

background paper



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Key Issues and Regional Profiles for the 55th Parliament

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Key Issues and Regional Profiles for the 55th Parliament

CONTENTS

FOREWORD

PARLIAMENT AND GOVERNMENT 1

NSW ELECTION 2011	1
PARLIAMENTARY ISSUES	3
INTEGRITY IN GOVERNMENT	5
COAG AND AUSTRALIAN FEDERALISM	7
LOCAL GOVERNMENT	9

ECONOMY AND STATE FINANCES 11

THE STATE OF THE NSW ECONOMY.....	11
SECTORS OF THE NSW ECONOMY.....	13
STATE FINANCES.....	15

POPULATION..... 17

POPULATION GROWTH	17
POPULATION AGEING	19

STATE DEVELOPMENT AND ENVIRONMENT..... 21

PLANNING.....	21
INFRASTRUCTURE.....	23
TRANSPORT	25
ENVIRONMENT	27
WATER IN THE MURRAY-DARLING BASIN	29
MINING AND EXPLORATION	31

SOCIAL SERVICES 33

EDUCATION	33
HEALTH	35
MENTAL HEALTH.....	37
DISABILITY SUPPORT.....	39
CHILD PROTECTION	41

SOCIAL ISSUES	43
INDIGENOUS DISADVANTAGE	43
COST OF LIVING	45
HOUSING AFFORDABILITY	47
OTHER SOCIAL ISSUES	49
CRIMINAL JUSTICE	51
THE PRISON POPULATION.....	51
CRIME AND JUSTICE ISSUES – PART ONE.....	53
CRIME AND JUSTICE ISSUES – PART TWO	55
REGIONAL ISSUES AND PROFILES	57
REGIONAL ISSUES	57
REGIONAL PROFILE – NEW SOUTH WALES.....	59
REGIONAL PROFILE – CENTRAL WEST SD	61
REGIONAL PROFILE – FAR WEST SD	63
REGIONAL PROFILE – HUNTER SD	65
REGIONAL PROFILE – ILLAWARRA SD	67
REGIONAL PROFILE – MID-NORTH COAST SD	69
REGIONAL PROFILE – MURRAY SD	71
REGIONAL PROFILE – MURRUMBIDGEE SD	73
REGIONAL PROFILE – NORTH WESTERN SD	75
REGIONAL PROFILE – NORTHERN SD	77
REGIONAL PROFILE – RICHMOND-TWEED SD.....	79
REGIONAL PROFILE – SOUTH EASTERN SD	81
REGIONAL PROFILE – SYDNEY SD.....	83

FOREWORD

Each Parliament that is formed after a State general election is different: party political numbers vary, new personalities emerge, Presiding Officers may change, as may procedures and voting patterns. At times these differences are more a matter of degree, especially when one political party has been in government for many years, as in the case of the Labor Party in New South Wales in 1941-65, 1976-88 and 1995-2011. In this State the major shifts in parliamentary and political life tend to occur when the Coalition Parties come to power, never more so than after the March 2011 State election. In this, the 55th Parliament since New South Wales attained responsible government in 1856, there will be no fewer than 44 new Members in the Legislative Assembly (31 Liberal; 7 National; 5 Labor; and 1 NSW Greens) and 8 new Legislative Council Members (3 Liberal; 2 National; 2 NSW Greens; and 1 Christian Democrat).

Just as personalities change from one Parliament to another, so do policy perspectives and priorities. If such issues as transport, health and education are the hardy perennials of State politics, other policy imperatives sometimes emerge and grow to an extent that they colour the political landscape for a time. Not so long ago law and order legislation was high on the political agenda, now less so. Contemporary issues include population growth and ageing, cost of living and housing affordability concerns, disability support, plus environmental matters, including water in the Murray Darling Basin. Regional issues are also high on the State's political agenda and, as background to this policy debate, included in this publication is a statistical profile of each of the 12 New South Wales regions.

The policy areas covered in the Key Issues and Regional Profiles Paper have been written with a view to providing Members with a summary only of the some of the current significant issues in State politics. Key policy challenges are discussed, the most recent reforms identified and in many cases the funding relationship between the States and the Commonwealth is outlined. In addition, hyperlinks are provided to key documents in each area of public policy.

This Key Issues and Regional Profiles Paper also provides an introduction to the work of the Research Service of the New South Wales Parliamentary Library, which comprises subject expertise in the areas of law, social issues, economics and environment and planning. In particular, the Key Issues and Regional Profiles Paper identifies the relevant publications of the Research Service over the life of the previous Parliament, as a guide to the nature and scope of our work. As well as providing briefing papers and other publications on topics of current interest for general distribution, the Research Service responds, in strict confidence, to information requests from individual Members. Requests for research can be made by contacting the Manager, Research Service, in person, by phone or email. Requests can also be made through:

- library@parliament.nsw.gov.au

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Gareth Griffith

Manager, Research Service

15 April 2011

NSW ELECTION 2011

The NSW State Election held on Saturday, 26 March 2011 resulted in a major shift in NSW politics, with the Coalition increasing its representation in the Legislative Assembly from 37 seats to 69 and forming government for the first time since 1995.

NEW ELECTORAL LAWS

Campaign Expenditure: The 2011 Election was the first to be held under comprehensive changes made to the [Election Funding, Expenditure and Disclosures Act 1981](#). These changes placed limits on political donations, set caps on campaign expenditure and tied the public funding of candidates to a composite of votes received and expenditure outlaid [See Key Issues: Integrity in Government].

iVote: The 2011 election also marked the first time that certain electors could vote through a telephone service or online. This facility – called iVote – was reserved for electors who are vision impaired, have a disability that affects their accessibility to a polling station, live 20km or more from a polling station or were outside of NSW on polling day.

THE CAMPAIGN

Debates: Historically, leaders' debates have not been a feature of election campaigns in NSW. This campaign proved a notable departure, with Kristina Keneally and Barry O'Farrell participating in a series of debates across various formats. This included fielding questions from a panel of journalists on 24 February, two "town hall" style community forums on 14 and 16 March, and a final head-to-head debate on the ABC's 7:30 NSW program on 18 March.

Platforms: The Labor campaign heavily stressed its "Fairness for Families" credentials, with its centrepiece policy being a proposed Bill that would limit rises in key fees, taxes and charges, and cap increases in public transport costs to the rate of inflation. Labor also promised to increase the energy rebate and extend the eligibility of the scheme. In other key policy differences, Labor promised to quickly build the Parramatta to Epping rail link and argued for the retention of NSW occupational health and safety laws rather than refer them to the Commonwealth.

During the later stages of the campaign, Labor repeatedly warned voters against giving O'Farrell a "blank cheque", implicitly conceding the likelihood of a Coalition victory and apparently seeking to mitigate the extent of defeat. This theme included warning voters about the dangers of giving unfettered control to the Coalition should

they achieve majorities in both Houses of Parliament.

On the financial front, Labor [criticised](#) the Coalition for refusing to submit its costings to the newly formed Parliamentary Budget Officer and for only releasing its costings 48 hours from polling day [see Key Issues: Parliamentary Issues].

For its part, in a campaign described as "[no frills](#)", the Coalition emphasised its [Contract with NSW](#), a five-point plan that outlined its key policy priorities. Specific policy initiatives frequently alluded to during the campaign included:

- the repeal of the controversial Part 3A of the [Environmental Planning and Assessment Act 1979](#);
- expediting work on the planned South-West and North-West rail links;
- the widening of the M5; and
- an increased focus on accountability in Government, including establishing a Public Service Commissioner, regulating lobbyists and the banning of success fees [see Key Issues: Integrity in Government].

The Coalition also strongly criticised Labor's handling of the privatisation of the State's electricity assets and the subsequent proroguing of Parliament for the purpose, it was claimed, of obstructing a parliamentary committee inquiry into the sale [see Key Issues: Parliamentary Issues].

Other policy differences are dealt with in the relevant sections of this Key Issues and Regional Profiles paper.

Media: An overarching theme throughout the campaign was Labor's longevity in office. This, together with a perceived sense of infighting that culminated with three Premiers in the four-year term, and a high rate of ministerial turnover due to scandal or misconduct, was given significant weight by many in the media. As a result of these and other issues, [The Sydney Morning Herald](#), [The Australian](#) and [The Daily Telegraph](#) all editorialised in favour of a change of Government.

THE RESULTS

The result was a comprehensive defeat for the 16-year old Labor Government and, conversely, a resounding victory for a resurgent Coalition. In light of the results, Liberal Leader Barry O'Farrell was able to claim victory on election night and was sworn in as the 43rd Premier on 28 March 2011.

Legislative Assembly Results

Party	Vote %	Swing %	Seats (93)	Change
Coalition	51.2	+14.1	69	+34 ¹
<i>Liberal</i>	38.6	+11.6	51	+29 ²
<i>National</i>	12.6	+2.5	18	+5
Labor	25.6	-13.4	20	-32
Greens	10.3	+1.3	1	+1
CDP ²	3.1	+0.7	-	-
Other Parties	0.9	-2.4	-	-
Independents	9.0	-0.2	3	-3

¹Includes Liberal gains at by-elections in Ryde (2008) and Penrith (2010), ² Christian Democratic Party

Party	2PP Vote (%)	Swing (%)
Coalition	64.2	+ 16.5
Labor	35.8	- 16.5

Legislative Council Results

Party	Vote %	Swing %	Seats Gained (21)	Total Seats ¹ (42)
Coalition	47.7	+13.5	11	19
Labor	23.7	-15.4	5	14
Greens	11.1	+2.0	3	5
SFP ²	3.7	+0.9	1	2
CDP	3.1	-1.3	1	2
P. Hanson	2.4	+2.4	-	-
J. Hatton	1.3	+1.3	-	-
Others	7.0	-3.4	-	-

¹Includes the 21 MLCs elected at the 2007 election (Labor 9; Coalition 8; Greens 2; CDP 1; SFP 1), ² Shooters and Fishers Party

Labor: The Labor share of the primary vote (25.6%) was its lowest since the early days of the Party in 1904, and almost 13% less than its previous post-WWII worst result in 1988 of 38.5%. The two-party [swing](#) against Labor of 16.5% eclipsed the previous national record of 14.6% against the Cain Labor Government in Victoria in 1955. Labor retained 20 of its seats, confined to a band of suburbs in Sydney's inner city and west, as well as two in the Hunter and three in the Illawarra.

Coalition: The Coalition recorded one of their best results with a near doubling of its Legislative Assembly representation. For the National Party, it was their best result since 1988 and the Liberal Party's best result since 1968. An unprecedented swing in excess of 36% was achieved in Bathurst and swings over 20% were recorded in a belt of seats in Sydney's outer south and west. The Liberal Party also won the seat of Newcastle, despite coming in fifth place at the 2007 election, and by-election wins in Ryde and Penrith were consolidated.

The swing was broadly consistent across the State, with a clean sweep of every seat west of the Blue Mountains, south of the Illawarra and

north of the Hunter. The Coalition also made significant inroads into traditional Labor turf in western Sydney, including amongst many [migrant communities](#), and across the [Hunter](#).

Greens/Others: The NSW Greens increased their share of the vote for the fifth consecutive election to 10.3% and increased their representation by one in the Legislative Council. They also achieved representation in the Lower House for the first time after winning Balmain, albeit narrowly. They also came within 1% of winning Marrickville.

Independent representation in the Legislative Assembly has been halved with the loss of 3 rural-based independents. Dubbo, Tamworth and Port Macquarie were all lost to Nationals candidates, with [some suggesting](#) the result was influenced by a possible backlash against those Independent Members in the Federal Parliament supporting the minority Gillard Government. Independent candidates in historically Labor seats fared better, retaining the seats of Lake Macquarie and Sydney, as well as almost winning the steelmaking-based seat of Wollongong.

For the Legislative Council, the Christian Democrats and the Shooters and Fishers Party both won a seat each, for a total of two seats apiece. Both are now established as minor parties in the Upper House, winning at least one seat each in recent elections.

The 2011 election also saw the reappearance of two very different former political figures - Pauline Hanson, founder and former leader of One Nation, and John Hatton, former Independent Member for South Coast, running on an anti-corruption platform. Both contested but were unsuccessful in election to the Legislative Council, although Pauline Hanson came within 1,300 votes of winning the final seat (as at 15 April, Ms Hanson is considering challenging the result before the Court of Disputed Returns).

THE FUTURE

The sweeping changes made to the electoral landscape have profound implications for the future of NSW politics. For its part, Labor now requires a substantial swing back in its favour at the next election to achieve government or at least make significant inroads. For the Coalition, some commentators have been quick to suggest that it will retain Government for at least eight, and possibly 12, years. Such has been the shift in political fortunes in NSW.

KEY DOCUMENTS

A Green, [2011 NSW Election Preview - Analysis of Past Voting Patterns by Electorate](#), Background Paper 1/2011

PARLIAMENTARY ISSUES

The 54th Parliament ended with debate on a raft of issues relating to the law, processes and procedures of the Houses of the NSW Parliament. Some of these issues, concerned with the value and integrity of Question Time for example, came into focus in the wake of the 2010 Commonwealth general election, which resulted in the formulation of proposals for reform of the House of Representatives contained in the "Agreement for a Better Parliament". Others aspects of the debate derived from more distinctly State-based issues and developments.

PARLIAMENTARY PROCESSES AND PROCEDURE

In September 2010, Premier Keneally announced a Joint Select Committee on Parliamentary Reform to examine the reforms proposed for the Commonwealth Parliament and to consider their adoption in NSW. The Committee reported in October 2010. Consistent with the constitutional status of the two Houses, the Committee divided into two working groups and the views of the Assembly and Council Committee Members were reported separately.

Both working groups noted that several of the reforms proposed federally had already been adopted in NSW, including the Acknowledgement of Country and the adoption of Codes of Conduct of the Members of the respective Houses. Broad areas of commonality were also noted, including support for the respective Procedures Committees to consider the introduction of a Parliamentary Integrity Commissioner and for the list of unproclaimed legislation to include reasons why legislation has not been proclaimed.

Among the recommendations supported by the Council's working group was for further inquiry by its Procedure Committee into the merits of:

- the adoption of an automatic commencement provision in all Bills;
- amending the arrangements for the management of Private Member's business;
- establishing a new joint committee for the scrutiny of subordinate legislation; and
- defining the meaning of appropriations bills "for the ordinary annual services of the Government".

The Assembly's working group recommendations included consideration by its Standing Orders and Procedure Committee of the merits of:

- providing for two Assistant Speakers, one a Government Member and one a non-Government Member;

- requiring Ministers to explain to the House the reasons for late responses to committee reports and petitions with 500 or more signatures; and
- requiring the Chair of the Public Accounts Committee to be a non-Government Member.

On the Assembly side, one result of the Joint Select Committee inquiry was the amendment of Standing Order 131, restricting Ministerial answers at Question Time to five minutes and any response to a supplementary question to two minutes. Time limits were already in place in the Council.

PARLIAMENTARY BUDGET OFFICE

The [Parliamentary Budget Officer Act 2010](#) was assented to on 1 November 2010. It establishes the position of the Parliamentary Budget Officer as an independent officer of Parliament. By ss 6 and 7 of the Act, a person *may* be appointed by the Presiding Officers to that position and for a term of between 4 and 9 years. The Officer's functions include:

- at the request of a parliamentary leader in a "pre-election period", the preparation of election policy costings; and
- at the request of Members of Parliament, preparing a costing of a proposed policy and providing advice on budgetary and related issues.

Mr Tony Harris, a former NSW Auditor-General from 1992 to 1999, was appointed Parliamentary Budget Officer, on a temporary basis until 11 May 2011. The Coalition Parties said they would not submit their election costings to Mr Harris, preferring instead to continue with their own costings process, headed by another former Auditor-General, Mr Bob Sendt.

As noted, the costings issue featured in the election campaign, with both Labor and the Coalition [claiming](#) that the other side had made a "mockery" of the process. With the first Labor costings only arriving on the afternoon of 11 March 2011, Tony Harris is [quoted](#) as saying "I would like to tweak the system considerably."

PARLIAMENTARY PRIVILEGE

The powers and privileges of the Houses of the NSW Parliament are founded largely upon the common law, and as such they only have such powers and privileges as are reasonably necessary for their existence and for the proper exercise of their functions. In NSW, arguments and proposals for the statutory codification of Parliament's powers and privileges have a long

history and include concern about the lack of power to punish offences against the Houses.

Tabled in the Assembly by Speaker Richard Torbay on 2 December 2010 was the exposure draft of the [Parliamentary Privileges Bill 2010](#). As well as confirming the scope of such matters as the privilege of freedom of speech in Parliament, the Draft Bill would address a number of current issues, including the problem of "effective repetition" outside Parliament of an allegedly defamatory statement.

Where a person commits an offence against one of the Houses, the Draft Bill would also empower the House, by resolution, to impose a fine or imprisonment. By clause 5(1) of the Draft Bill, a reference to an *offence against a House* is a reference to a breach of the privileges or immunities, or a contempt, of a House or of the members or committees. By clause 5(2) it is for the House to decide, acting on any advice it considers appropriate, whether any particular conduct constitutes an offence. The penalties that could be imposed under the Draft Bill range from imprisonment for up to 6 months, or a fine of up to \$5,000 for a natural person or \$10,000 for a corporation.

Tabled at the same time by Mr Torbay was the exposure draft of the [Parliamentary Members' Staff Bill 2010](#), a key [purpose](#) of which is to enable Members of Parliament to make the decision to employ and dismiss their own staff.

RECALL ELECTIONS

Discussed during the 54th Parliament was the idea of introducing a popular Recall mechanism which would provide a trigger for an early State election. Under the fixed-term Parliaments regime currently in place in NSW, the Legislative Assembly can only be dissolved prior to the date specified in s 24A of the NSW *Constitution Act 1902*, and an early State election called, in very limited circumstances. Barry O'Farrell has [said](#) that he would appoint a panel of constitutional experts to consider the Recall proposal.

