, we assume that 50 per cent less PRA and tenants advice will be required. We assume that some amount of these assistance programs will always be needed, noting that much of this assistance is in the form of temporary help to secure a tenancy (e.g. support with references or paying a bond).¹⁷

We have not included Commonwealth Rent Assistance payments in the projections.

Homelessness services

We used data on the number of homelessness services clients in major cities of NSW to estimate that 7,361 people in South West Sydney used homelessness services in 2021-22 (based on the region's share of homeless households in the total for NSW major cities as reported in the Census), equivalent to just over 3.5 times the number of homeless households.¹⁸ This reflects that homelessness is temporary for many people who experience it.

To estimate expenditures, we used data on NSW Government expenditure on homelessness services in 2021-22,¹⁹ and apportioned this to South West Sydney on the basis of the region's share of homeless households in NSW in 2021.²⁰

We estimated unmet need for homelessness services as a percentage based on NSW-wide figures. We first estimated that 91 per cent of demand for homelessness support periods is currently met, based on figures for the number of client support periods and the number of unassisted requests that were made in 2021-22.²¹ We then estimated that, for clients who receive homelessness services, 50 per cent of their needs are met. This is based on the reported proportion of clients with unmet need for accommodation services in NSW in 2021-22,²² and we assume that most of the cost of providing homelessness services relate to accommodation. We then combined these figures to estimate that currently met need is 45 per cent of the overall cost of meeting total need for homelessness services.

In our scenarios where the stock of social housing is increased to address unmet need, we further assumed that 50 per cent of the cost of providing homelessness services will no longer be required. This is because some potential users of homelessness services will not need these services because there is adequate social housing available (i.e. in lieu of medium and long-term accommodation support from homelessness services). However, homelessness services will still be required as some people will still experience temporary homelessness.

16. AIHW (2023), *Housing assistance in Australia 2023: Financial assistance*, Available: <https://www.aihw.gov.au/reports-data/health-welfare-services/housing-assistance/data>

17. NSW Department of Communities and Justice (2023), *Private rental assistance*, Available: <https://www.facs.nsw.gov.au/housing/help/ways/private-rental-assistance>

18. SCRGSP (2023), *Report on Government Services 2023, Homelessness services data tables*, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness/homelessness-services>

19. SCRGSP (2023), *Homelessness services data tables*.

20. For South West Sydney, we used the estimate of the number of homeless households from UNSW City Futures Research Centre (2023), *Housing Need Dashboard*. For NSW, we used Census data on the number of homeless persons and divided by 2.5 (the assumed average household size for homeless households used by Lawson et al. (2018)).

21. AIHW (2023), *Specialist homelessness services 2021-22*, Available: <https://www.aihw.gov.au/reports-data/health-welfare-services/homelessness-services/data>

22. SCRGSP (2023), *Homelessness services data tables*. Figures for clients with unmet need for non-accommodation homelessness services are also reported, with 2.6 per cent experiencing unmet need.

By assuming that expenditure needs to increase on the basis of 55 per cent of current demand being unmet, but is then reduced by 50 per cent because less needs to be spent on accommodation services, the net effect is that total expenditures in this scenario are only slightly higher than in the simple population growth scenario.

Community facilities

Our analysis covers community buildings provided by the five councils in South West Sydney. All data on current and projected building numbers and expenditures are sourced from the most recently available annual reports and asset management plans of each council in South West Sydney (Camden, Campbelltown, Canterbury-Bankstown, Fairfield and Liverpool councils).

While each of the five councils reports publicly on its stock of building assets and plans for future maintenance and renewal, they do not do this in a consistent way, and some do not publish disaggregated figures. Our analysis is therefore based on estimates of current and planned investment in all buildings and facilities. We assume that 57 per cent of costs are for social-related buildings, based on the average share of current replacement value attributable to social-related buildings for the three largest councils (Canterbury-Bankstown, Liverpool and Fairfield), which report disaggregated figures. We define social-related buildings as community centres, childcare centres, leisure and aquatic centres, libraries, museums, parks buildings and showgrounds. Our method excludes council investment in buildings such as offices, works depots and multi-storey carparks, and excludes non-

building assets (such as parks and open space, roads and stormwater assets).

To estimate current maintenance and renewal expenditures, we used estimated expenses for 2023 published by Campbelltown, Fairfield and Liverpool councils. For Canterbury-Bankstown council, we used figures for 2022 and increased them by the average projected growth rates for 2024–2032 published by Campbelltown, Fairfield and Liverpool councils. For Camden council, to estimate renewal expenses, we used a similar method to Canterbury-Bankstown. To estimate maintenance expenses for Camden council, we took the per-building average expense for the other four councils (as Camden council has not published an estimate of maintenance expenses).

Our estimates do not include operational costs or land values due to a lack of data.

To estimate expenditure on the current trajectory, we assume that maintenance expenses continue to increase by 0.6 per cent a year, and renewal expenses continue to increase by 2.1 per cent a year. These are the average increases projected for the period 2024–2032 by Campbelltown, Fairfield and Liverpool councils. We assume there is no capital investment in new buildings on the current trajectory. We also assume that no additional investment is needed to bring existing buildings up to a higher standard.

To estimate expenditure in the population growth scenario, we assume that:

- the cost of each new building is the same as the average per-building replacement cost of the current building stock, as reported by each council

- the number of community buildings as a share of all buildings remains constant
- new capital investment is spread evenly over time in line with annual population growth, with the exception of 2024, which includes investment to cover population growth for both 2023 and 2024 (there is no consistent data on planned capital investments in 2023)
- maintenance and renewal expenses increase at the same rates as per the current trajectory, with a further increase to reflect the growing total stock of buildings (at the rate of population growth).

Disability services

We considered the National Disability Insurance Scheme (NDIS) and other disability services separately. In both parts of this analysis, we have apportioned state-wide and national figures to South West Sydney using the share of NDIS participants in the region in 2023 (14.2 per cent of NDIS participants in NSW, and 4.3 per cent of NDIS participants in Australia).²³

National Disability Insurance Scheme

We have estimated future NDIS costs relating to South West Sydney as a standalone analysis. These estimates are not included in our aggregated projections as policy and funding for the NDIS is set at a national level, and it is not realistic to assume that spending levels could be kept constant at current levels or grow only with population growth. Projected future NDIS costs include the costs of meeting future population growth and unmet need.

To estimate the future number of NDIS participants and scheme costs for South West Sydney, we used data on current participant numbers and costs by LGA.²⁴ We then used projections from the National Disability Insurance Agency (NDIA) on the number of participants in the South Western Sydney district each year to 2032.²⁵ As this district is broader than our definition of South West Sydney (it also includes the Wingecarribee and Wollondilly LGAs), we scaled the NDIA projections by the share of participants in our definition of South West Sydney within the broader NDIS district.

We assumed that participant numbers grow at the rate of population growth from 2033 to 2041.

To project future NDIS costs for South West Sydney, we used the following approach:

- For years up to and including 2026, we used NDIA estimates of future nominal scheme costs for each year until 2026. We took the per-participant average and applied it to the projected number of NDIS participants in South West Sydney.
- For years after 2026, we increased the 2026 estimate by annual growth rate estimates derived from Treasury's 2023 Intergenerational Report (IGR).²⁶ Because the IGR estimates are expressed as a percentage of GDP and rounded to one decimal place, using the raw estimates would result in artificially volatile annual growth rates. To adjust for this, we used predicted values from a simple ordinary least squares regression (with NDIS costs as the independent variable, and the year and year squared as dependent variables). This results in a smoother series of annual growth rates.