PROROGATION

The 54th Parliament was prorogued on 22 December 2010 (the Assembly until 4 March 2011, the Council until 10 May 2011). On 23 December 2010 the Council's General Purpose Standing Committee No 1 announced the Gentrader Transactions Inquiry. In 1994, the Crown Solicitor had advised that, unless it has the legislative authority to do so, a standing committee cannot function while the House which created it stands prorogued. The Committee proceeded with the inquiry, notwithstanding that on 2 January 2011 the Crown Solicitor confirmed

his previous advice. The Crown also expressed the view that committees do not have power during prorogation to compel the attendance of witnesses or require them to answer questions, and suggested that there is a risk that evidence provided to the Committee would not be protected by parliamentary privilege.

In her advice of 11 January 2011, the Clerk of the Parliaments said she respectfully disagreed with the Crown Solicitor. In part, with reference to the High Court decision in *Egan v Willis* in 1998, the Clerk advised that:

the power of modern standing committees to sit after prorogation is based on the common law principle of 'reasonable necessity'. While the traditional understanding of prorogation was that committees may not meet, a contemporary reading of the system of responsible government is that the Council, through its standing committees, must be able to exercise its constitutional role of scrutinising the actions of the executive government and holding it to account. This includes during any period of prorogation.

On 21 January 2011, the Legislative Council received independent legal advice from Brett Walker SC, supporting the view that standing committees have the power to meet during prorogation.

The differing opinions were canvassed in the Committee's [report](#). A possible course of action was the issuing of warrants to require witnesses to attend. In the event, further to section 7 of the [Parliamentary Evidence Act 1901](#), the President of the Legislative Council ruled that the witnesses who had failed to attend had acted with "just cause or reasonable excuse".

A further issue canvassed in the wake of this debate is whether, in the lead up to a General Election, the "caretaker conventions" should apply from the date of prorogation and not, as at present, from a date fixed in early March for the expiry of the Legislative Assembly.

KEY DOCUMENTS

Joint Select Committee on Parliamentary Processes and Procedure, [Reforms to Parliamentary Processes and Procedure](#), 2010

G Griffith and L Roth, [Recall Elections](#), E-Brief 3/2010

G Griffith, [Parliamentary Privilege: First Principles and Recent Applications](#), Briefing Paper 1/2009

G Griffith, [Parliamentary Privilege: Major Developments and Current Issues](#), Background Paper 1/2007

INTEGRITY IN GOVERNMENT

Concerns about integrity in government are as old as government itself. But if concerns of this kind are more or less ubiquitous, it is also the case that there are moments when they come into particular focus, when standards in public life seem to be under stress for one reason or another. Challenging and difficult as such moments are sure to be, they may nonetheless present an opportunity for reform and renewal, a chance for a political system to take a good long hard look at itself. At issue, fundamentally, is public confidence in that system.

In recent years, several concerns about integrity in government have surfaced. Responding to these issues, during the course of the 54th Parliament reforms were made across a number of areas. Other reforms have also been proposed.

POLITICAL DONATIONS AND ELECTION FUNDING

One focus of this debate has been on reforming political donations laws and restructuring campaign finance. In November 2009, [legislation](#) was passed that prohibited the receipt of political donations from property developers. This was followed in November 2010 by further amendments to the [Election Funding, Expenditure and Disclosures Act 1981](#), which extended the prohibition against the making of donations to the tobacco, liquor and gambling industries, together with representatives of those industries. These reforms reflect longstanding community concern about the actual or perceived impact such donations may have on the process of public policy decision making.

The November 2010 legislation also made substantial changes to campaign finance laws, further limiting political donations, setting caps on campaign expenditure and adjusting the public funding of parties and candidates.

Political donations: Donations by individuals and groups to political parties and groups are now limited to \$5,000 per annum. Donations to elected members, candidates and third parties are limited to \$2,000 per annum. Tight controls have been placed on "front organisations" that seek to circumvent the donation limits by funnelling funds from a common source to the same party. Placing these restrictions on political donations is designed to address community perceptions about the purchasing of unequal access to decision-makers and its potentially compromising effect on the integrity of government.

Caps on campaign expenditure: Candidates endorsed by a party in a Legislative Assembly

seat have their campaign expenditure capped at \$100,000. The cap for independent candidates is \$150,000. Under the new rules, expenditure by parties running for election to the Legislative Council and third party campaigners (such as trade unions or business groups) is capped at \$1.05 million in a Statewide campaign. The general argument is that, by the setting of expenditure caps, a fairer playing field will be created, restricting the influence of campaign advertising and the advantages flowing to candidates who can source personal finance to fund their campaign.

Public funding: Adjustments were also made in November 2010 to the public funding of election campaigns. The amendments retain the previous requirement that individual candidates surpass a 4% threshold or be elected to Parliament to be eligible for funding. For those candidates that qualify for public funding, reimbursement is only paid for actual electoral expenditure to ensure that individuals do not profit from their candidacy. In addition, reimbursement will be in accordance with a diminishing sliding scale, so that the public funding of electoral expenditure progressively decreases as a candidate or party spends closer to their expenditure cap.

The reforms also updated the audit functions of the Election Funding Authority, affording it new injunction powers, as well as inspection and enforcement powers.

LOBBYING

As with the making of political donations by interested parties, there is a perception that lobbyists can wield undue influence and that, without appropriate regulation, their activities may skew the political decision making process. Two key issues arise: first, the effective regulation of lobbyists generally; and secondly, the particular concerns relating to post-separation employment for Ministers and others, where former public office holders are recruited to the lobbying industry.

In 2006, the NSW Premier's Department issued guidelines for Ministers, their staff and public officials in dealing with lobbyists. That same year, the Code of Conduct for Ministers was amended to provide an advisory role for the Parliamentary Ethics Adviser. Then in February 2009, a Lobbyist Code of Conduct and register came into operation. The [Code](#) provides that Government representatives (Ministers, Parliamentary Secretaries, Ministerial staff, staff working for a Parliamentary Secretary, and persons working in public sector agencies) must only be lobbied by a

professional lobbyist who is registered and has the lobbyist's details on the Register.

FREEDOM OF INFORMATION

A new FOI regime was legislated for by the [Government Information \(Public Access\) Act 2009](#), with the inclusion of a statutory presumption in favour of the disclosure of government information. Provision was also made for establishing an Office of the Information Commissioner (OIC), to which Deirdre O'Donnell was appointed in April 2010. A [joint parliamentary committee](#) exercises certain oversight functions over the OIC.

PROTECTED DISCLOSURES

Amendments to the (now renamed) [Public Interest Disclosures Act 1994](#) were made in late 2010, implementing many of the major recommendations of the parliamentary ICAC Committee's report – [Protection of Public Sector Whistleblower Employees](#). Some of the amendments commenced on proclamation, while the remaining provisions are to commence either in July 2011 or January 2012. The 2010 amendments:

- lower the threshold before a public interest disclosure can legally be made;
- extend whistleblower protections to independent contractors of public authorities;
- allow public authorities to seek an injunction to prevent reprisal action from taking place;
- provide civil remedies for whistleblowers who suffer reprisal action; and
- allow a public interest disclosure to be made if there is a breach of duty under the [Government Information \(Public Access\) Act 2009](#).

APPOINTMENTS AND STANDARDS

The debate about standards in public life and public administration is many sided. A particular focus of the public administration debate refers to the making of senior public appointments and their political neutrality. The issues were discussed in a 2009 report by the Tasmanian Legislative Council's [Select Committee on Public Sector Executive Appointments](#). The Select Committee, after receiving evidence on systems for public sector executive appointments across several jurisdictions, recommended the adoption in Tasmania of a system similar to that in [Western Australia](#). It has a Public Sector Standards Commissioner reporting directly to Parliament and conducting selection and promotion processes for all public sector executive appointments.

The position in NSW is that, since its abolition in 1979, there has been no equivalent of the Public

Service Board. In terms of the oversight of public sector appointments, for the Government Service generally there is a Director of Public Employment, a position that is held by the Director-General of the Premier's Department.

In September 2010, the NSW Ombudsman, Bruce Barbour, said he had been "agitating government" for many years "on the need for legislated standards of conduct". The Ombudsman added, "All other States, as well as the Commonwealth, have something in place". He pointed, for example, to Queensland's [Public Sector Ethics Act 1994](#), and the [Integrity Act 2009](#) which established the Office of the Integrity Commissioner as an independent officer of the Parliament. The Ombudsman also touched on the issue of ministerial staff and advisors and made reference to Queensland's [Ministerial and Other Office Holder Staff Act 2010](#). This last piece of [legislation](#), which implements a stand-alone framework for the employment of Ministerial and other selected staff, was intended to "create strong legislative parameters around the employment, powers and expectations of conduct of Ministerial staff".

COALITION'S REFORM AGENDA

Writing in the *Spectator* in September 2010, Barry O'Farrell said the Coalition "intended to restore trust in NSW public administration by promoting honesty and openness and raising the ethical standards of government". He continued:

This will be achieved by implementing a Public Sector Ethics Act to apply to ministers and public servants, a public service commission to protect independence and promote professionalism, a comprehensive lobbyists' register (banning success fees), reforms to FOI and 'whistleblower' legislation, and stronger powers for the ICAC.

Mr O'Farrell has also [called](#) for a ban on political donations other than from individuals.

KEY DOCUMENTS

NSW Parliament, Joint Standing Committee on Electoral Matters, [Public Funding of Election Campaigns](#), March 2010

J Arditi, [Public Interest Disclosures](#), Briefing Paper 5/2009

G Griffith, [Oversight of Public Appointments](#), E-Brief 4/2009

G Griffith, [The Regulation of Lobbying](#), Briefing Paper 5/2008

NSW Legislative Council, [Select Committee Report on Electoral and Political Party Funding in New South Wales](#), June 2008

COAG AND AUSTRALIAN FEDERALISM

Australian federalism is often the subject of complaint, most commonly about inefficiency, duplication, cost-shifting and excessive bureaucracy. It is also the subject of concern, often from a State perspective, about the erosion of constitutional powers and increasing Commonwealth financial dominance. Australian federalism also has its advocates who argue that it operates by a combination of competition and cooperation between its constituent parts, by what might be called a creative mixture of diversity and uniformity.

The relationship between the Commonwealth and the States is sometimes characterised as a form of "cooperative federalism". Cooperative federalism can operate either horizontally, by the States and Territories acting together without reference to the Commonwealth, or vertically, in those policy areas where Commonwealth involvement is required.

COUNCIL OF THE AUSTRALIAN FEDERATION

The main institution of "horizontal cooperation" is the [Council of the Australian Federation](#) (CAF), established in 2006 and based on the growing recognition by State and Territory leaders of a need for a counterweight to Commonwealth dominance of the intergovernmental policy process. CAF consists of the Premiers and Chief Ministers of the States and Territories. As the authors of the 2009 report, [Common Cause: Strengthening Australia's Cooperative Federalism](#), explain, "The need for such a body had been identified on a number of occasions, and similar institutions exist in Canada (Council of the Federation) and the USA (National Governors Association)". CAF's objectives are to:

- work toward common understanding of the States' and Territories' positions in relation to policy issues involving the Commonwealth Government; and
- take a leadership role on key national policy issues, including the Federation, that are not addressed by the Commonwealth Government.

CAF's [website](#) includes a report card on its activities. What the future holds for CAF is hard to say. Its last meeting was as long ago as 5 November 2009.

COAG AND THE NATIONAL REFORM AGENDA

The main institution of "vertical cooperation" is COAG, established in 1992. The landmarks in COAG's history include the National Competition Policy, agreed to in April 1995. The terrorist

attacks in the United States in September 2001, followed by the Bali bombings in 2002, acted as a spur to the COAG process, as the Howard Government sought to involve the States in a national counter-terrorism strategy. In 2006, COAG agreed to a new National Reform Agenda which identified human capital and regulation as priority areas for reform alongside competition.

The first COAG meeting following the 2007 federal election agreed on the terms of reference for a National Health and Hospitals Reform Commission. Then in 2008, the new [Intergovernmental Agreement on Federal Financial Relations](#) placed financial issues firmly at the centre of the COAG stage. This development received added impetus from the Global Financial Crisis, with the announcement in February 2009, following a Special COAG meeting, of the [Nation Building and Jobs Plan](#) to introduce education and housing programs and support major infrastructure investments.

The [Productivity Commission](#) identifies three main streams associated with the COAG reform process, as follows:

- competition and regulation reforms which can be viewed as extending the work of the National Competition Policy;
- human capital reforms in such areas as health, education and community services. These have both economic and social impacts and will often involve long lead times before outcomes are achieved; and
- environment reforms.

The COAG reform process is based primarily on intergovernmental agreements, signed by all heads of government. These agreements signify the commitment of jurisdictions to implement decisions that have been either reached or confirmed by COAG. In many instances, agreements have been the precursor to the passage of legislation. Sometimes this is Commonwealth legislation, while on other occasions joint Commonwealth and State and Territory legislation is enacted. The latest [COAG meeting](#) was held on 13 February 2011, one outcome of which was that every Australian government signed a Heads of Agreement on National Health Reform [see Key Issues: Health].

The COAG process is assisted by a range of institutional structures, including Ministerial Councils. Following a review, this structure is to be revamped from [30 June 2011](#), with the number of Ministerial Councils reduced from 40 to 23. Enduring issues of national significance will be addressed through Standing Councils, while "critical and complex issues" will be addressed through limited life Select Councils.

COAG REFORM COUNCIL

Formed as part of the new National Reform Agenda was a non-statutory body called the COAG Reform Council, reporting to the Prime Minister as Chair of COAG. The Reform Council's aims are to strengthen accountability for the achievement of results through independent and evidenced-based monitoring, assessment and reporting of the performance of all governments. Among the areas the Reform Council reports on are:

- the performance of the Commonwealth and the States and Territories in achieving the outcomes and performance benchmarks specified in National Agreements;
- whether predetermined performance benchmarks have been achieved under National Partnerships; and
- the performance of the Commonwealth and the Basin States under five bilateral Water Management Partnerships under the Agreement on Murray-Darling Basin Reform.

The Reform Council's first [progress report](#) was released in September 2010.

CRITICAL PERSPECTIVES

For all participating governments, the COAG process offers important opportunities to engage in national or other intergovernmental projects, with a view to achieving better standards and regulations, greater uniformity and the more efficient delivery of services and infrastructure.

Positive and important as these objectives are, the COAG process presents concerns as well as opportunities. In August 2010, the WA Premier, Colin Barnett, warned that COAG had become almost a new tier of government and lacked accountability and transparency. It can be argued that, for the Parliaments of the States, recent developments represent a weakening of control over major areas of constitutional jurisdiction. It may be that, under the model of federalism that is now emerging, based largely on cross-jurisdictional decision making bodies, traditional constitutional relationships are rendered less robust.

In an appendix to its latest [communiqué](#) COAG states that, as part of its structural update, the proposed Standing Councils will "undertake legislative and governance functions relevant to their scope". What does this mean? Professor George Williams [writes](#) that COAG:

operates as if it were still merely a meeting of leaders rather than a deliberative body for the whole nation. The public needs to know more about COAG. This is especially important when its decisions are presented

to parliaments as a fait accompli. COAG needs to operate in a way that reflects its role as an important part of our democracy.

There is of course a political dimension to this debate. Back in August 2010, Western Australia had the only non-Labor State Government. Since then Victoria and NSW have elected Coalition Governments, thus shifting the political dynamics at work in the COAG process. The underlying reality is that the Commonwealth continues to control the purse strings, but within a changing political framework.

Reflecting on COAG in February 2011, Barry O'Farrell spoke of an "unconsidered slide towards a coercive centralism". Arguing for a rejuvenated federalism, he said that the COAG's future lies in a "State and Territory led injection of competition and collaboration". While supporting the COAG process, Mr O'Farrell commented, "It cannot be allowed to become a fourth level of Government". He also spoke against Commonwealth dominance of COAG, stating that "the Commonwealth should either commit to regular meetings, or provide the right for a majority of states to convene a meeting". He added: "Equally States and Territories should play a role in its direction with a majority of States being able to add agenda items".

As for the state of Australian federalism, more general concerns about Commonwealth dominance are expressed, in which policy settings are determined largely by the Commonwealth Government, with the States operating primarily as service delivery mechanisms.

On the other hand, commentators argue that the foreshadowed demise of the States as effective actors and countervailing sources of power within the federal system can be overstated. As Anderson and Parkin say, "Whatever the financial, economic and legal forces that promote centralism, the States remain powerful political entities".

KEY DOCUMENTS

G Anderson and A Parkin, 'Federalism: a fork in the road?' in [The Rudd Government: Australian Commonwealth Administration 2007-2010](#), 2011

G Griffith, [Managerial Federalism – COAG and the States](#), Briefing Paper 10/2009

J Wanna et al, [Common Cause: Strengthening Australia's Cooperative Federalism](#), May 2009

A Twomey and G Withers, [Australia's Federal Future](#), April 2007

LOCAL GOVERNMENT

Of the many issues that arise in respect to local government, four issues of contemporary significance are discussed in this brief.

RATES

Under the provisions of the [Local Government Act 1993](#), NSW local authorities have access to various sources of income, chief among them is the ability to levy rates. There are two rates; ordinary rates and special rates. Section 494 of the [Local Government Act 1993](#) stipulates that every council must levy an ordinary rate on all rateable land within its jurisdiction. The ability to levy a special rate is left to the discretion of the council under section 495 of the Act and can be used to finance particular local projects.

Councils are required to nominate the structure of rates they wish to impose from two options. The first option is for councils to impose a rate on an *ad valorem* amount (that is, an amount entirely in proportion to the value of the land). The second option is to impose a rate that is a fixed base amount to which an *ad valorem* is added.

Until recently, the Minister for Local Government had set a ceiling on the amount of annual income that councils are able to levy from rates and charges. This system – known as rate-pegging – has been in place in NSW for more than 30 years. Each year, the Minister for Local Government would set the rate-peg, generally in line with inflation, although often tracked slightly above it. Although the mechanics of rate-pegging had been adjusted periodically, until recently the basic principle had remained unchanged.

In May 2008, then Premier Nathan Rees commissioned the NSW Independent Pricing and Regulatory Agency (IPART) to investigate the operation of rate-pegging as well as the state of local government finance and to report on its findings. In its draft report, [Review of the Revenue Framework for Local Government](#), IPART found that:

- overall revenue and expenditure growth has been strong in NSW with debt levels largely contained;
- NSW councils are in a comparable financial position to councils in other States (which do not have rate-pegging);
- capital expenditure by NSW councils on new infrastructure assets is lower and has grown at a slower rate than that of councils in other States. There is also a backlog of infrastructure work; and
- there is significant variation between councils and their ability to generate revenue, especially between rural and metropolitan councils.

In light of these findings, IPART canvassed two options for reform to improve the revenue framework for local government. The first option considered was a default system for all councils, which maintains the ratepayer protection elements of the rate-pegging scheme while providing for a local government cost index, adjusted for productivity. The second option was for councils that demonstrate sound financial performance to be exempt from rate-pegging altogether for periods of up to four years.

As a result of IPART's inquiry, the Keneally Government conferred additional functions upon IPART, including:

- determining the peg for council income setting, including setting the maximum allowable percentage increase;
- establishing a Local Government Cost Index to be used in the setting of the maximum increase; and
- reviewing applications for special variations.

Essentially, these changes retain the operation of rate-pegging, but transfer the authority to set rates from the Government to IPART. On 10 December 2010, IPART announced that the rate peg amount to apply in the 2011-12 financial year will be 2.8%, up from 2.6% in 2010-11. The rate peg for 2011-12 was determined by IPART using a Local Government Cost Index calculated at 3%, reduced by a productivity factor set at 0.2%.

COUNCILS IN ADMINISTRATION

The Minister for Local Government has the power to dismiss the elected representatives of a council in certain circumstances. In such circumstances, an administrator may be appointed and/or a fresh election may be held.

Specifically, under section 255 of the [Local Government Act 1993](#) the Minister may recommend to the Governor that the civic offices of a council be declared vacant in circumstances where a public inquiry concerning the council has been conducted. Section 740 of the Act sets out the reasons for which a public inquiry may be held into a council's activities. However, the Act does not set out the circumstances that would constitute sufficient grounds to dismiss a council. This is largely left to Ministerial discretion.

In the life of the 54th Parliament, three councils were dismissed, all in 2008. In February of that year, Port Macquarie-Hastings council was dismissed for a lack of prudent financial management, after the costs for the construction of a cultural and entertainment centre blew out to six or seven times the initial intended cost of the

project. In March, Wollongong City Council was dismissed after a report by ICAC found evidence of "systemic corruption" following allegations of bribery. Lastly, in July, Shellharbour City Council was dismissed following revelations of a breakdown in the working relationship between councillors and staff.

Although Statewide local government elections were held in September 2008, elections were not held in the three councils that had been dismissed that year and they have remained in administration to date.

Although the next local government elections will be held in September 2012, the Minister for Local Government can discontinue the administration earlier. Specifically, the Minister is able to terminate the tenure of an administrator under section 258(4) of the [Local Government Act 1993](#) and seek fresh elections. Historically, however, the practice has been for councils that have been placed in administration to remain so until the next ordinary round of local government elections.

CAMPAIGN FINANCE

The [Joint Standing Committee on Electoral Matters](#) inquired into a possible public funding model for political parties and candidates to apply at the state and local government tiers. In its final report, published December 2010, the Committee made 16 recommendations about the future conduct of local government election campaigns.

Key among the recommendations was the introduction of a scheme to publicly fund parties and candidates, the setting of limits on political donations, and the placing of a cap on campaign expenditure. These recommendations are broadly in line with those made by the same Committee following an inquiry into the public funding of State election campaigns. That inquiry facilitated passage of amendments to the [Election Funding and Disclosures Act 1910](#), which significantly restructured the system of campaign finance in NSW.

Recommendations along similar lines were made by Dr Joo-Cheong Tham in a [report](#) prepared for the Election Funding Authority in December 2010. That report also advocated further obligations relating to the disclosure of pecuniary interests. Such proposals are likely to be considered ahead of the next round of local government elections in 2012.

CONSTITUTIONAL RECOGNITION

Local government is recognised under the State Constitution. In 1986, new Part 8 headed "local government" was inserted into the NSW

[Constitution Act 1902](#). This amendment provided for the continuance of a system of local government and reaffirmed the powers of the Legislature to determine the scope and constitution of local government bodies. However, Part 8 is not one of the entrenched areas of the State Constitution, which means that it can be amended or repealed through ordinary legislation.

Local government is not mentioned in the Commonwealth Constitution but there is currently a proposal for a referendum on this issue. Before the 2007 Federal Election, then Opposition Leader Kevin Rudd reaffirmed Labor's longstanding commitment to the constitutional recognition of local government. Following the 2010 Federal Election, in securing the support of Independent MPs Tony Windsor and Rob Oakeshott, Prime Minister Julia Gillard provided an assurance that the Government would pursue a referendum on the constitutional recognition of local government, either during the life of the current Commonwealth Parliament or at the next Federal election.

This would not be the first Commonwealth referendum on the constitutional recognition of local government. At various times since Federation the issue has gained prominence.

In 1974, the Whitlam Government submitted to referendum a proposal to give the Commonwealth Government the power to borrow money on behalf of, and grant financial assistance to, local government bodies. The proposal was defeated with 53.2% of voters disapproving the measure. New South Wales was the only State to record a majority in favour, albeit a narrow one, with 50.8% of voter approval.

A second Commonwealth referendum was held in 1988 and was overwhelmingly rejected by voters, with 66.4% disapproving the measure, including 68.3% of voters in New South Wales. In essence, the proposal was for each State to provide for the establishment and continuance of local government.

KEY DOCUMENTS

Joint Standing Committee on Electoral Matters [Public Funding of Local Government Election Campaigns](#), 2010

Tham, J. [Regulating the Funding of New South Wales Local Government Campaigns](#), Election Funding Authority, 2010

IPART, [Draft Report – Revenue Framework for Local Government](#), 2009

J Arditi, [Local Government in New South Wales](#), Briefing Paper 11/2008

THE STATE OF THE NSW ECONOMY

Summarising the economic outlook for NSW, the [2010-11 Budget Papers](#) observed that, following the Global Financial Crisis, the Australian and NSW economies had recovered strongly in 2009-10. This recovery was said to be "supported by fiscal and monetary stimulus, high population growth, strong trade links with Asia and a sound domestic financial system". In terms of future prospects, it was said that NSW:

will benefit from these developments, but is also expected to face some headwinds from a high exchange rate and higher interest rates. This means that while NSW is expected to grow strongly, resource-based States may grow even more rapidly.

The [2010-11 Half-Yearly Review](#), published in December 2010, stated that "The economic outlook as envisaged at Budget time remains broadly on track". The review continued:

NSW economic growth is expected to strengthen to 3¼ per cent in 2010-11 and remain at that level in 2011-12. Solid household consumption, improving net exports, a strong farm sector recovery and a continued recovery in dwelling investment will drive growth in 2010-11.

STATE OF THE STATES REPORT

CommSec, in its January 2011 [State of the States](#) report, gives an overview of the economic health of each of the States and Territories by comparing current activity levels to decade averages across eight key economic indicators (economic growth, retail spending, equipment investment, unemployment, construction work done, population growth, housing finance, and dwelling commencements).

The *State of the States* report summarised the strengths and weaknesses of the Australian States and Territories in January 2011 as follows:

	Strength	Weakness
NSW	Investment	Housing
VIC	Housing	Investment
QLD	Investment	Housing
SA	Population	Retail spend
WA	Construction	Housing
TAS	Job market	Investment
NT	Retail spend	Construction
ACT	Housing	Investment

The report observed:

After the ACT and Western Australia, you can effectively throw a blanket over the other states. Certainly there is little to separate

South Australia, Victoria, Northern Territory and Tasmania. And the NSW economy is not far away from the pack, with momentum supplied by stronger business investment in equipment.

While NSW was viewed as a "major improver" over the September 2010 quarter, it was judged nonetheless to have one of the weakest trend economic growth rates (along with the Northern Territory and Victoria). The NSW economy was seen as being restrained by the performance of the construction sector, whether new home building, or commercial and engineering activity. On the other hand, business investment in equipment and machinery was stronger in NSW than in any other State or Territory, and was almost 34% higher than the long term average.

The picture is updated in the April 2011 CommSec *State of the States* report, where Western Australia is ranked the best performing economy in terms of recent economic output compared to its long term average. NSW is ranked last by this measure, although across all indicators NSW ranks ahead of Queensland and Tasmania. While the full report is yet to be released, CommSec chief economist Craig James is [quoted](#) as saying:

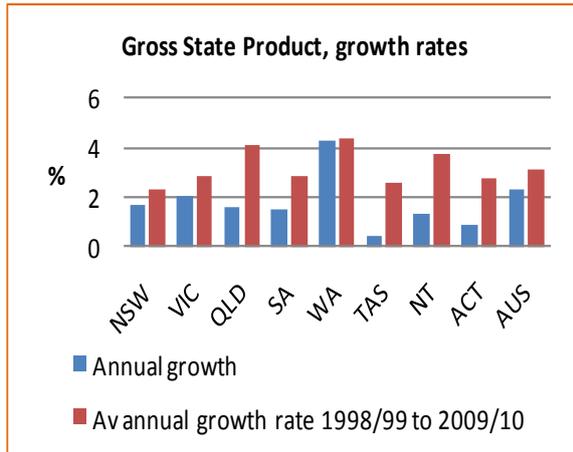
Western Australia is propelled by China; NSW is held back by its construction sector, both in new home buildings and in commercial and engineering construction ... its [NSW's] economic growth lags other states but business investment is above average, as is population growth. A pick-up in home lending augurs well.

GROSS STATE PRODUCT

NSW has the largest Gross State Product (GSP) in Australia at \$402 billion, equivalent to a little under one third of Australia's Gross National Product. However, GSP per capita is \$55,868 in NSW which is less than the Australian average of \$57,925.

GSP, Chain volume measures, 2009-10

	Annual growth %	Av. annual compound growth rate (1998-99 to 2009-10)
NSW	1.7	2.3
VIC	2.0	2.8
QLD	1.6	4.1
SA	1.5	2.8
WA	4.3	4.4
TAS	0.4	2.6
NT	1.3	3.7
ACT	0.9	2.7
AUS	2.3	3.1



IMPORTS AND EXPORTS

The value of exports from NSW in the December 2010 quarter was more than \$3 billion (15% of all exports from Australia). More than half of the value of NSW exports was destined for Japan, Korea, China, Taiwan and the US, with Japan the recipient of more than a quarter of the value of exports from NSW. The major commodities exported were bituminous coal and copper ores and concentrates.

NSW imported almost \$7 billion in the December 2010 quarter, more than twice the value of its exports. NSW accounted for 38% of all imports into Australia. More than half of imports into NSW were from China, US, Japan, Singapore and Germany, with almost a quarter from China alone. The major commodities imported into NSW were medicaments and motor vehicles.

Unlike those States and Territories, notably Western Australia, Queensland and the Northern Territory, who are benefitting from a resources boom, NSW operates therefore with a sizeable trade deficit. According to Access Economics, in its [March 2011 Business Outlook](#), the current strength of the Australian dollar may cause difficulties in the tourism and international education sectors of NSW, as well as for NSW manufacturers.

DWELLING APPROVALS

Dwelling approvals in NSW achieved a high of 2,921 per month in the September 2006 quarter but declined markedly in the aftermath of the Global Financial Crisis, reaching a low of 1,497 in March 2009. This slump in activity was followed by a recovery, with the number of dwellings approved in March 2010 quarter being 92% (2,874) higher than a year earlier.

Approvals have dipped slightly over the June and September 2010 quarters (2,805 and 2,651 respectively) before rising to 3,217 in the December 2010 quarter. According to the [ABS](#):

The trend estimate for total number of dwelling units approved in NSW rose 1% in February 2011 and has risen for six months. The trend estimate for the number of private sector houses rose 1.9% and has risen for five months.

EMPLOYMENT

More than 3.6 million people are employed in NSW, of whom more than 2.5 million are employed on a fulltime basis.

The labour participation rate in NSW is 64.2% which is the third lowest participation rate in Australia (only South Australia and Tasmania have a lower rate). There is a gender difference in labour force participation rates – 71.1% of males compared to 58.2% of females.

The unemployment rate in NSW has been falling since June 2009. Unemployment in NSW in the March 2011 quarter was 4.9%, which is less than the Australian unemployment rate of 5.0%. There was an average of 185,100 people unemployed in NSW in the March 2011 quarter.

CPI AND WAGES

The change in the Consumer Price Index (CPI) for all groups in Sydney between December 2009 and December 2010 was 2.4%. It was the fifth largest change in CPI of the States and Territories. The national CPI for the same period was 2.7%.

The average adult weekly fulltime wage in NSW as at November 2010 was \$1,280 (an increase of 2.8% since November 2009). NSW has the third highest average wage after the ACT (\$1,468) and Western Australia (\$1,404).

KEY DOCUMENTS

T Drabsch, [Economic Indicators NSW – April 2011](#) Statistical Indicators 3/2011

Access Economics, [March 2011 Business Outlook](#), March 2011

CommSec, [State of the States](#), January 2011

ABS, [NSW State and Regional Indicators](#), December 2010, 1338.1

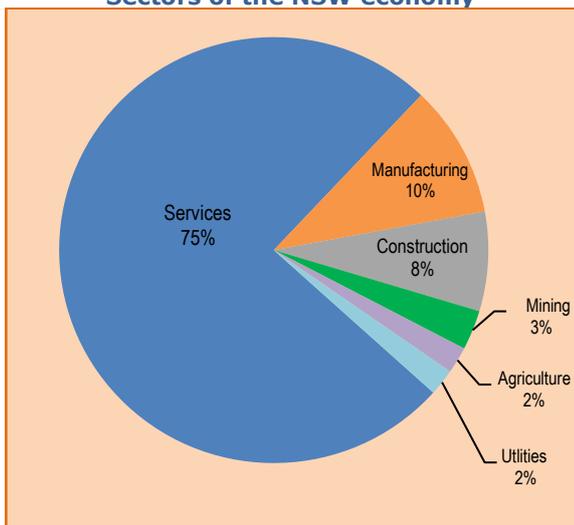
SECTORS OF THE NSW ECONOMY

On 17 September 2010, the NSW Treasurer released a report by Access Economics entitled [The NSW Economy in 2020: A Foresighting Study](#), which outlines the current structure of the NSW economy and looks at the major changes that are likely to occur in the decade to 2020.

The report was prepared for the NSW Innovation Council, which had been asked by the NSW Government to develop a detailed plan to grow the NSW economy. Premier Keneally released this growth plan on 28 September 2010 (the [NSW Business Sector Growth Plan](#)).

The Access Economics report points out that, like other developed economies around the world, the NSW economy is becoming increasingly service oriented. Services now account for 75% of the State's economy (this share having increased by 2.2% over the past decade).

Sectors of the NSW economy



The services sector has many different industries. The top three service industries in terms of contribution to the NSW economy are: financial services (11.6%), professional services (8.2%), and health care and social assistance (6.9%).

In terms of the number of people employed, the largest industry in NSW is health care and social assistance, with 380,000 workers. The second largest is retail trade (368,000), followed by manufacturing (303,000), construction (287,000), and professional services (287,000).

It is to be noted that the report refers to a sector's share of the economy in terms of "value added". This appears to be shorthand for "Gross Value Added", or GVA. GVA is the same as Gross State Product (GSP) except that GVA does not account for taxes or subsidies on products.

FINANCIAL SERVICES

The financial services industry makes up the largest part of the services sector, and it is the industry that makes the biggest contribution to the economy (11.6%). The combined finance and insurance sector represents 16.1% of GVA, which is a slight increase on its share a decade ago (14.3%). Access Economics forecasts that the combined sector will maintain its share of the economy over the 10 years to 2020. It states:

Australia's ability to navigate the global economic crisis enhanced its reputation as a robust and well-regulated financial centre. As such, Sydney is well placed to leverage off its existing strengths as a provider of regional financial services, including new financial products and services and through deeper use of information technologies.

PROFESSIONAL SERVICES

Professional services comprise a range of different services including (for example) accounting, law, and engineering. In 2010, the sector accounted for 8.2% of GVA, which was slightly lower than the sector's contribution in 2001 (8.6%). It is expected that the sector's share of the economy will increase slightly over the next decade (8.7% in 2020). Access Economic comments:

Greater educational attainment and a shift toward high skill services in NSW will provide the platform for growth in this industry. Economic and institutional development in emerging Asian economies may present prospects for growth in new markets over the coming decade.

HEALTH CARE SERVICES

Over the last decade, the health care industry increased its share of the economy from 5.3% to 6.9% (the largest gain of all industries in relative terms). Demand for health services has increased due to two main factors: the population has become wealthier; and it is ageing. The industry is projected to increase its share of the economy to 7.5% in 2020. Access Economics states:

As the State's demography changes, the health care industry will play an increasingly important role in caring for a larger and older population. The labour intensive nature of this industry means that the projected relative increase in output will also provide a considerable base for future employment growth in NSW.

RETAIL TRADE

Retail trade currently accounts for 5.2% of GVA, which is a slight increase on the sector's share in 2001 (5%). While the industry is not one of the top five industries in terms of output, as noted above, it is the second largest industry in terms of employment. Over the next 10 years, the sector's share of the economy is expected to decline very slightly to 4.9%. Access Economics refers to challenges for the sector including: a more competitive and diverse retail environment; and the return to more "normal" levels of interest rates, which will limit discretionary spending.

MANUFACTURING

Although manufacturing remains one of the largest industries in NSW (9.8% of GVA), its share of the economy has declined over the past half century. As the report notes, "the largest pressures have been experienced in the manufacture of less complex goods where there is strong import competition – for example, on textiles, clothing and footwear". It is predicted that the manufacturing sector will continue its decline and will account for 8.3% of GVA in 2020. Access Economics comments:

Within the sector, much of the loss of share is likely to be due to a fall in the manufacture of labour intensive products, amid increased competition from low-cost producers overseas. Significant opportunities for highly specialised and technologically advanced manufacturers are expected to develop over the next decade, particularly in gaining access to new markets abroad.