23. National Disability Insurance Agency (NDIA) (2023), Explore data, Available: <https://data.ndis.gov.au/explore-data>

24. NDIA (2023), Explore data.

25. NDIA (2023), Participant datasets, Projected participants by service district area, Available: <https://data.ndis.gov.au/datasets/participant-datasets>

26. Treasury (2023), 2023 Intergenerational Report, chart 7.9, Available: <https://treasury.gov.au/publication/2023-intergenerational-report>

- For consistency, we deflated all annual cost figures into real dollars using the GDP deflators published in the IGR.²⁷
- We estimated the Commonwealth and NSW Government shares of future costs using the share of total projected NDIS costs borne by State and Territory Governments published in the IGR.

Estimating future NDIS costs is difficult. There has been significant public debate about the need to reform eligibility criteria and funding arrangements to improve the fiscal sustainability of the scheme. We think that projecting out short-term NDIA forecasts into the long term (i.e. to 2041) is unlikely to produce credible estimates given the likelihood of reforms to the scheme within this time frame. We therefore used projections from the IGR, which embed an assumption that there will be unspecified future reforms such that annual cost growth does not exceed 8.0 per cent after 1 July 2026.

Other disability services

In estimating expenditure on non-NDIS disability services, we used data on Commonwealth and NSW Government spending on non-NDIS disability services, which include disability employment services, accommodation support, community support, community access, respite services, and advocacy, information and print disability services.

We used expenditure data for 2021-22 (the latest year available) and apportioned this to South West Sydney based on the region's share of NDIS participants in Australia and NSW (as a proxy for the share of people with a disability who use other disability services).

To estimate spending on the current trajectory, we assumed that spending remains constant in real terms at its 2021-22 level. For the population growth scenario, we assumed that the proportion of people with a disability in South West Sydney will remain constant over time, and thus spending will grow at the rate of overall population growth.

To estimate expenditure required to address unmet need, we used the following approach for disability employment services:

- We first estimated the number of people in South West Sydney using Employment Support Services and Disability Management Services²⁸ by apportioning NSW-wide figures based on the region's share of NDIS participants (noting that many users of disability employment services are NDIS participants). We estimate that there were 9,259 users of Employment Support Services in the region in 2021-22, and 7,801 users of Disability Management Services.
- We then used data on the number of users of Employment Support Services per 1,000 potential population living in NSW major cities (the potential population is the number of people aged under 65 with an employment restriction due to disability).²⁹ This is 623.7 users per 1,000 population and implies that 62 per cent of demand is currently met.
- We then used this figure to work out the cost of meeting 100 per cent of demand by scaling up existing expenditure estimates.

In the unmet need scenario, we assumed that spending on the other non-NDIS disability services (i.e. not including employment services) grows at the population growth

27. Treasury (2023), 2023 Intergenerational Report, chart 1.16.

28. SCRGSP (2023), Report on Government Services 2023, Services for people with disability data tables, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/community-services/services-for-people-with-disability>

29. SCRGSP (2023), Services for people with disability data tables.

rate. We did not have any estimates of the extent of unmet need for these services. Our projections are therefore likely to be an underestimate of future expenditure needs.

Our estimates do not include disability services provided through other policy areas (e.g. education, mainstream health or community mental health), nor do they include Commonwealth expenditure on the Disability Support Pension.

Community mental health services

For service use, we used data on use of community mental health services published by the Australian Institute of Health and Welfare for 2020-21 (the latest year available).³⁰ As data are not published by region, we used data for the number of service contacts and number of patients by age and sex for NSW as a whole. We apportioned these to South West Sydney using its population share for each age and sex category.

To estimate spending, we used data on NSW Government expenditure on specialised mental health services in 2020-21 (the latest year available).³¹ We counted ambulatory services as being community mental health services, which is consistent with how the AIHW defines community mental health service.³² This includes outpatient services provided by hospitals. We also included NSW Government funding for non-government organisations to provide specialised mental health services, as most of these are community services.

We did not include estimates of Commonwealth spending on community mental health services, such as psychosocial supports, which are mostly funded through the NDIS.

In projecting future values, we assume the underlying incidence of mental ill-health in the population remains at current levels.

We also assumed that NSW Government spending would increase by 3.7 per cent a year until 2024, in line with average annual growth over the five years to 2020-21. After that we assumed it would remain flat on the current spending trajectory, and increase at the rate of population growth in the population growth scenario.