CONSTRUCTION

The construction industry contributes 7.5% of GVA. Residential construction accounts for slightly more than half of all construction activity, while non-residential accounts for almost one quarter, and engineering about 15%. Residential building was strong in the period from 2001 to 2004 but has since fallen steadily, and was at an 18 year low in 2010. Over the next decade, the industry is expected to increase its contribution to 8.4% of GVA. According to Access Economics:

Engineering construction will benefit from greater infrastructure requirements into the future, while strong population growth will support demand for new dwelling construction. In turn, the latter will also present opportunities for more environmentally friendly building techniques and the potential for export of low energy intensive building materials and methods.

MINING

In 2010, the mining industry accounted for 3.1% of GVA. This is lower than mining's share of the *national* economy (7.7%). In NSW, the majority of mining production comes from coal production, whereas at the national level the "other minerals" category dominates. The mining industry in NSW is projected to grow by 67% over the next decade, and as a result it is expected to account for a larger share of the NSW economy (3.9% in 2020). The mining industry is discussed in more detail in [Key Issues: Mining and Exploration].

AGRICULTURE

Agriculture's contribution to the economy has fallen over time. However, the sector's share has not decreased over the past decade. In 2010, the sector accounted for 2.4% of GVA, with crops making up around two thirds of agricultural output. Agriculture makes a larger contribution to export revenue than to the economy generally: in 2008-09, agricultural products accounted for over 8% of the value of all exports. By 2020, the sector's share of GVA is expected to decline to 1.4%.

Access Economics states that agriculture "will continue to face environmental constraints which will be significant in affecting production". In addition, it notes that "more intensive competition from overseas producers will also affect NSW agricultural production as consumers may increasingly shift to cheaper imported products". On the other hand, a rise in incomes and higher protein diets in emerging Asian economies is likely to create export opportunities.

TOURISM

Tourism was examined as a "composite industry" as it crosses over standard industry structures. It comprises two types of industries: industries that can be linked directly to tourism related activities (e.g. travel and accommodation); and industries that are not necessarily related in a primary sense but contribute to the sector (e.g. food manufacturing and casinos). In 2010, tourism accounted for 3.3% of value added in NSW. This share was expected to decline very slightly over the next 10 years (3.2% in 2020), which was less than the decline expected in Australia.

KEY DOCUMENTS

J Wilkinson, [The NSW Economy: An Update](#), Briefing Paper 2/2009

J Wilkinson, [Manufacturing and Services in NSW](#), Background Paper 3/2007

STATE FINANCES

BUDGET FORECASTS

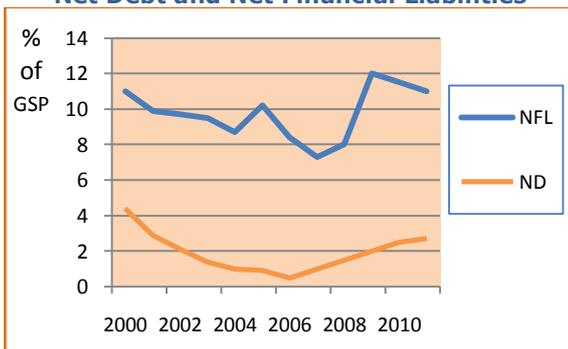
The [budget for 2010-11](#), released in June 2010, forecasted an operating surplus of \$773 million (slightly lower than the \$994 million operating result for 2009-10). However, the [half-yearly review](#), published in December 2010, revised this forecast downwards by \$606 million, and the surplus is now expected to be only \$167 million. This revision was mainly due to much lower than expected revenue from three sources: GST revenue; transfer duty; and mining royalties.

The half-yearly review forecasted surplus results for the following three years. However, after the March 2011 election, the new Premier, Barry O'Farrell, said that he had been told by Treasury officials that revenue forecasts had fallen steeply for the four years to 30 June 2015. As [reported](#) in the media, Treasury now forecasts that there will be a budget deficit of \$405 million in 2012-13, rising to a deficit of \$1.2 billion in 2013-14.

DEBT MANAGEMENT

In June 2011, general government sector net debt is forecast to be \$12.2 billion, or 2.8% of Gross State Product (GSP). It is expected that net debt will peak in 2010-11, and will fall back to 2.5% of GSP by 2014. A more complete measure of State debt is *net financial liabilities*, which also includes unfunded superannuation liabilities, self-insurance liabilities, and other employee-related liabilities. In June 2011, general government sector net financial liabilities are forecast to be \$52.7 billion, or 12% of GSP. This is expected to fall to 10% of GSP in June 2014.

Net Debt and Net Financial Liabilities



Current levels of net debt and net financial liabilities are outside the targets that were set in the [Fiscal Responsibility Act 2005](#). These are: for net debt to be maintained at or below its level as at 30 June 2005 (0.9% of GSP); and for net financial liabilities to be 7.5% of GSP or less by June 2010, and 6% of GSP or less by 2015. The Act is due for a statutory five year review during

2010-11. A report on the outcomes of the review will be tabled in Parliament by June 2011.

TRIPLE-A RATING

The NSW Government's credit-worthiness is rated by two rating agencies: Standard & Poor's and Moody's. These agencies conduct annual reviews, considering a range of factors including economic prospects, financial performance, balance sheet position, and fiscal strategy. The highest credit rating awarded is the triple-A rating, which NSW has held for many years. A key benefit of the triple-A rating is that it allows the Government to borrow funds at a lower rate of interest.

Late in 2010, the two ratings agencies affirmed the triple-A rating for NSW. A stable outlook was also confirmed. The Standard and Poors' [press release](#) stated that "the stable outlook reflects our opinion that the government will remain committed to the structural improvement in its budgetary performance". It also stated, "there is minimal tolerance at the 'AAA' rating level for a structural weakening in the state's operating position or budgetary flexibility".

LONG TERM PRESSURES

The NSW Treasury's 2006-07 long-term fiscal pressures [report](#) concluded that:

with unchanged policies, cost and real growth pressures above those in the general economy ... along with the ageing of the population will have a significant impact on the NSW general government sector's finances over the next 40 years.

Modelling work, which was based on a number of assumptions, estimated "a fiscal gap of 3.4 percent of GSP by 2044 or around \$23 billion in today's dollars (almost double the current health budget)". The modelling showed that the fiscal gap would open up slowly until 2015, from which point it would increase at a faster rate.

The report looked at policy options to address these long-term fiscal pressures. In terms of expenditures, the report referred to options such as improved cost efficiency in service delivery. On the revenue side, the report stressed the importance of undertaking a review of Commonwealth-State financial arrangements.

The 2010-11 NSW [budget papers](#) reported that the cumulative impact of changes introduced in the previous four budgets "have been estimated to increase the fiscal gap to 4.3 percent of GSP by 2043-44". It was noted that this estimate did not reflect the long-term impact of the recent COAG reforms to health funding. The Government is

required to publish an updated assessment of the fiscal gap in the 2011-12 budget papers.

FEDERAL FINANCIAL RELATIONS

Australian federal financial relations are characterised by a very high level of vertical fiscal imbalance. This refers to the mismatch between, on the one hand, the States' large spending responsibilities but limited revenue sources and, on the other hand, the Commonwealth's capacity to raise much more revenue than it needs for its own expenditure responsibilities.

As a result of this imbalance, the States continue to rely heavily on fiscal transfers from the Commonwealth. In 2010-11, payments from the Commonwealth will represent around 45% of total NSW revenue. More than half of this will come from GST revenue, with Specific Purpose Payments and National Partnership Payments accounting for most of the remainder.

Another important aspect of federal financial relations is the principle of *horizontal fiscal equalisation*, which aims to ensure that all States have the financial capacity to provide services and infrastructure of the same standard. This principle underpins the distribution of GST revenue amongst the States. The distribution of GST revenue is decided by the Commonwealth Treasurer each year, on the basis of advice from the Commonwealth Grants Commission.

The Grants Commission's recommendations in its 2010 [report](#) resulted in NSW being allocated a larger share of GST revenue in 2010-11 (30.8%) compared to 2009-10 (30.3%). However, the NSW Government expressed concern that the Commission's new assessment methods will disadvantage NSW in the long term. The 2011 [recommendation](#) would result in a slightly higher share for NSW in 2011-12 (30.9%).

On 30 March 2011, the Prime Minister [announced](#) that the Government had commissioned a review of the distribution of GST revenue. The Prime Minister referred to some areas where current arrangements could be improved, including the problem that "currently underperformance in service delivery and economic growth can be rewarded". The Review Panel will provide a final report to the Treasurer by September 2012.

A major development for fiscal arrangements in recent years was the signing, in November 2008, of a new [Intergovernmental Agreement on Federal Financial Relations](#). One of the reforms under this agreement was a reduction in the number of Specific Purpose Payments (SPPs) from over 90 to five, covering five subject areas (e.g. healthcare, schools). This was intended to provide the States with more flexibility in their use of Commonwealth funds. Under the new framework, the Commonwealth will also provide National Partnership Payments (NPPs) to the States to

support the delivery of specified projects, and to reward those States that deliver on national reforms. A concern [raised](#) by Anne Twomey is that "while significant reforms are proposed to be made to [SPPs], the old problems are likely to arise again in relation to [NPPs]".

In April 2010, the Commonwealth and all States except Western Australia [agreed](#) to a major reform in health funding, with the Commonwealth to become the dominant (60%) funder of public hospital costs (currently it funds about 38%). Under this deal, the Commonwealth would have retained one third of each State's GST revenue. Under a new [in-principle agreement](#), reached in February 2011 by *all* Australian Governments, the Commonwealth will, instead, contribute 50% of public hospital *growth* costs from 2017 (45% by 2014); and the States will retain their GST revenue. A new agreement will now be developed and is due to be signed by 1 July 2011.

TAX REFORM PROPOSALS

In October 2008, the NSW Independent Pricing and Regulatory Tribunal released its [final report](#) on State taxation. The report found that there was "scope to improve the design and mix of NSW taxes, and to improve the efficiency of some of the most important taxes". As a result, it made recommendations for reform. However, it also emphasised that "the major benefits are likely to come from reform through Commonwealth-State cooperation rather than reform within a single State where the options for reform are limited".

Earlier in 2008, the Commonwealth had initiated a comprehensive review of Australia's tax system; and in May 2010, the Henry Review Panel's [final report](#) was released. The report made 138 recommendations for reforming the tax system, including State taxes. In relation to State taxes, the report stated that "many of the current State taxes are inherently of poor quality while other State taxes need to be reformed". The reform proposals included replacing payroll tax with a tax that better captures the value-add of labour, broadening the land tax base, and removing stamp duties (which should be achieved through a switch to more efficient, broad-based taxes).

The Commonwealth will convene a tax forum on 4-5 October 2011 to discuss the tax reform agenda. The forum will discuss a number of subjects, including State taxes, but the Federal Treasurer has ruled out discussion of the GST.

KEY DOCUMENTS

NSW Treasury, [NSW 2010-11 Budget Papers](#)

NSW Treasury, [Half-Yearly Review 2010-11](#)

POPULATION GROWTH

Population issues range across many related areas of public policy, from migration levels and fertility rates, to the debate about an ageing population, and encompass the broader question of population growth and its implications – environmental, economic, and social – at the national and State level.

POPULATION PROJECTIONS

The issue of population growth was placed at the centre of public debate following the publication in 2010 of the Federal Treasury's *Intergenerational Report*, which suggested that Australia's population would reach 35.9 million by 2050. The Australian Bureau of Statistics (ABS) provides the following estimations, including population growth projections based on trends in fertility, life expectancy at birth, net overseas migration (NOM), and net interstate migration as at 2008.

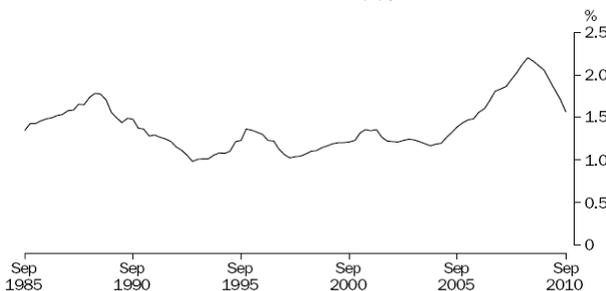
Population figures and median growth projections (millions)

Population at 30 September 2010			
Australia	22.41		
NSW	7.25		
Observed and Projected population growth			
	2006	2026	2056
Australia	20.70	27.24	35.47
NSW	6.82	8.40	10.21
Sydney	4.28	5.43	6.98

NATIONAL TRENDS

Australia's population has grown annually at an average rate of approximately 1.6% since the 1960s, reaching a recent peak of over 2% in 2007-08.

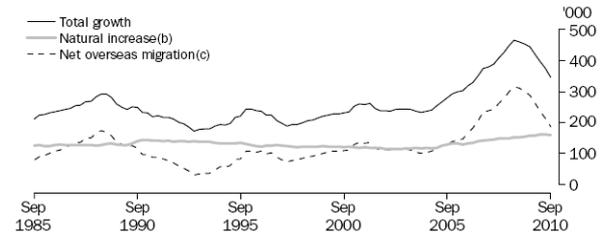
ANNUAL POPULATION GROWTH RATE(a), Australia



(a) Annual growth calculated at the end of each quarter.

The ABS estimates the Australian population grew by 1.6% (an increase of 345,500 persons) in the twelve months to September 2010. The contributors to population growth were NOM (54%) and natural increase (births minus deaths) (46%).

COMPONENTS OF ANNUAL POPULATION GROWTH(a), Australia



According to the [Productivity Commission](#), notwithstanding an upward trend in recent years, since 1976 Australia's total fertility rate has remained below the "replacement level" of 2.1 babies per woman. The ABS indicates that the highest fertility rates were recorded in remote and regional areas of Queensland, Tasmania and Western Australia, while capital cities had among the lowest fertility rates.

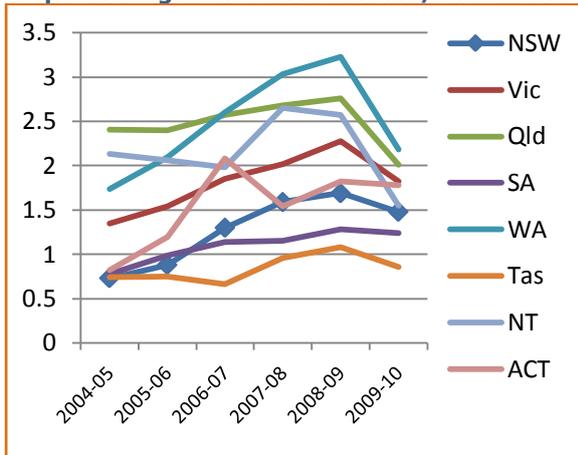
Australia's NOM – that is, the net gain or loss of population through immigration to Australia and emigration from Australia – increased significantly between 2005 and 2009, peaking at an estimated 301,200 in 2008. In addition to permanent migration to Australia – primarily through skilled migration under the annual Migration Program, and the Humanitarian Program – temporary migration has since 2008-09 become the key factor propelling increases in Australia's NOM.

The Department of Immigration and Citizenship (DIAC) reports that in 2009-10 a total of 140,610 people arrived in Australia on a permanent settlement basis, down from 158,021 people in 2008-09. Unlike the permanent migration programs, temporary migration categories are not capped but are rather driven by demand. According to DIAC, at 30 June 2010 there was a total of 924,521 temporary entrants in Australia. Temporary migration has both short term and long term impacts on population growth, with a significant portion of Australia's permanent migrant intake in recent years being drawn from this source. Where migrants choose to settle will impact on the rates of population growth across the country. In recent years, Melbourne has replaced Sydney as the most popular destination for international migrants.

NSW TRENDS

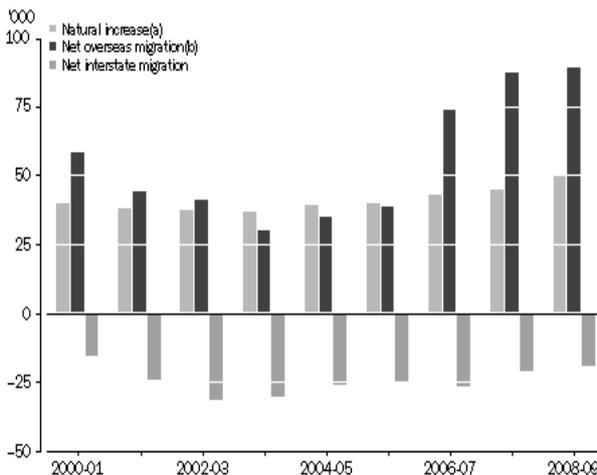
ABS statistics indicate that at September 2010, almost one third of Australia's population (32.4%) lived in NSW. Despite having among the lowest population growth rates (1.3%) of all Australian States and Territories in the 12 months prior to September 2010, NSW had the largest population increase of all Australian States, reaching a population of approximately 7.25 million on 30 September 2010.

Population growth rates: States/Territories



In the twelve months to September 2010, NOM contributed to 59% of the State's population growth, while natural increase contributed to 41%. Over the past decade NSW has experienced an annual net interstate migration deficit, as people move to other States. A deficit of 10,300 was [recorded](#) for the year to September 2010.

Components of population change: NSW



[DIAC](#) figures show NSW was the intended State of residence of 30%, or 42,267, of the 140,610 people who migrated to Australia on a permanent basis in 2009-2010. However, as was the case nationally, between 2006 and 2009 the key factor contributing to the growth in NOM was temporary migration.

REGIONAL TRENDS IN NSW

[ABS](#) statistics indicate that at 30 June 2010, 63% of the NSW population resided in the Sydney Statistical Division. Another 20% resided in coastal local government areas (LGAs) outside Sydney.

According to the [ABS](#), population growth rates vary across the State. Between 2006 and 2009

the *fastest* growth rates were experienced in the Sydney and Richmond-Tweed Statistical Divisions at an average growth rate of 1.7% per year. In [2009-10](#), ten LGAs in Sydney experienced the *largest* population growth in NSW – in terms of the number of people – including Blacktown, Parramatta, and Sydney. Sydney also had the five *fastest* growing LGAs in the State, including Canada Bay, Parramatta and Auburn.

In the year to June 2010, the population in regional NSW increased by 1.1% (29,800 people) to 2.66 million. All coastal LGAs in NSW experienced population growth in 2009-10, particularly areas in the Illawarra, Hunter and on the mid-North Coast. At the same time, inland LGAs – containing 17% of the State's population – experienced combined population growth of 1.1% (13,300 people), with Maitland in the Hunter region experiencing the *largest* growth, and areas bordering the ACT experiencing the *fastest* growth. All population declines occurred in inland LGAs with Broken Hill in the Far West experiencing the largest decline in Australia and the majority of declining LGAs in NSW being located near the Murray River. Between 2006 and 2009, the Far West experienced a population decline of 0.3%.

The NSW Department of Planning [reports](#) that future population growth in NSW is projected to be strongest in:

- South Western Sydney (113% increase between 2006 and 2036);
- North Western Sydney (52%);
- parts of Central Sydney (60%);
- the South Coast (42%);
- the Sydney-Canberra Corridor (42%); and
- the Illawarra (22%).

Moreover, as a result of having a faster projected population growth rate than the rest of NSW, Sydney is projected to increase its share of the State's population from 62.8% in 2006 to 66% in 2036.

CHALLENGES

One challenge, among many, arising from demographic changes in NSW relates to the concentration of population in Sydney and coastal areas, with the many implications this has for infrastructure, housing and the provision of social services. Supporting a strategy of decentralisation, in the week after the 2011 Election Barry O'Farrell [said](#) his Government would address the population pressures on Sydney by "growing regional NSW".

KEY DOCUMENTS

Commonwealth Government, [A Sustainable Population Strategy for Australia](#), 2010

POPULATION AGEING

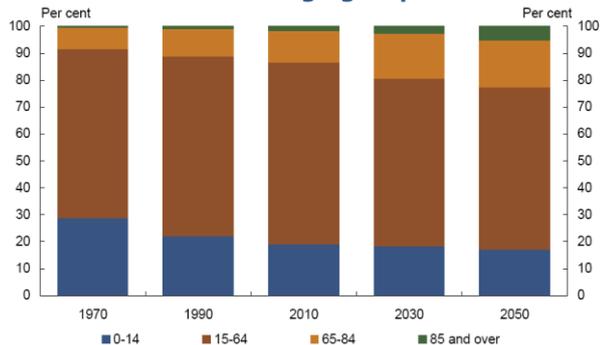
A major demographic challenge facing Australia is the ageing of the population. The Federal Government's [Intergenerational Report](#) of 2010 observes that population ageing has implications for health care, labour force participation, housing and the demand for skilled labour.

NATIONAL TRENDS

The ABS projects that, as a result of sustained low fertility and increased life expectancy, the proportion of people aged 65 years and over will increase from 13% of the Australian population in 2007 to between 23% and 25% in 2056, while the proportion of people aged under 15 years is projected to decrease to between 15% and 18%.

The Federal Treasury [estimates](#) that the proportion of working age people to support each Australian aged 65 years and over will fall to 2.7 by 2050, compared to 5 working age people today and 7.5 in 1970.

Proportion of the Australian population in different age groups

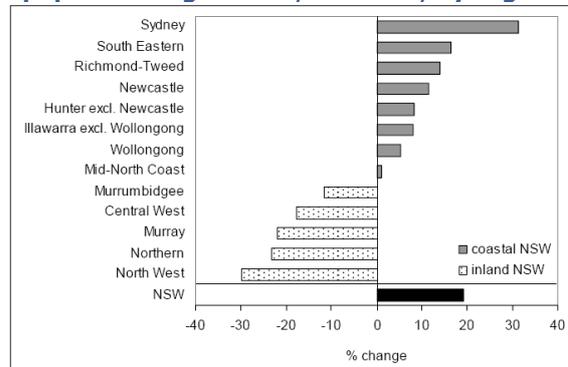


NSW TRENDS

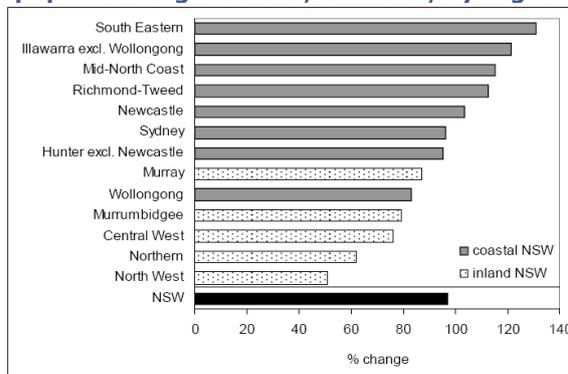
In a 2008 report, the NSW Government [projected](#) that, with average life expectancy set to increase by approximately 9 years by mid-century, the number of people aged over 65 in NSW will increase from 0.9 million (or 13.9% of the State's population) in 2006 to 2.4 million (or 26.3% of the State's population) by 2051. In January 2011, the Government [reported](#) that by 2024 the proportion of people aged 65 years and older will, for the first time in the State's history, exceed those aged under 15 years.

According to the [NSW Department of Planning](#), while all regions in NSW will undergo population ageing, the extent will vary significantly across different regions of the State.

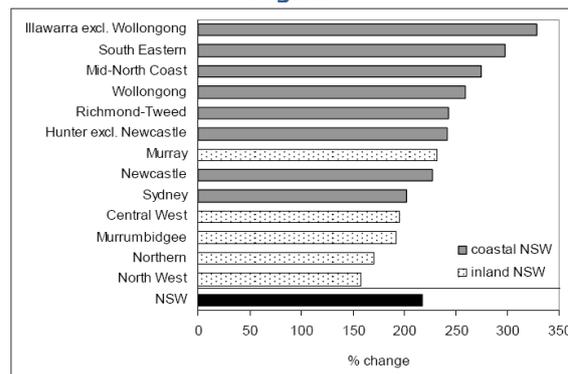
Projected percentage change of the population aged 0-17, 2006-36, by region



Projected percentage change of the population aged 64-84, 2006-36, by region



Projected percentage change of the population aged 85-onwards, 2006-36, by region



Coastal regions are expected to experience the largest percentage increase in people aged between 65 and 84 and over 85 years, with the Mid-North Coast, Nowra Bomaderry, and Illawarra statistical areas projected to experience the greatest increases. The [ABS](#) attributes this trend partly to "sea change" and "tree change" movements as older people move away from employment centres in their retirement.

NSW population by area (total and number aged over 65): 2006 and 2031

Area	Total Population			Number Aged 65+		
	2006	2031	% Change	2006	2031	% Change
NSW	6,843,9000	8,259,200	21%	942,300	1,812,600	92%
Greater Metropolitan Region	5,101,600	6,223,500	22%	648,300	1,202,600	86%
Sydney (SD)	4,310,100	5,290,200	23%	527,700	963,900	83%
Newcastle (SSD)	513,600	610,200	19%	79,300	160,100	102%
Hunter SD excl. Newcastle SSD	100,500	121,100	20%	18,100	39,400	118%
Wollongong (SSD)	277,900	323,100	16%	41,300	78,600	90%
Illawarra SD excl. Wollongong SSD	140,200	184,700	32%	27,400	61,000	123%
Richmond-Tweed (SD)	229,200	290,500	27%	41,400	91,700	121%
Mid-North Coast (SD)	298,500	373,700	25%	58,300	129,800	123%
Northern (SD)	178,600	180,700	1%	27,300	46,000	68%
North Western (SD)	118,700	123,800	4%	16,800	30,000	79%
Central West (SD)	179,900	193,500	8%	27,200	53,400	96%
South Eastern (SD)	204,900	257,000	25%	33,000	77,100	134%
Murrumbidgee (SD)	153,500	165,400	8%	21,900	41,500	89%
Murray (SD)	115,100	125,900	9%	18,500	34,500	86%
Far West (SD)	23,100	19,400	-16%	4,200	5,700	36%

Source: Data sourced from the NSW Department of Planning and included in the Office for Ageing Fact Sheet, *Population Ageing Projections in NSW*, NSW Department of Ageing, Disability and Home Care, NSW Government, October 2007.

Note: SD denotes statistical division; SSD denotes statistical subdivision

According to the NSW Department of Planning, while Sydney will also undergo population ageing, Sydney's population is projected to be younger than the overall population of NSW, with people aged over 65 comprising 18% of Sydney's population by 2036, compared to 21% of the NSW population.

Sydney Metropolitan Area by broad age group: 1996-2036

Year	Population ^a in age group			
	0-14	15-39	40-64	65+
<i>Past</i>				
1996	724,000	1,456,700	1,021,100	408,800
2001	753,700	1,493,300	1,148,100	436,900
2006	759,400	1,526,400	1,232,800	458,700
<i>Projected</i>				
2011	800,700	1,600,300	1,312,500	519,400
2016	845,500	1,667,400	1,373,000	605,800
2021	891,900	1,742,100	1,427,600	690,400
2026	932,900	1,814,800	1,486,900	784,700
2031	972,300	1,885,400	1,551,800	879,900
2036	1,008,700	1,956,500	1,623,600	968,700

Source: past data – Australian Bureau of Statistics; projections – Department of Planning.

a Population numbers are for 30th June of the year shown.

POLICY IMPLICATIONS

The ageing of the population has significant implications for all levels of government across a wide range of policy areas. Chief among these are:

- slower economic growth as a result of declining workforce participation rates;

- fiscal pressures resulting from increased government spending on health care, aged care and age-related pensions;
- the need for appropriate housing and transport infrastructure;
- the need for quality care and support services to meet the needs of an increasingly diverse ageing population;
- a need to ensure social sustainability by tackling entrenched disadvantage and enhancing skills, opportunities and community participation; and
- changing societal attitudes towards ageing.

While the primary responsibility for aged care lies with the Commonwealth, a key role is also played in many policy areas by State and local governments. In respect to NSW, the major articulation of government strategy is found in [Towards 2030: planning for our changing population](#). This is complemented by measures in a number of other State strategies, such as the NSW State Plan, Sydney's Metropolitan Strategy and Regional Strategies, in combination with infrastructure, transport, health and housing strategies. The key priorities identified in *Towards 2030* are: early planning for change; improved prevention and early intervention; workforce productivity and adaptability; facilitating participation in society; and the provision of quality care and support services.

KEY DOCUMENTS

Productivity Commission, [Caring for Older Australians: Productivity Commission Draft Report](#), 2011

G Griffith, [A Commissioner for Older People in NSW](#), Briefing Paper 3/2008

PLANNING

Few, if any, issues have generated more heated public debate in NSW over the past few years than the subject of planning. One focus for this debate is the key legislation regulating land use in NSW, the [Environmental Planning and Assessment Act 1979](#) (EP&A Act), in particular Part 3A of that Act. Whatever legislative regime is in place, planning decisions are likely to be difficult, often encapsulating the problems involved in reconciling legitimate commercial, employment, environmental and community interests, claims and concerns.

STRATEGIC PLANNING AND DEVELOPMENT ASSESSMENT

The issues raised in the planning debate can be general or strategic, relating to the overall development of cities and regions, or concerning specific development applications. In the context of land use, therefore, the term planning is often separated into two components: (a) strategic planning and (b) development assessment.

Strategic planning is the responsibility of State and local government. Its purpose is to identify current and future land uses and to set out the planning controls applicable to particular parts of the State. Strategic planning is primarily undertaken through environmental planning instruments (i.e. Local Environmental Plans, Development Control Plans and State Environmental Planning Policies) and regional strategies. It allows regions to be considered as a whole, rather than in an ad hoc manner in response to individual development applications and spot rezoning. One example is the [Metropolitan Plan for Sydney 2036](#).

Development assessment in respect to specific development applications is carried out by State and local government. Under the EP&A Act, three streams of assessment apply:

- [Part 3A](#), for major projects of regional or State significance which require approval from the Minister for Planning;
- [Part 4](#), for other proposals which require consent, usually by the local council, but by the Minister in limited circumstances. Minor or routine development may also be approved by accredited certifiers; and
- [Part 5](#), for proposals which do not fall under Part 4 or Part 3A. These are often infrastructure proposals, such as roads and water supply dams, approved by local councils or State agencies.

Cases relating to development, the environment and local government are handled by the Land and Environment Court. This specialist Court can

only deal with those matters defined in the [Land and Environment Court Act 1979](#) (or any other Act) as being within its jurisdiction

RECENT LEGISLATIVE REFORMS

2005: The NSW Government announced an "overhaul" of the NSW planning system under the [EP&A Assessment \(Infrastructure and Other Planning Reform\) Act 2005](#). Its purpose was to streamline development assessment processes and generally improve the efficiency of the planning process, particularly in respect to projects of State significance and major infrastructure projects.

The centrepiece of the reform was the insertion into the EP&A Act of Part 3A, together with the making in the same year of the [Major Development SEPP](#) (formerly called the Major Projects SEPP and which specifies which projects fall within the Part 3A category). The main effect of the Part 3A amendments was to remove many major projects from assessment and approval under Parts 4 and 5 of the Act, and to give control of these projects to the Planning Minister.

2006: In 2006, the EP&A Act was amended again, this time to provide the Minister with new powers to appoint planning assessment panels to exercise the planning functions of councils where, for example, the Minister is of the opinion that council's performance is unsatisfactory. It also introduced the Standard LEP Instrument as a compulsory "template" for LEPs using standard zones, definitions, clauses and format.

2008: The [EP&A Amendment Act 2008](#) amended Part 3A to establish a three-step LEP making process. This included the introduction of "gateway determinations" by the Minister. Part 2A of the Act established the Planning Assessment Commission (PAC) as a new decision making body to determine Part 3A projects delegated to it by the Minister. Part 2A also enabled the Minister to establish Joint Regional Planning Panels (JRPP) as new decision making bodies to determine regionally significant development for certain parts of the State. Changes to the review and appeal procedures were also made under Part 2A, with the introduction of planning arbitrators to hear appeals against council decisions on small scale developments.

EP&A ACT UNDER SCRUTINY

The NSW planning system has long been controversial, never more so than in recent years when concerns about the integrity (and the perceived integrity) of planning processes have intensified. There have been a number of defining

incidents, including the ICAC's 2008 three part report into corruption allegations affecting Wollongong City Council. More generally, the ICAC has observed that the NSW planning system, Part 3A in particular, is "exceedingly complex, even for planning professionals".

The high volume of planning related complaints resulted in the ICAC publishing the 2007 report [Corruption risks in development approval processes](#). This focused on Part 4 of the EP&A Act, which deals mostly with developments assessed and determined by local councils. In 2010, ICAC published a [report](#) dealing with Part 3A development approvals at the State level and the safeguards in place to ensure its integrity. The report found that the Part 3A regime is characterised by a lack of published, objective criteria and further stated: "There are also various elements of Part 3A that are discretionary, particularly as regards residential and commercial development, which are prohibited or exceed existing development standards". The ICAC recommended "that the NSW Government amend the EP&A Act to limit the application of Part 3A to projects that are permissible under existing planning instruments".

STAKEHOLDER PERSPECTIVES

Local Government and Shires Associations: Identifying [issues of concern](#), the LGSA called for a rewrite of the EP&A Act, the repeal of Part 3A and the Major Developments SEPP, along with the revision of the Affordable Rental Housing SEPP and the abolition of JRPP.

NSW Division of the Planning Institute of Australia: It argued in a 2010 [paper](#) that the EP&A Act is no longer meeting its core function of promoting an effective planning system and that a new Act is the "solution".

Environmental Defenders Office: In its report on the [State of Planning in NSW](#), it recommended a new planning Act with a focus on strategic planning, public participation, transparency and accountability.

Property Council of Australia: Its 2010 Report Card sets out a series of [key actions](#) for the NSW planning system, including bringing forward priority release areas.

Urban Taskforce: It advocates a [12 point plan](#) for the reform of the planning system, including the introduction of new rules that grant development approval where pre-determined standards are met.

Engineers Australia: One recommendation in its Infrastructure [Report Card](#) was for an independent planning infrastructure advisory group to coordinate infrastructure planning and

funding advice and to provide input into Infrastructure Australia.

COAG AND STRATEGIC PLANNING

COAG has also been active on the planning front. For example, on [7 December 2009](#), it placed reform of Australia's capital city strategic planning systems on the national agenda and agreed to the development of relevant national criteria, which include land release policies, infrastructure and urban design.

Applying these criteria, the 2010 [Built Environment Meets Parliament](#) report ranked Sydney sixth among Australian capital cities, with Melbourne first and Hobart last.

PARTY PLATFORMS

In the lead up to the 2011 State election, the NSW Labor Party and the Coalition outlined their respective planning related policies, as follows.

NSW Labor Party:

- maintain a 70:30 split between urban consolidation and greenfield expansion;
- establish the Sydney Metropolitan development Authority to focus on creating sustainable urban centres;
- deliver 80 percent of new housing within walking distance of major centres by 2031;
- build 90,000 new homes close to public transport links by 2016; and
- continue major project assessments.

The Coalition:

- establish a 50:50 split between urban consolidation and Greenfield expansion;
- establish an independent expert panel to review the planning system;
- overhaul the planning system, including a rewrite of State planning laws and the abolition of Part 3A; and
- prepare strategic land use plans for the State on a regional basis.

The NSW Greens [announced](#) that they would "work to create an Independent State Planning Commission to oversee major developments."

KEY DOCUMENTS

H Park, [NSW Planning Framework: History of Reforms](#), E-Brief 10/2010

Local Government and Planning Ministers' Council Sub-Group, [First National Report on Development Assessment Performance 2008-09](#), 2010

INFRASTRUCTURE

Infrastructure supports the provision of services and is essential for the delivery of a high standard of living through improvements to social, environmental and economic outcomes. Infrastructure can be divided into two forms. Economic infrastructure comprises: roads; railways; airports; water and waste water services; telecommunications; and power generation facilities. Social infrastructure comprises: schools; health facilities; recreation facilities; housing; and law and order facilities. The focus here is on economic infrastructure.

INFRASTRUCTURE REPORT CARD

In 2010, Engineers Australia released an Infrastructure Report Card for NSW. The report card awards an infrastructure rating that can range from A (very good) to F (inadequate). The ratings were based on an assessment of: asset condition; asset availability and reliability; asset management; sustainability; and resilience. The 2010 [report card](#) found that NSW's infrastructure is under stress in many areas and requires significant change to be fit for its current purpose. The State's infrastructure is considered to be in average to poor condition. A summary of the report card is shown below.