To estimate unmet need, we used published estimates of unmet need for Victoria and South Australia, and assumed that demand for services is the same on a per person basis in South West Sydney.

- For the lower bound cost estimate, we used estimates from a report commissioned by the South Australian Government of total demand for specialised mental health community supports (excluding residential crisis and respite services) in South Australia by age group, in terms of the number of occasions of service.³³ This was 1.3 million service contacts for South Australia. We estimate the equivalent for South West Sydney to be 791,000 service contacts based on the population of each region by age group. This implies that 59 per cent of demand is currently being met.

30. AIHW (2023), Community mental health care services tables 2020-21, Available: <https://www.aihw.gov.au/mental-health/resources/data-tables>

31. SCRGSP (2023), Report on Government Services 2023, Services for mental health data tables, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/services-for-mental-health>

32. AIHW (2023), Community mental health care services, Available: <https://www.aihw.gov.au/mental-health/topic-areas/community-services>

33. David McGrath Consulting (2023), *Unmet mental health service need in South Australia that could be met by the NGO sector: An analysis on behalf of the South Australian Government*, tables 5 and 6, Available: <https://s3-ap-southeast-2.amazonaws.com/sahealth-ocp-assets/general-downloads/Unmet-Mental-Health-Service-need-in-South-Australia-that-could-be-met-by-the-NGO-sector.pdf>

- For the upper bound cost estimate, we used estimates from the Royal Commission into Victoria's Mental Health System of total demand for public specialist community mental health services in 2019-20.³⁴ This was 4.7 million hours for Victoria. We estimate the equivalent for NSW to be 5.8 million hours in that year, given the total population of each state. Using data from the AIHW on number of service contacts and average service contact hours in 2020, we estimated that only 1.8 million hours of services were being provided. This implies that 31 per cent of demand was being met in that year (assuming that average service durations are adequate).

By comparison, the Productivity Commission estimated that across Australia, about 110,000 people were receiving psychosocial mental health supports in 2019-20 (including through the NDIS), with a further 154,000 people in need of these services who are missing out. This implies that 42 per cent of demand was being met (i.e. between our lower and upper bound assumptions).

To estimate the cost of meeting unmet demand, we scaled up current expenditures by the proportion of demand that we assumed is currently unmet. We then assumed that total demand and total expenditure will increase over time at the rate of overall population growth for South West Sydney.

To estimate the economic costs of mental health for South West Sydney, which we describe in the main report,

we used estimates from the Productivity Commission,³⁵ inflated to 2023 dollars, and scaled these by the proportion of people in South West Sydney with a long-term mental health condition as a share of the Australian total.

Domestic and family violence services

For incidence data, we used data from NSW Bureau of Crime Statistics and Research on the number of offences recorded by police³⁶, and survey data from the ABS on how many people have experienced various forms of violence.³⁷ We apportioned incidence data to South West Sydney based on the proportion of domestic violence related assaults recorded by police in the region as a share of the NSW total (this figure is 14.1 per cent).

For estimates of the number of women experiencing physical or sexual violence in the past year, we used ABS estimates for this figure on a national basis, and apportioned it to New South Wales using the number of women experiencing violence in NSW in the past two years as a share of the national total (because one-year figures are not reported by state). We then apportioned this NSW figure to South West Sydney using the method outlined above.

We assumed that incidence of domestic and family violence remains constant over time.

No data was available on the number of people who use domestic violence services in New South Wales.