Infrastructure NSW Report Card 2010

Infrastructure Type	NSW 2010	NSW 2003
Roads overall	C-	Not rated
National roads	B-	C+
State roads	D+	C+
Local roads	D+	C-
Rail	D-	D
Ports	C	Not rated
Airports	B	Not rated
Potable water	B-	B- Metro urban C- Non-metro urban
Wastewater	C+	C- Metro urban C- Non-metro urban
Stormwater	C	D
Irrigation	C	Not rated
Electricity	C-	B
Gas	C	Not rated
Telecommunications	C-	Not rated

The report card emphasises that, given the expected population growth, the public and private sector will need to invest a significant amount of money to bring NSW's infrastructure up to a reasonable standard. The report card acknowledges that, while planning has occurred in some areas, there still remains a lack of strategic planning, coordination and integration and a commitment to existing plans. It also highlights a

disparity between the quality of infrastructure in rural and urban areas.

CHALLENGES

Based on the Engineers Australia 2010 [infrastructure report card](#), the following table highlights some of the major infrastructure challenges facing NSW.

Challenges
Increase public transport capacity, reduce crowding, improve service quality and condition
Improve and expand bus and rail networks
Encourage transport tasks away from roads
Meet future container growth at ports
Address financial viability of regional airports
Retain high demand for recycled water
Provide stormwater infrastructure for adequate draining and flood protection
Plan for predicted climate change impacts on infrastructure
Address urban/rural infrastructure disparity
Improve intergovernmental collaboration
Adequate funding for new infrastructure and the upgrade of existing infrastructure

DRIVERS OF DEMAND

The NSW [State Infrastructure Strategy 2008-18](#) identifies seven key drivers of infrastructure demand in NSW:

- infrastructure renewal;
- industrial and commercial developments;
- environmental issues;
- technological change;
- population growth and distribution;
- ageing and longevity; and
- cost pressures.

COMMONWEALTH FUNDING

The Commonwealth Government has direct responsibility for some infrastructure services, including: postal and telecommunications; and air transport services. In fact, however, its involvement is far broader, in part as a result of recent COAG agreements. In the 2008-09 budget, the Commonwealth Government established the [Building Australia Fund](#), into which it injected an initial \$20 billion. In the same year, [Infrastructure Australia](#) was established to develop a strategic blueprint for future infrastructure needs and, in partnership with the other tiers of government and the private sector, to facilitate its implementation. Following a COAG meeting in 2008, Infrastructure Australia was asked to

conduct a [National Infrastructure Audit](#) to guide decisions on priority projects.

Subsequently, the Commonwealth's 2009-10 Budget committed \$8.5 billion towards infrastructure [projects](#) to be allocated by Infrastructure Australia and partially funded through the Building Australia Fund. From this source, NSW received funding for two projects: the [Hunter Expressway](#) (\$1.5 billion) and the [Pacific Highway Kempsey Bypass](#) (\$618 million).

Further Commonwealth involvement in infrastructure investment is provided through the [National Building Economic Stimulus Plan](#), introduced in response to the Global Financial Crisis. Specifically to oversee the implementation of projects under this Plan in NSW, the position of Infrastructure Co-ordinator General was created by the [Nation Building and Jobs Plan \(State Infrastructure Delivery\) Act 2009](#) (NSW), with the power to expedite relevant projects, notably the power to declare a project exempt from planning legislation. Once the designated projects have been completed, the legislation is to be repealed.

Other Commonwealth initiatives include the [National Ports Strategy 2010](#), and the proposed [National Land Freight Strategy](#). Such initiatives are complemented by agreements arrived at through the COAG process. For example, as part of the development of national agreements and strategies on planning and related matters, at its February 2011 meeting [COAG](#) endorsed the need for a national ports strategy, with the relevant Ministerial Council being asked to complete an implementation plan by August 2011.

NSW FUNDING

The NSW Government is responsible for the bulk of remaining infrastructure services, including: ports; rail; roads; gas; electricity; and water. First published in 2006 and subsequently updated, State Labor Governments have produced a 10-year [State Infrastructure Strategy](#) for Sydney and the regions. Set out in [2010-11 Budget Paper No 4](#) is the Keneally Government's infrastructure program for that year. It states that "General government sector infrastructure investment in 2010-11 will total \$7.7 billion, which is \$196 million or 2.6 per cent above the 2009-10 revised estimate of \$7.5 billion". By policy area, the major investments were in: transport (34.8%); electricity (23.6%); housing (7.4%); education (12.2%); and health (5.6%).

Local government also plays a role in the provision of urban and rural infrastructure, such as water supply and local road networks. In 2010 the Keneally Government established a [NSW Local Infrastructure Fund](#) to advance infrastructure projects delayed by lack of funding.

FUNDING SOURCES

There are many different sources for funding public infrastructure, including: government borrowing; local development contributions; Commonwealth funding; and Public Private Partnerships (PPP). Government borrowing is the traditional means by which long lived public infrastructure assets are funded using long-term debt instruments such as bonds. Development contributions are payments made by a developer to a consent authority to contribute to shared local infrastructure. In NSW, these are provided under Part 4, Division 6 of the [Environmental Planning and Assessment Act 1979](#).

The private sector also plays an important and sometimes controversial role in infrastructure provision, notably through the operation of PPPs or what [NSW Treasury](#) terms more specifically as PFPs (Privately Financed Projects). PFPs "create new infrastructure assets and deliver associated services for a specified period through private sector financing and ownership control". In NSW, PFPs have been used for delivering such projects as major toll roads, hospitals and new schools.

A general issue is the appropriate mix of funding sources, public and private. A [report](#) by the Allen Consulting Group in 2003 suggested that there is no ideal answer to this question.

ELECTION POLICIES

The key question is what to build, when and where? In the lead up to the 2011 State election, the NSW Labor Party renewed its commitment to a number of infrastructure projects including: the construction of the South West and Parramatta-Epping rail links (for which the Federal Government has pledged \$2.1bn); the expansion of Sydney's light rail network; and the provision of new commuter car parking spaces.

The Coalition also announced its commitment to various infrastructure projects, including construction of the South West and North West rail links. The establishment of an [infrastructure fund](#), based in part on new Waratah Bonds, was also a feature of the Coalition's agenda, as was the establishment of [Infrastructure NSW](#), an expert, independent board to supervise infrastructure planning and delivery.

KEY DOCUMENTS

L O'Flynn, [History of Development Contributions under the NSW Planning System](#), E-Brief 3/2011

A Bergin, [Critical Foundations: Australia's Infrastructure and National Resilience](#), Australian Strategic Policy Institute, 2011

TRANSPORT

Transport connects people to places, jobs, education, markets, resources, opportunities and other people. Transport shapes, and is shaped by, many key issues facing NSW: population growth and ageing; cost of living; economic growth; climate change; and housing affordability. Many current transport issues have emerged from disconnects: between land-use and transport planning; between different transport modes; and between residential development and employment growth. All key stakeholders advocate the adoption of integrated, long-term transport planning in order to create and maintain environmentally, socially and economically sustainable communities, regions and cities. It is acknowledged that transport issues can vary between metropolitan and regional NSW.

DRIVERS OF TRANSPORT GROWTH

Economic growth and population growth are the two key drivers of growth in transport activity. Increasing travel demand is one of the most significant issues facing NSW. According to the 2010 [Moving People](#) report, several options exist for minimising travel demand.

Whatever the future for these options, economic growth and population growth require improved transport strategies. Productivity growth, in particular, requires either new transport infrastructure and/or more efficient use of existing transport infrastructure.

TRANSPORT PRINCIPLES

Transport serves many different ends and takes many different forms. As such, key stakeholder reports advance a variety of aims, principles and objectives. The following list of principles was distilled from these reports. Together, they form a framework through which NSW transport problems may be considered.

- **Integration:** integrated, long-term planning for an integrated transport network
- **Transparency:** transparency in funding, charging and decision-making
- **Health & safety:** provide a safe transport system and encourage healthier transport choices
- **Social inclusion:** provide adequate and affordable transport options for all citizens
- **Environmental improvement:** minimise air pollution and greenhouse gas emissions
- **Efficiency:** minimise congestion to promote the efficient movement of people and freight
- **Energy security:** increase energy security by reducing reliance on imported fossil fuels

ISSUES AND TRENDS

Planners in the early 20th century established a suburban rail network that remains the backbone of Sydney's urban form, and around which additional public transport infrastructure can be established. However, minimal expansion of the heavy rail network over the last 40 years is indicative of a major factor behind NSW's recent transport problems, namely, a lack of integrated, long-term planning or implementation of such plans. The table below categorises many significant transport issues and trends, according to key stakeholders, under seven headings.

Selected transport issues and trends

Planning and governance
Transport planning needs to take an integrated, long-term approach
Several reports recommend the formation of an integrated transport authority
Economic costs
Long-term funding commitment required
One-third of public transport operating costs are recovered, and this is likely to decline
Financial cost of car-dependency is considerable
Congestion
Congestion cost Sydney \$3.5 billion in 2005 and is projected to cost \$7.8 billion by 2020
Container freight on inner Sydney roads is projected to at least double between 2010-2021
Transport modes
Public transport network needs to be better integrated
Over the past year, travel by public transport and walking increased while car trips declined
Energy security
The transport sector uses 25% of all energy consumed in Australia
Australia's dependence on foreign oil is projected to increase to more than 80% within 10 years
Greenhouse gas emissions
Australia's transport sector emits 14% of Australia's total greenhouse gas emissions
National freight transport emissions are expected to grow by 27% in the decade 2010-2020
Health costs
Physical inactivity costs Australia around \$10 billion per year – cycling is one solution
Serious road injuries are increasing and fatalities remain at a constant level

PLANNING AND GOVERNANCE

Several recent reports have advocated the establishment of an integrated transport authority. In 2008, a Legislative Council committee [inquiry](#) recommended the establishment of an Integrated Transport Planning Authority with responsibility for network wide integrated transport planning and the prioritisation and direction of all transport

infrastructure expenditure. More recently, the 2010 [Christie Report](#) recommended the establishment of a statutory independent authority with wide-ranging powers, including creating a public transport network plan with a minimum 30 year timespan.

One of the most important transport planning challenges is the efficient allocation of scarce resources. Two in particular merit discussion: finances; and urban space. Aside from investing in new infrastructure [see Key Issues: Infrastructure], a variety of cost-saving and low-cost investment options exist by which transport in NSW could be improved. The 2010 [Christie Report](#) argued that the efficiency of the current public transport system could be improved. A 2010 Tourism & Transport Forum Australia (TTF) [report](#) identified a series of revenue generating and cost saving initiatives.

Balancing investment in different transport modes needs to account for each mode's spatial efficiency. For example, using roads primarily for private vehicles is a highly inefficient use of urban space. The [Christie Report](#) concluded that:

The sheer limits of urban space – quite apart from other cost and sustainability issues – mean that urban centres *must* rely on a suite of transport options in which the private car will play a diminishing role as densities rise.

ROADS

Some stakeholders, such as the [NRMA](#), advocate the completion of Sydney's road network as a means of addressing congestion. However, most stakeholders agree that new roads alone will not solve Sydney's congestion issues.

Increased road building faces at least two problems. First, road building is the most expensive option per passenger kilometre travelled. According to the 2010 TTF [report](#), cities with a high dependency on cars, such as Sydney, have amongst the highest transportation costs in the developed world. Second, building roads generally results in "induced traffic growth", where more roads initially reduces congestion but soon encourages more cars onto the roads. The same considerations would not apply in rural and regional NSW where road upgrades is a transport priority [see Key Issues: Regional Issues].

PUBLIC TRANSPORT EXPENDITURE

Currently, in terms of public expenditure on public transport, the level of cost recovery in Australian cities ranges on average from 25-45%. This compares poorly with international cities, who recover 60% on average. The 2010 TTF [report](#)

identified three reasons for the low cost recovery rate: low population densities; comparatively generous concession policies; and higher costs due to operational inefficiencies. However, despite the problem of low cost-recovery in public transport, most stakeholders argue that increased investment in public transport is required to address many of the transport issues facing NSW.

FUEL COSTS

Australia is currently about 50% self-sufficient for transport fuels. However, this figure may drop to as low as 20% within 10 years. Together with rising oil prices, declining energy self-sufficiency will place increasing pressure on the competitiveness of Australian industries and the cost of living for car-dependent households, with the risk of social exclusion.

SOCIAL INCLUSION

Car ownership is a significant cost of living issue, especially given the 50% increase in fuel prices in the last 5 years [see Key Issues: Cost of Living]. Inadequate public transport in the rapidly developing outer urban areas of Sydney has raised car dependency rates, thereby increasing the vulnerability of those most susceptible to rising transport and fuel costs – people with modest or below average incomes. A 2009 Senate [inquiry](#) into public transport stressed the importance of public transport in reducing transport disadvantage and social isolation. Improved public transport has the capacity to increase the accessibility of employment and education to people and households at risk of social exclusion.

CYCLING

As a policy option, cycling is increasingly on the agenda because of its transport, health, environmental, social and economic benefits. Experience in such cities as San Francisco and Copenhagen suggests that cycling provides one option by which transport issues such as congestion, fuel costs and social exclusion may be addressed in part.

KEY PUBLICATIONS

D Montoya, [Cycling and Transport Policy in NSW](#), Briefing Paper 8/2010

H Park, [Rail Freight Transport in NSW](#), Briefing Paper 8/2009

S Smith, [Road Congestion Charging](#), E-Brief 3/2008

T Edwards and S Smith, [Transport Problems Facing Large Cities](#), Briefing Paper 6/2008

ENVIRONMENT

Environmental issues are at once highly significant, complex and varied. The four issues discussed here are all on the current agenda of debate in NSW. Other issues, notably water and mining, are dealt with separately in this paper. Behind all these issues, informing and shaping the debate, is the dominant environmental subject of our times – climate change.

COASTAL ZONE MANAGEMENT

A 2009 House of Representatives [inquiry](#) identified three pressing concerns for coastal zone management in Australia: the impact of climate change; population growth; and complex and fragmented governance arrangements. In NSW, the key piece of legislation for managing climate change impacts and regulating land use in the coastal zone is the [Coastal Protection Act 1979](#).

Potential climate change impacts on the coastal zone include sea level rise, increased sea surface temperature, and increased storm intensity and frequency. Sea level rise may induce further negative impacts, including coastal erosion and saline inundation of coastal ecosystems. The NSW [Sea Level Rise Policy Statement](#) includes sea level rise projections of 40cm by 2050 and 90cm by 2100 relative to 1990 mean sea levels.

Maintaining the resilience of the most vulnerable coastal ecosystems (estuaries, tidal flats and beaches) to adapt to climate change impacts is complicated by the development pressures associated with population growth in the coastal zone. Sydney and the coastal regions of NSW are [expected](#) to increase their share of the NSW population from 87.9% in 1996 to 90.5% in 2021. The fastest rate of growth will occur on the Mid-North Coast and in the Richmond-Tweed areas. Population growth inflicts significant development pressure on the coastal zone. This pressure is compounded in many coastal areas by an influx of people during the holiday season that often doubles the existing population.

According to the 2009 House of Representatives [inquiry](#), the current coastal governance framework is unable to account for the cumulative impact of development on coastal zone ecosystems. In addition, many stakeholders argue that governance in the coastal zone is disjointed, and lacking in leadership and accountability. Several potential reforms have been identified by different bodies:

- [develop](#) a COAG-endorsed Intergovernmental Agreement on the Coastal Zone;
- [adopt](#) a program of national regulatory reform that includes nationally agreed coastal planning standards; and

- [amend](#) the [Environmental Planning & Assessment Act 1979](#) (NSW) to ensure it adequately addresses coastal planning issues.

MARINE PROTECTED AREAS

The NSW and Commonwealth Governments are committed, under national and international agreements, to conserving marine biodiversity and establishing a national representative system of marine protected areas (MPAs). NSW MPAs are established under the [Marine Parks Act 1997](#).

The NSW marine reserve system consists of six multiple-use marine parks and numerous smaller reserves covering 345,000 hectares or approximately 34% of NSW marine jurisdiction. The six NSW marine parks represent 3 of the 5 marine bioregions located in NSW coastal waters. Sanctuary zones, in which fishing is completely prohibited, make up 18% of marine parks, or 6.5% of total NSW marine jurisdiction. The remaining 82% of marine park area allows for recreational fishing and varying levels of commercial fishing. In addition, the Commonwealth Government is currently investigating [five areas](#) off the NSW coast for possible inclusion in a national representative system of MPAs by 2012.

Debate surrounding MPAs has largely focused on the science behind marine parks. The science relates to both MPA efficacy as well as the state of NSW fisheries. Several points merit observation. First, while the impact of recreational fishing on fish stocks is unclear given the absence of accurate data, it is likely to be significant. Second, the number of overfished species has increased despite a [decline](#) in commercial fishing returns since 1997-98. Finally, in 2009, an independent [review](#) of MPA science recommended clearer public communication of what the science supports as well as acknowledgement of areas of scientific uncertainty.

In December 2010, a Legislative Council [inquiry](#) into recreational fishing in NSW recommended that "the NSW Government not create any new marine park until the next five-year marine park research plan is completed". In fact, the [Marine Parks Strategy Research Framework 2010-15](#) was also released in December 2010.

The NSW Coalition [Fisheries Policy](#) proposes to conduct a scientific audit to explore the environmental appropriateness and effectiveness of existing zoning arrangements in NSW MPAs. On the other hand, the NSW Greens have [argued](#) for the full protection of at least 30% of each representative marine ecosystem.

NATURAL DISASTERS

Natural hazards, such as flooding, bushfires, drought and severe storms, are capable of inflicting tremendous environmental, economic and social costs. Hazards become "natural disasters" when they inflict such costs. While the frequency, extent and/or severity of natural disasters are expected to increase due to climate change, recent increases in costs are largely attributable to demographic and societal changes.

The [State Emergency and Rescue Management Act 1989](#) is a key component of natural disaster management in NSW. Challenges still faced in NSW include: engaging communities; land use planning; and funding.

Engaging communities: In February 2011, COAG adopted a [National Strategy for Disaster Resilience](#). The Strategy aims to involve communities in every stage of emergency management: prevention; preparedness; response; and recovery. Key actions identified in the Strategy include community education about disaster risks and the communication of relevant information during a disaster.

Land use planning: Minimising natural hazard vulnerability requires balancing development policies with resilience strategies. Strategic planning is particularly important for establishing a framework within which more specific planning tools, such as building code standards, can minimise risk.

Funding: Costing natural disasters is highly complicated. Most analyses focus on the consequences of a natural disaster, for example, a 2011 [report](#) estimated that natural disasters cost Australia \$1.58 billion each year, an [estimated](#) 45% of which is borne by NSW. However, this amount may be in the order of as little as [14%](#) of the *total* cost of natural disasters, if the costs of anticipating and responding to natural disasters are also taken into account. Cost sharing is therefore high on the [public agenda](#).

Insurance covers many of the costs arising as a consequence of a natural disaster. The Commonwealth, State and Territory Governments together provide for disaster relief and mitigation funding. However, the sustainability of disaster relief funding has been [questioned](#) given the problems created by lack of private insurance or underinsurance. Consequently, on 4 March 2011, the Commonwealth Government announced a [natural disasters insurance review](#), the findings of which will be released at the end of 2011.

WASTE MANAGEMENT

Waste generation is a key indicator of the impact of a community on its environment. Waste is

managed in NSW according to the [Waste Avoidance and Resource Recovery Act 2001](#), which establishes the following hierarchy for dealing with waste: (1) avoidance; (2) resource recovery; and (3) disposal.

Avoidance: A 2010 NSW waste policy [review](#) argued that there is an urgent need to slow waste generation. The review identified that, on average, waste generation has been growing nationally at 4.3% per year. Population growth is responsible for 3% of this growth and increasing per capita consumption is responsible for the remaining 1.3%.

Resource recovery: Substantial progress has been made in recycling rates in the past decade (see Table). The lowest recycling rates are found in regional and rural areas: overall, the regional and rural rate was 42% in 2008-09.

Recycling rates in NSW: 2002 to 2014

Waste type	2002-03	2008-09	2014 target
Municipal	30%	44%	66%
Commercial & industrial	34%	52%	63%
Construction & demolition	64%	73%	76%

The 2010 waste policy [review](#) argued that, given that the introduction of more alternative waste technology facilities requires long lead times, greater focus is required on recycling at the household level. The Commonwealth [Product Stewardship Bill 2011](#) should reduce waste generation and increase recycling rates, particularly for electronic waste and the like.

Disposal: According to the 2009 [Wright report](#), Sydney had more than 20 years of landfill capacity at the current input rate of just under 2 million tonnes per year. However, in 2009, the landfills located within Sydney had only four to six years of active life until being closed to general putrescible waste, after which only the Woodlawn landfill at Tarago will remain.

KEY DOCUMENTS

T Drabsch, [A Statistical Portrait of the Environment in NSW](#), Statistical Indicators 2/2011

D Montoya, [Bushfires in NSW: An Update](#), Briefing Paper 10/2010

S Smith, [Waste: Comparative Data and Management Frameworks](#), Briefing Paper 9/2010

S Smith, [Coastal Erosion & Sea Level Rise](#), Briefing Paper 6/2010

T Edwards, [Marine Protected Areas](#), Briefing Paper 8/2008

WATER IN THE MURRAY-DARLING BASIN

Water management in Australia involves negotiating competing interests in an environment prone to extreme climatic variability and relatively exposed to climate change. Water management in the Murray-Darling Basin (MDB), Australia's largest river system, is further complicated by the involvement of six Australian governments: the Commonwealth, Victorian, South Australian, Queensland, ACT and NSW Governments. Administrative and regulatory arrangements have been established to respond to the many challenges involved – social, economic and environmental.

MANAGING WATER IN THE MURRAY-DARLING BASIN

Approximately 75% of NSW lies within the MDB. Water management in the NSW area of the MDB is a responsibility shared by the NSW and Commonwealth Governments. Currently, water in the NSW portion of the MDB is allocated according to Water Sharing Plans created under the [Water Management Act 2000](#) (NSW). This Act also provides for the licences that entitle the holder to access water and trade it in the water market.

The Commonwealth Government became more involved in water management with the advent of the [Water Act 2007](#) (Cth). This Act established the Murray-Darling Basin Authority (MDBA) with a legislative mandate to address the over-allocation of the Basin's water resources. This mandate will be implemented, in part, by the creation of a [Basin Plan](#) that sets sustainable diversion limits for each catchment. The MDBA intends to present the Basin Plan to the Commonwealth Parliament in early 2012.

SUSTAINABLE DIVERSION LIMITS

When launching the MDBA's [Guide to the proposed Basin Plan](#) on 8 October 2010, the ex-Chair, Mike Taylor, emphasised that "the proposals presented in (the) Guide are not a done deal". However, a proposed reduction in diversion limits of between 3,000 GL (Giga Litres)/yr and 4,000 GL/yr drew substantial criticism from a variety of stakeholders, some arguing it went too far, others that it did not go far enough.

According to the MDBA, "the Authority ... collated the best available information, sophisticated hydrologic modelling, and knowledge" in calculating Sustainable Diversion Limits (SDLs) for each MDB catchment. Accordingly, the MDBA calculated that an additional volume of between 3,000GL/yr and 7,600GL/yr (long-term average) would be required for the environment. However, instead of using these figures, the MDBA proposed a reduction in diversion limits of between 3,000 GL/yr and 4,000 GL/yr in light of "the available social and economic information". This is equivalent to a 21 to 28% reduction in NSW diversion limits. In addition, significant decreases for groundwater extraction were proposed: ranging from 13% in the Lower Namoi Alluvium to 40% in the Lower Lachlan and Lower Macquarie Alluvium areas.

The Table below summarises the impacts of the proposed SDLs in NSW. Each SDL allows for a 3% reduction in water availability due to the possible impact of climate change. However, CSIRO [modelling](#) conducted in 2008 suggests that a median figure for the reduction in natural flows could be much higher for some catchments.

Ecosystem health, diversion limits and the possible impact of climate change

Catchment	Ecosystem health (2004-07 Sustainable Rivers Audit)	Basin Plan: 3,000 to 4,000 GL/yr reduction			Potential inflow decrease by 2030 due to climate change (%) (median)
		Proposed reduction in diversion limits (%)	Environmental flow outcomes		
			Current	Proposed return (3,000 GL/yr)	
Barwon-Darling	Poor	14 to 18	Poor +	Moderate -	2.4
Border Rivers	Moderate	14 to 18	Moderate -	Moderate +	9.6
Condamine-Balonne	Moderate	20 to 27	Poor -	Poor +	8.4
Gwydir	Poor	20 to 27	Poor -	Poor +	10.1
Lachlan	Very poor	7 to 11	Moderate -	Moderate +	11.2
Lower Darling	Poor	26 to 35	Poor -	Poor +	11.5
Macquarie-Castlereagh	Very poor	14 to 18	Moderate +	Good	7.5
Moonie	Moderate	14 to 17	Moderate +	Good	11.2
Murray	Poor to very poor	26 to 35	Poor -	Poor +	11.5
Murrumbidgee	Very poor	26 to 35	Poor +	Moderate +	9.1
Namoi	Poor	14 to 18	Moderate +	Good	5.2
Paroo	Good	0	Good	Good	2.9
Warrego	Poor	14 to 16	Good	Good	6.4
NSW		21 to 28			11 (Basin-wide)

The Murray Darling Basin Commission's 2004-2007 [Sustainable Rivers Audit](#) was instrumental in calculating SDLs for each catchment and the effectiveness of current and proposed environmental flows. MDB riverine ecosystems are estimated by the [Australian Bureau of Statistics](#) to provide services worth \$187 billion/yr. But note that using estimates of this kind to weigh calculated improvements in environmental condition against potential socio-economic impacts is further complicated by climatic variability, ecosystem complexity and socio-economic resilience and adaptability.

THE WATER ACT 2007 (CTH): DOES IT SUPPORT BALANCE?

There has been substantial debate about whether or not the [Water Act 2007](#) (Cth) enables the development of a Basin Plan, and SDLs in particular, which gives equal weighting to environmental, social and economic factors. The debate has centred on the relation between the objects of the Act, and the requirements by which the Basin Plan and SDLs must be made (ss 20-23).

The MDBA proposed SDLs on the [understanding](#) that the [Water Act 2007](#) required environmental needs to be prioritised over consumption purposes, i.e. ensuring an "environmentally sustainable level of take" (s 23). On 25 October 2010, the Commonwealth Minister for Sustainability, Environment, Water, Population and Communities sought to clarify the matter by citing new [advice](#) from the Australian Government Solicitor to the effect that the MDBA may optimise social, economic and environmental outcomes. The constitutionality of this advice is the subject of [expert commentary](#).

PARLIAMENTARY INQUIRIES

On 9 February 2011, the Senate Legal and Constitutional Affairs Committee commenced an [inquiry](#) into the provisions of the [Water Act 2007](#) to clarify its interpretation. This inquiry joins two other current Commonwealth inquiries: a House of Representatives [inquiry](#) into the impact of the MDB Plan in Regional Australia; and a Senate [inquiry](#) into management of the MDB.

At this stage, the House of Representatives inquiry is the only inquiry to have released [interim findings](#). The Committee wrote to the relevant Commonwealth Ministers in February 2011 seeking their investigation of three urgent issues:

- the impact of the so called "Swiss cheese" effect of water buy backs on irrigation districts;

- the impact of the current taxation arrangements on irrigators as a result of water reform; and
- the implications of the MDBA's consideration of overbank flows in their modelling of environmental icon water requirements and opportunities for engineering alternatives.

SOCIO-ECONOMIC ISSUES

According to the [Guide to the Basin Plan](#), a reduction in diversion limits of between 3,000 GL/yr and 4,000 GL/yr will reduce the gross value of irrigated agriculture by 13-17%, or \$0.8 – 1.1 billion per year. Further, were the 3,000 GL/yr target adopted, a fall in Basin-wide employment of approximately 800 full-time jobs was predicted.

The NSW regions calculated to be most exposed to a loss in gross value of irrigated agriculture, in both social and economic terms, were as follows: Barwon-Darling; Gwydir; Murrumbidgee; Murray; and Namoi. Following substantial criticism of these figures, the MDBA [commissioned](#) further study of the socio-economic impacts of the Basin Plan.

Of the questions that remain under investigation, two are particularly important: what is the socio-economic impact of returning water to the environment; and what are the best methods for doing so? Several recent studies have addressed these questions:

- in March 2010, the Productivity Commission released a [report](#) which concluded that purchasing water from willing sellers is a cost-effective method for returning water to the environment, while subsidising water infrastructure is rarely cost effective; and
- in July 2010, the Cotton Catchment Communities Cooperative Research Centre released a [study](#) which found that a 25% reduction in water allocations would result in the loss of 14,000 jobs Basin-wide.

KEY DOCUMENTS

Murray Darling Basin Authority, [Guide to the Proposed Basin Plan](#), October 2010

Wentworth Group of Concerned Scientists, [Sustainable Diversions in the Murray-Darling Basin: An Analysis of the Options for Achieving a Sustainable Diversion Limit in the Murray-Darling Basin](#), June 2010

D Montoya, [Murray-Darling Basin: Water Management Issues](#), Issues Backgrounder 2/2010

D Montoya, [Water: Regulatory Frameworks in Rural NSW](#), Briefing Paper 4/2010

MINING AND EXPLORATION

Mining is an important component of the NSW economy and a significant source of State revenue. Mining may also cause significant negative environmental and health impacts. There have been a number of recent and ongoing reviews and reforms in an attempt to achieve an adequate balance between the economic benefits and environmental impacts of mining in NSW.

MINING AND THE ECONOMY

The NSW minerals industry accounted for 3.6% of NSW's Gross State Product in 2009-10. Minerals mined in NSW include coal, gold, copper, silver, lead, zinc, rutile, and zircon. From a high of \$22.8 billion in 2008-09, the total value of all NSW minerals production has decreased to just under \$17 billion in 2009-10. Trends in the total value of NSW minerals production are largely driven by the value of coal. Following record coal prices in 2008-09, the value of coal fell from \$20.2 billion in 2008-09 to \$14.2 billion in 2009-10. Coal is NSW's largest export: \$8.5 billion in coal, coke and briquettes was exported in 2009-10. Over 50% of NSW's coal exports were sold to Japan in 2009-10. Other major export destinations include the Republic of Korea, Taiwan and China.

Production value of selected NSW minerals: 2007 to 2010

Mineral	2007-08 (\$ million)	2008-09 (\$ million)	2009-10 (\$ million)
Coal	10,919	20,169	14,174
Copper	1,264	1,040	1,176
Gold	1,000	1,049	1,037
Lead	241	142	183
Rutile	47	45	53
Silver	42	39	51
Zinc	404	228	232
Zircon	45	44	44

Total employment in mining has doubled since 2001. 31,778 people are employed in mining Statewide, approximately two thirds of these in coal mining. While the greatest proportion are employed in the Hunter region (11,896), employment growth has been largest in the Northern, Far West, North West and Central West regions of the State, having quadrupled in the last 10 years.

Exploration expenditure in NSW has decreased over the last two years from a high of \$189.9 million in 2007-08 to \$130.4 million in 2009-10. Much of this decrease in expenditure has resulted from a decline in coal exploration. However, expenditure on resource exploration for several resources has risen, most notably for petroleum. The combination of expenditure on exploration for conventional petroleum and coal seam gas has raised petroleum exploration expenditure to near record levels.

NSW is a net importer of natural gas. This may change in the near future due to two recent developments. First, as of December 2009, 3094 petajoules (PJ) of proven and probable coal seam gas reserves had been identified in NSW (to put this in context, NSW consumed 128PJ of natural gas in 2007-08). Coal seam gas is currently produced in Camden, south west of Sydney, and near Narrabri in the north west of the State. Together, these sources currently account for 6% of NSW's gas supply. Second, Advent Energy [announced](#) in December 2010 that Petroleum Exploration Permit 11 (PEP 11), located off the NSW coast between Newcastle and Wollongong, may contain up to 16,695PJ of recoverable gas. While the first offshore well drilled in late December 2010 found no petroleum, Advent Energy plans to carry out further exploratory drilling.

A proposed increase of 8,339MW in gas-fired power generation capacity in the near future highlights the importance of gas for NSW. A further 59MW of coal seam gas-fired power generation is also proposed. To put these figures in context, NSW had 11,730MW of coal-fired power generation capacity in 2009.

MINING ROYALTIES AND THE MINERALS RESOURCE RENT TAX

The mining industry paid \$985 million in royalties to the NSW Government in 2009-10. While this is down from the previous year's \$1.28 billion, due to a fall in the export value of coal, royalties are projected to increase in the near future. The [NSW 2010-11 Budget Papers](#) estimate total royalty revenue over the next four years at \$6.9 billion. This represents 2.8% of forecast total State revenue.

The Commonwealth proposes to introduce its new [Minerals Resource Rent Tax](#) (MRRT) on 1 July 2012. The MRRT will provide the community with an additional return when substantial profits are made from the extraction of iron ore and coal. In relation to State royalties, the Commonwealth Government initially committed to refunding to the relevant mining companies all State and Territory royalties that had been announced or scheduled by 2 May 2010. On 24 March 2011, the Commonwealth Government [accepted](#) its Policy Transition Group [recommendation](#) that current and *all* future State royalties be refunded under the MRRT. Despite this, the Commonwealth Government [stated](#) that "we shouldn't give a green light to the states to increase their royalties". It remains to be seen how the States will respond, and what penalties, if any, the Commonwealth Government will impose in the event of a State raising its royalties.

MINING AND THE ENVIRONMENT

The environmental impacts of mining have been firmly on the public agenda in recent years. Environmental impacts of mining may include:

- surface and ground water pollution;
- fractured aquifers and an associated loss of water;
- biodiversity and habitat loss;
- destruction and disturbance of Aboriginal and historic heritage; and
- air pollution e.g. dust.

Concerns about such impacts, along with a perceived threat to some of the State's prime agricultural land, have been raised by stakeholders in places such as the Liverpool Plains and the Hunter Valley. The cumulative impact of mining is a further issue of concern.

Several inquiries into the environmental impact of mining have been recently completed by the NSW and Commonwealth Governments. In addition, an ongoing inquiry in the north of NSW is investigating the impact of mining on water resources in the Namoi catchment. Recommendations common to many of these studies included greater focus on risk assessment, more comprehensive data collection and increased monitoring requirements. The [NSW Coal Mining Benchmarking Study](#) (2010) recommended reforming regulations under the [Protection of the Environment Operations Act 1997](#) to define best management practices for managing particulate matter emissions from coal mining.

The NSW Government amended the [Mining Act 1992](#) in May 2008 to make it consistent with "contemporary environmental standards, community expectations and recent developments in the NSW environmental regulatory framework". Several amendments have yet to commence. Amendments flagged to come into force in 2011 will strengthen the environmental conditions attached to licences and the environmental planning framework for mining in NSW.

COAL SEAM GAS

Coal seam gas (CSG) extraction is a relatively new industry in NSW with significant economic potential. In addition, CSG is a less carbon-intensive energy source than coal. However, stakeholders including the National [Water Commission](#) have drawn attention to the potential impact of CSG extraction on surface and groundwater systems. One of the risks is that water supplies could be contaminated by [chemicals](#) used in a process known as hydraulic fracturing ('fracking'), which is sometimes used to enhance the flow of gas. The industry argues that the risk of groundwater contamination is minimal.

In October 2010, the NSW Farmers Association called for a [moratorium](#) on any new mining or CSG development until a strategic plan for coal and CSG is developed and implemented. The Association also released a [Framework for Sustainable Development: Planning for Agriculture and Extractive Industries](#). The NSW Greens have called for a more specific [moratorium](#), to be applied to all CSG mining activities until potential environmental, economic and health impacts are investigated and any required regulatory reforms are introduced.