34. Royal Commission into Victoria's Mental Health System (2021), Final Report, Volume 1, p. 197, Available: https://finalreport.rcvmhs.vic.gov.au/wp-content/uploads/2021/02/RCVMHS_FinalReport_Vol1_Accessible.pdf

35. Productivity Commission (2020), *Mental Health*, Report no. 95, Available: <https://www.pc.gov.au/inquiries/completed/mental-health/report>

36. NSW Bureau of Crime Statistics and Research (2023), Domestic violence statistics for NSW, Available: https://www.bocsar.nsw.gov.au/Pages/bocsar_pages/Domestic-Violence.aspx

37. ABS (2023), Personal Safety, Australia, 2021-22, Available: <https://www.abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release>

For expenditure, we used data on NSW Government funding in 2022-23 for preventing family, domestic and sexual violence, reducing reoffending and supporting victim safety through early intervention, victim support and perpetrator interventions.³⁸ This does not include government spending on social housing and homelessness services, which we cover elsewhere in our analysis. We apportioned expenditure data to South West Sydney using the method outlined above.

For Commonwealth grant funding, we used data for 2022-23 for grant payments relating to 'family and domestic violence' paid by the Department of Social Services and Attorney-General's Department.³⁹ We took the total for Australia and apportioned to South West Sydney based on its share of the Australian population. We did not use information on the location of grant recipients as some may be national or state-wide organisations that provide services in different regions to where their head office is located.

To estimate unmet demand for services, we used two methods.

- For the lower bound cost estimate, we used an estimate from a recent evaluation of the Australian Government's trial of an Escaping Violence Payment that 80 per cent of clients self-referred to this program (rather than being referred through existing domestic violence services) and, of these, 30 per cent were accessing other services.⁴⁰ This

suggests that 56 per cent of all clients were not receiving other services, and thus that only 44 per cent of current demand is being met. We scaled up both NSW and Commonwealth Government expenditure accordingly.

- For the lower bound cost estimate, we assumed that per person expenditure by the NSW Government (\$32.40 per person in 2022-23) increases to match spending on domestic violence services by the Victorian Government (\$94.30 per person).⁴¹ We assumed that Commonwealth Government expenditure remains at its current level and increases only with population growth.

In both methods, we assumed that spending grows over time the rate of overall population growth for South West Sydney.

To estimate the number of people receiving Commonwealth Crisis Payments, we used data on the number of payment recipients reported by the AIHW⁴² and apportioned this to South West Sydney using its share of the national population. We have not included Commonwealth expenditure on Crisis Payments in the spending projections as expenditure on these payments is not published.

38. NSW Government (2023), NSW Budget 2022-23, Budget Paper No. 2 Outcomes Statement, Available: https://www.budget.nsw.gov.au/sites/default/files/2022-06/2022-23_02_Budget-Paper-No-2-Outcomes-Statement.pdf

39. Grants awards by category, Available: <https://help.grants.gov.au/getting-started-with-grantconnect/information-made-easy/awards-by-category/>

40. Where To (2023), *Department of Social Services Report: Evaluation of the EVP*, Available: https://www.dss.gov.au/sites/default/files/documents/09_2023/1609-5481_final_evp_report_050723.pdf

41. This is the same method we used in Impact Economics and Policy (2022), *AfterShock: Addressing the Economic and Social Costs of the Pandemic and Natural Disasters*, Report Two – Domestic and Family Violence, Available: <https://www.ncoss.org.au/policy-advocacy/policy-research-publications/aftershock-addressing-the-economic-and-social-costs-of-the-pandemic-and-natural-disasters-report-1-mental-health/>

42. AIHW (2023), Family and domestic violence Crisis Payments, Available: <https://www.aihw.gov.au/reports/domestic-violence/family-domestic-sexual-violence-data/data?&page=2>

Child protection services

We used data on the number of reports of risk of significant harm in 2022-23 for the NSW Department of Communities and Justice's South Western Sydney district, which covers the Camden, Campbelltown, Canterbury-Bankstown, Fairfield, Liverpool, Wollondilly and Wingecarribee local government areas.⁴³ As this is broader than how we have defined South West Sydney, we have apportioned the figures based on the number of children in each local government area.

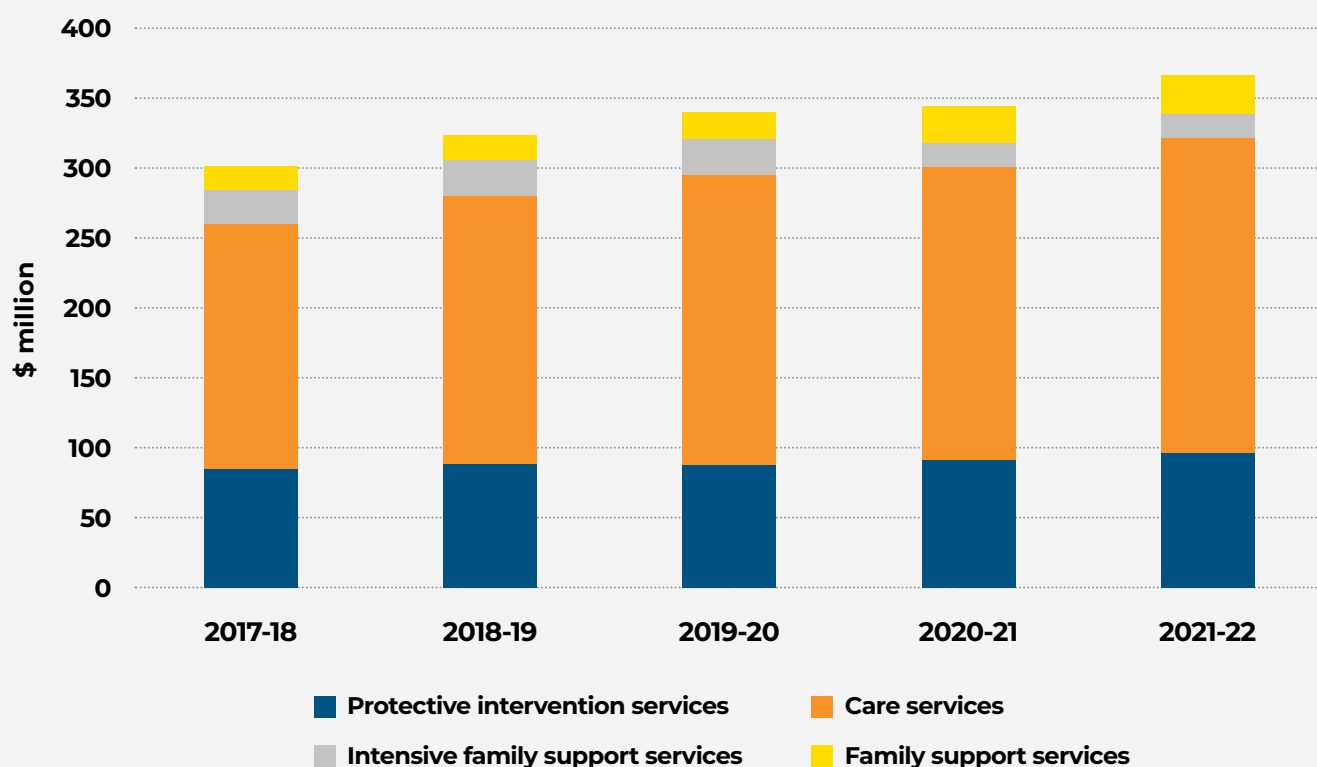
All other incidence, service use and expenditure data is based on figures for NSW, which are reported by Indigenous status.⁴⁴ We have apportioned these figures to South West Sydney by separately considering

the population share of Aboriginal and Torres Strait Islander children and non-Indigenous children (from the 2021 Census). We have used this approach for the child protection analysis as Indigenous children are significantly over-represented in the child protection system. For example, in 2021-22, 23 per cent of all notifications in NSW related to Indigenous children, and 42 per cent of all care and protection orders in place on 30 June 2022 related to Indigenous children.

Similar to other service areas, we assume the incidence of harm to children remains steady over time, and the number of children requiring services grows at the rate of population growth for children aged 0 to 19.

Government spending comprises the four categories in chart 4 below.

CHART 4 Estimated NSW Government spending on child protection services, South West Sydney, 2023 dollars



To estimate future spending, we assumed that NSW Government spending would increase by 4.0 per cent a year until 2024, in line with average annual growth over the five years to 2021-22. For subsequent years, we assumed it would remain flat on the current spending trajectory, and increase at the rate of population growth in the population growth scenario.

To estimate unmet need, we used data on the percentage of children reported as being at risk of serious harm that are seen by a caseworker in 2022-23 (24 per cent).⁴⁵ This figure is for the NSW Department of Communities and Justice's South Western Sydney district. We used this number as a measure of the proportion of total need for protective intervention services that is currently met, and scaled up expenditure on those services accordingly. We assumed expenditure on the other three types of child protection services remains at its current level (and grows in line with the population of children).

Migrant and refugee services

Our analysis includes:

- Grants and subsidies dispersed by Multicultural NSW. These mostly fund community programs, multicultural events and language services. We used data on grants and subsidies for 2021-22⁴⁶ and apportioned this to South West Sydney using the region's share of all migrants who have lived in Australia for 10 years or less (5.7 per cent).⁴⁷ This gives \$11.7 million in 2022.
- Commonwealth Department of Home Affairs expenditure on refugee, humanitarian settlement and migrant services in 2022-23,⁴⁸ which we apportioned to South West Sydney using the region's share of permanent humanitarian visa holders in the 10 years to 2022-23 (21.3 per cent).⁴⁹ This gives \$169 million in 2023.

We assumed that the share of recent migrants and humanitarian migrants in the overall population of South West Sydney remains constant over time. We therefore used the overall population growth rate for the region to estimate how spending needs would increase with population growth.

No estimates of the extent of unmet need for migrant and refugee services were available.

43. Department of Communities and Justice (2023), Caseworker statistics – Interactive dashboard, Available: <https://www.facs.nsw.gov.au/resources/statistics/caseworker-statistics/dashboard>

44. SCRGSP (2023), Report on Government Services 2023, Child protection services data tables, Productivity Commission, Available: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/community-services/child-protection>

45. Department of Communities and Justice (2023), Caseworker statistics – Interactive dashboard.

46. Multicultural NSW (2023), *Multicultural NSW Annual Report 2021-22*, p. 69, Available: <https://multicultural.nsw.gov.au/wp-content/uploads/2023/01/2021-22-Multicultural-NSW-Annual-Report.pdf>

47. Based on 2021 Census data.

48. Department of Home Affairs (2023), Portfolio Budget Statements 2023-24, Home Affairs Portfolio, p. 39, Available: <https://www.homeaffairs.gov.au/reports-and-pubs/Budgets/2023-24-home-affairs-portfolio-pbs-full.pdf>

49. Data.gov.au, Settlement Reports, Department of Home Affairs, Available: <https://www.data.gov.au/dataset/ds-dga-8d1b90a9-a4d7-4b10-ad6a-8273722c8628/details>

Financial counselling

Our analysis includes:

- Grants dispersed by Fair Trading NSW for the Financial Counselling Services Program in 2022-23, which we apportioned to South West Sydney based on its share of the NSW population (\$1.4 million in 2023).
- Commonwealth, State and Territory Government funding for financial counselling through a national scheme, which we apportioned to South West Sydney based on its share of the Australian population (\$3.4 million in 2022).

To illustrate spending on the current trajectory, we assume spending remains constant in real terms.

To illustrate spending required to address unmet need, we used the figure of \$80 million in annual government funding from the Commonwealth, states and territories that was announced in November 2023.⁵⁰ As this announcement followed a review of unmet need for financial counselling services commissioned by the Commonwealth, we assume that the new level of funding is sufficient to address unmet need. The new funding includes an additional \$30 million in industry funding over three years, which we do not include in our estimates of government spending.

50. Minister for Social Services (2023), Industry to fund additional financial counselling services, Media Release, 21 November, <https://ministers.dss.gov.au/media-releases/13201>

A REPORT PREPARED BY **IMPACT ECONOMICS AND POLICY** FOR THE **NEW SOUTH WALES COUNCIL OF SOCIAL SERVICE**