On 19 December 2010, the Keneally Government announced "[tough new rules](#)" for CSG exploration. These included providing for input from the Department of Environment, Climate Change and Water and the Department of Planning in the approval process. While the Coalition and NSW Greens welcomed the reforms, each Party argued that they should have gone further.

In February 2011, the Keneally Government released a [NSW Coal & Gas Strategy: Scoping Paper](#) for public consultation. In March 2011, NSW Labor published a 10 point [Coal and Coal Seam Gas Strategy](#). Proposed actions included banning certain chemicals from use in fracking and introducing exclusion zones to protect environmentally, socially or economically significant land uses from mining and extraction activities.

The Coalition's [Strategic Regional Land Use](#) election policy also committed to banning the same chemicals from use in fracking. Further objectives of the Coalition policy included improving assessment of the cumulative impact of mining and reforming mining legislation to protect strategic agricultural land and associated water resources. In response to the Labor and Coalition CSG election policies, the [NSW Minerals Council](#) commissioned a [study](#) of the potential impact of different policy scenarios on the NSW mining sector.

KEY DOCUMENTS

L Roth, [Regulation of the Coal Seam Gas Industry in NSW](#), E-Brief 1/2011

NSW Minerals Council, [Key Industry Statistics 2010](#), 2010

Katestone Environmental Pty Ltd. [NSW Coal Mining Benchmarking Study](#), prepared for DECCW, 2010

D Montoya, [Mining and the Economy](#), E-Brief 8/2010

S Smith, [Mining and the Environment](#), Briefing Paper 6/2009

EDUCATION

With polling frequently citing education as a top priority amongst voters, it is an issue of major concern for all State Governments. The debate revolves around many and varied issues, concerning class sizes, funding arrangements, the quality of services provided, and questions relating to varying academic standards and performance, as well as resource differences across schools, public and private. In recent times, debate has also focused on the development of a national curriculum and the national testing of student attainment. An issue of more local concern has been the introduction of [ethics classes](#) in NSW primary schools.

STATISTICAL SNAPSHOT

The figures below provide a brief statistical snapshot of the state of education in NSW.

Schools: Of the 3,250 schools in NSW, 2,334 are government schools (including government pre-schools) and 916 are Catholic or independent schools.

Enrolments: In August 2009, there were 1.11 million full time equivalent enrolments in NSW. This was divided into 619,000 enrolments in primary school and 493,000 in secondary school. Of the total number of school students from Kindergarten to Year 12, approximately 737,000 attended government schools. At 66.2% of all student enrolments, this is broadly in line with the national average. Conversely, there were 373,000 students in Catholic and independent schools, or 33.8% of all student enrolments.

Class Sizes: In NSW, primary school class sizes in government schools have been trending downward over the past decade. In 2010, there was an average 24.2 students per class, down from 26.5 students per class in 2002 and 26.9 in 1997. As class sizes vary by subject, it appears that comparable data on average class high school sizes is not available.

Attendance Rates: Government school students' attendance rates were statistically stable for the years between 2004 and 2009. Specifically, 92% of government school students are present at school on an average school day or – conversely – there is an average daily absentee rate of 8%. At primary school, the rate of absenteeism is 7% on an average school day, rising to 10% for secondary students.

Retention Rates: Retention rates have remained relatively constant over the past few years, stabilising at 69% of all senior secondary students completing year 12. There is, however, a significantly higher completion rate for females

(74%) than for males (64%). This variance is substantial for students in remote areas, with completion rates for females (82%) significantly higher than for males (52%). For both genders, completion rates were lower in regional cities (60%) than either metropolitan or remote areas (66%). The discrepancy between male and female completion rates, particularly in rural communities, is an issue of ongoing concern.

SCHOOL FUNDING

A key issue in the [education debate](#) is the complex relationship between State and Commonwealth Governments with respect to school funding. In summary, under constitutional arrangements, the State governments are directly responsible for the administration of government schools for which they provide the majority of government expenditure. Non-government schools operate under conditions determined by State government registration authorities and also receive some State government funding.

The Commonwealth Government provides supplementary funding for government schools through the [National Education Agreement](#), which forms part of the [Intergovernmental Agreement on Federal Financial Relations](#), and for non-government schools through the [Schools Assistance Act 2008](#) (Cth), both of which came into effect on 1 January 2009.

Funding Data: In NSW, the [2010-11 State Budget](#) provided the Department of Education with \$14.4 billion in recurrent and capital funding for education and training services. Spending on education and training constituted 25.3% of the total NSW budget spending of \$56.9 billion.

Nationally, all governments spent a total of \$38.9 billion on school education in 2008-09. Of that, 79.2% was spent on government schools and 20.8% on non-government schools. The table below, based on [Productivity Commission](#) figures, provides a snapshot of total government recurrent expenditure specifically on school education in NSW in 2008-09.

School Sector (\$ million)	
Government Schools in NSW	
Commonwealth Government	\$1,119
State Government	\$8,643
Total	\$9,762
Non Government Schools in NSW	
Commonwealth Government	\$1,823
State Government	\$797
Total	\$2,620
All Schools	
Commonwealth Government	\$2,942
State Government	\$9,441
Total	\$12,382

In percentage terms, the NSW Government provided 88.5% of total government recurrent expenditure on government schools in 2008-09, with the Commonwealth Government providing the balance. By comparison, the Commonwealth Government provided 69.6% of recurrent expenditure on non-government schools, with the balance provided by the State Government.

As non-government schools derive a considerable part of their revenue from private fees and donations, the above table showing government funding does not provide a complete picture of resources available to non-government schools.

Federal review of funding: In April 2010, the first major [review](#) of Commonwealth school funding since 1973 was announced. The review, chaired by David Gonski, is to examine all funding to all schools. The review's recommendations will be directed towards achieving a funding system for the period beyond 2013. In December 2010, the Review Panel released an [Emerging Issues Paper](#) which identified a number of themes from the initial consultation process. These include:

- equity of educational outcomes;
- recurrent and capital funding;
- targeted and needs-based funding including for Aboriginal students; and
- support for students with special needs and students with a disability.

MY SCHOOL WEBSITE

The [My School 2.0](#) website, which is administered by the Australian Curriculum, Assessment and Reporting Authority, was launched in January 2010. The purpose behind it has been [described](#) as providing "information allowing parents to compare their child's school with other schools of a similar profile".

The website's NAPLAN component provides raw data about a school's performance in the NAPLAN tests. These tests gauge the performance of students in Years 3/5/7 and 9 across various measures, namely reading, writing, language conventions and numeracy. The publication of this data, and the whole issue about school league tables, has given rise to considerable debate. Many have emphasised the complex factors involved in comparing school performance.

In March 2011, school funding data was added to the My School website, and this has also proved controversial. While it provides a fuller picture of the funding breakdown for non-government schools, the reliability of the data presented has been [questioned](#) by the private school sector. On the other hand, the Australian Education Union president Angelo Gavrielatos is [reported](#) as saying that the data "showed an alarming resources gap between government and private schools".

THE NATIONAL CURRICULUM

Historically, State Governments have been responsible for determining school curricula, a situation which has resulted in the curriculum varying from one jurisdiction to another.

In recent years, the Commonwealth Government has championed the development of a consistent national curriculum. In late 2008, the [Australian Curriculum Assessment and Reporting Authority](#) was established and charged with the responsibility of designing and rolling out a national curriculum.

This curriculum is being developed in stages, with a draft of the first stage now complete, due for implementation in 2013 subject to Ministerial approval. This tranche of the reform package covers core content relating to English, mathematics, history and science for students in Foundation to Year 10.

Elements of the draft curriculum have attracted criticism, not least from the [NSW Board of Studies](#), as lacking an overarching framework and being overcrowded with content. Its submission stated that "There is generally a lack of coherence and consistency in the organisation and presentation of the content both within and across subject areas". NSW teacher associations representing english, science, maths and history are also [reported](#) to have made similar comments.

A second tranche of reform is currently in its development stage, focussing on geography, languages and the arts. This is due for public release and consultation later this year and publication in mid-2012. For the remaining areas of the curriculum, a third tranche is flagged for future development.

KEY DOCUMENTS

Productivity Commission, [Chapter 4: Report on Government Services 2011](#), January 2011

M Harrington, [Australian Government funding for schools explained](#), Commonwealth Parliamentary Library, January 2011

NSW Department of Education and Training, [Key Statistics and Information](#)

T Drabsch, [Health, Education & Community Indicators for NSW](#), Statistical Indicators 3/2010

J Wilkinson, [Education in Country and City New South Wales](#), Briefing Paper 4/2008

HEALTH

Health is one of the big ticket items of State politics. In 2010-11, the NSW health budget was \$15.5 billion which represented almost a third of the total budget. Health is massively expensive therefore and its costs are increasing. Among the factors contributing to health inflation are the ageing population, the introduction of new technologies and their increased utilisation.

The provision of health services is also hugely complex, in terms of efficiency, funding, personnel and infrastructure. Adding to the complexity is the division between State and Commonwealth roles and responsibilities for the funding, regulation and provision of public and private health care services. Rarely is health out of the news. Rarely is health reform far from the agenda of public debate.

THE HEALTH CARE SYSTEM

As identified by the [Australian Institute of Health and Welfare](#) (AIHW), the main features of Australia's health system are as follows:

- universal access to benefits for privately provided medical services under Medicare, which are funded by the Commonwealth, with co-payments by users when the services are not bulk-billed;
- eligibility for public hospital services, free at the point of service, funded jointly by the States, Territories and the Commonwealth;
- private hospital activity largely funded by private health insurance, which is subsidised by the Commonwealth through the 30-40% rebates on members' contributions to private health insurance;
- the Commonwealth, through its Pharmaceutical Benefits Scheme (and its Repatriation PBS), subsidises pharmaceuticals outside public hospitals;
- the Commonwealth and the States provide funding for health research;
- State and Territories are primarily responsible for public hospitals, mental health programs, the transport of patients, community health services, and public health programs and activities; and
- individuals primarily spend money on medications, dental services, aids and appliances, medical services, other health practitioner services and hospitals.

[NSW Health](#) explains:

New South Wales public health services include more than 220 public hospitals, 500 community, family and children's health centres, 220 ambulance stations, and an extensive range of other services including mental health, dental, allied

health, public health, Aboriginal health and multicultural health services.

According to the 2008 [Garling Inquiry](#), on a typical day in NSW Health there will be Statewide:

- an ambulance responding to an emergency 000 call every 30 seconds;
- 6,000 patients arriving at emergency departments seeking treatment;
- 4,900 new people being admitted as an in-patient at a hospital;
- 17,000 people occupying a hospital bed of whom 7,480 are over 65; and
- 7,000 separate procedures performed.

Inevitably, intense public debate revolves around a range of resource issues, including hospital waiting lists, the availability of beds, doctors and nurses, and the provision of ambulance services. For a breakdown of key health facts and figures see T Drabsch, [Health, Education & Community Indicators for NSW](#). Suggested key criteria by which the performance of the health system might be judged include:

- efficiency;
- equity of access and quality of health care;
- positive health outcomes;
- patient satisfaction;
- sustainability; and
- affordability, both for individuals and the community at large.

THE GARLING INQUIRY

The 2008 [Garling Inquiry](#) into acute care services in NSW public hospitals was in response to several tragic incidents, including the death of 16 year old Vanessa Anderson at Royal North Shore Hospital. The Inquiry reported a paradox, by which the standard indicators all point to NSW having "one of the better health care systems in the developed world", as opposed to the public perception of a system in crisis. The Inquiry's recommendations were many and varied, ranging from the enhancement of a skilled workforce of clinicians for rural areas to reform of emergency department practices and procedures.

EXPENDITURE AND FUNDING

Based on [AIHW](#) figures, expenditure on health in Australia, government and non-government, has increased from \$10.8 billion in 1981-82 to \$112.8 billion in 2008-09. As a proportion of GDP, health expenditure has gone from 6.3% in 1981-82 to 9% in 2008-09. Between 1998-99 and 2008-09, Australia's expenditure on health in real terms grew at an average of 5.4% per year, compared with average growth in real GDP of 3.2%. For

NSW, the average annual growth in recurrent health expenditure between 2003-04 and 2008-09 was 4.4%.

Based on the same [AIHW](#) publication (Table B3), funding sources for government expenditure on the major areas of health are as follows.

Major areas of government expenditure by funding sources, NSW, 2008-09 (\$ million)

	Federal	NSW
Public hospitals	4,321	5,841
Community health	159	1,257
Research	886	147
Public health	369	250
Patient transport	93	411
Dental services	445	181
Private hospitals	807	-
Medications	2,670	-
Medical services	5,379	-
Capital expenditure	28	679

Public hospital funding is an issue of great public concern and one that impacts directly on the roles of the State and Commonwealth governments. As a share of the total, Commonwealth Government funding was lower in 2008-09 than it was a decade earlier (39.6% down from 44.3%). The contribution of the States is a mirror image of the Commonwealth's, as shown by the table below (non-government sources of funds are not shown in the table).

Government funding of public hospitals, 1998-09 to 2008-09

Year	Federal	States/Territories
1998-99	44.3%	48.4%
1999-00	44.6%	48.3%
2000-01	45.2%	47.2%
2001-02	44.6%	47.5%
2002-03	44.1%	48.9%
2003-04	42.9%	50.0%
2004-05	41.6%	50.9%
2005-06	39.8%	52.5%
2006-07	38.6%	53.4%
2007-08	39.3%	52.8%
2008-09	39.6%	51.2%

Between 1998-99 and 2008-09, the average annual growth rate in public hospital funding was 6.7% for the Commonwealth and 8.6% for the States.

HEALTH FUNDING REFORM

As noted, in April 2010 the Commonwealth and all States except Western Australia agreed to a major reform in health funding – the [National Health and Hospitals Network Agreement](#) [see Key Issues: State Finances]. In its place, in February 2011 a new [in-principle agreement](#) was reached by all Australian Governments, under which the Commonwealth will contribute 50% of public hospital *growth* costs from 2017 (45% by

2014). Major funding reforms seem to be imminent, therefore, although their details remain to be resolved.

NSW HEALTH ADMINISTRATION

Administratively, the NSW health system has undergone many changes over the past decade or so. With the [Health Services Amendment Act 2004](#), the Carr Government reduced the number of Area Health Services (AHSs) from 17 to 8. The Act also changed governance arrangements. Area Health Boards were abolished, with AHSs being controlled and managed by a Chief Executive, answerable to the Director-General, and in turn the Minister for Health.

After reviewing recent administrative changes, the 2008 [Garling Inquiry](#) concluded that local governance structures needed strengthening, with better communication between management and clinicians. On 1 March 2010, the NSW Health Minister announced the establishment of [Hospital Clinical Councils](#), with the intention of "giving clinicians – doctors, nurses and allied health professionals – greater say in decision making at their hospital".

As part of the April 2010 [National Health and Hospitals Network Agreement](#), a major structural reform occurred under the [Health Services Amendment \(Local Health Networks\) Act 2010](#) (NSW). The eight AHSs were abolished and in their place 18 Local Health Networks were established, eight of these covering the Sydney metropolitan region, seven covering rural and regional areas, and three speciality networks covering: services delivered by St Vincent's Health; children's health; and forensic mental health. The start up date for these Local Health Networks was 1 January 2011. The Departmental [website](#) states that these reforms were designed to strengthen "local decision-making in the way NSW public hospitals are managed and resourced". The [Networks](#) are to be administered by a Chief Executive, appointed by a local Governing Council headed by Chairs that will include clinicians, healthcare management experts and community representatives.

Local Health Networks

Metropolitan NSW	Rural & Regional NSW
Central Coast	Far West
Illawarra Shoalhaven	Hunter New England
Nepean Blue Mountains	Mid North Coast
Northern Sydney	Murrumbidgee
South Eastern Sydney	Northern NSW
South Western Sydney	Southern NSW
Sydney	Western NSW
Western Sydney	

KEY DOCUMENTS

S Smith, [Health Reform](#), Briefing Paper 1/2010

MENTAL HEALTH

Mental illness is the third largest contributor to the burden of disease and injury in Australia. There have been concerns for a number of years about the state of the mental health system in NSW and Australia. State and Commonwealth Governments have made efforts to improve the system (most notably through a COAG reform package in 2006) and some progress has been made. However, it remains the case that many people with a mental illness are not getting the services that they need. Professor Patrick McGorry has recently led a national campaign for mental health reform and this issue will be discussed at the next COAG meeting.

KEY STATISTICS

Key findings from a national [survey](#) conducted by the ABS in 2007 include:

- almost half of the population (45%) said that they had experienced a mental disorder at some point in their life;
- one in five people (20%) said that they had experienced a mental disorder in the previous 12 months;
- the youngest age group (16-24) had experienced the highest rate of mental disorder in the previous 12 months.

Key findings from the [report](#) of the Chief Health Officer (NSW) 2010 include:

- in 2009, 12% of adults reported high or very high levels of psychological distress;
- in 2008-09, there were more than 9,000 hospitalisations for intentional self-harm;
- in 2007, 515 people committed suicide (and 76% of suicides involved males).

FEDERAL-STATE ROLES

The Commonwealth Government funds:

- services provided by GPs, psychiatrists and allied mental health professionals;
- mental health related medications under the Pharmaceutical Benefits Scheme; and
- programs designed to increase social support and community-based care for people with a mental illness and to prevent suicide.

It also provides substantial funding for public hospitals [see Key Issues: Health].

State Governments fund and deliver public specialised mental health services including:

- **Admitted patient care in hospitals:** either in psychiatric units in general hospitals or in stand-alone psychiatric hospitals;
- **Ambulatory care services:** these include crisis assessment and treatment services, and outpatient clinics (provided in a hospital or community mental health centre);
- **Community residential care:** these services provide rehabilitation, treatment and care to residents in a domestic-like environment.

NATIONAL EXPENDITURE

Mental health funding in Australia was given a major boost in 2006 when COAG agreed to the [National Action Plan on Mental Health 2006-2011](#). The plan was based on five areas for action and contained individual implementation plans for each jurisdiction. The new funding committed by all governments was \$4 billion over five years.

According to the latest [report](#) from the Australian Institute of Health and Welfare, in 2007-08 total recurrent expenditure on mental health related services in Australia was \$5.3 billion (compared to \$4.3 billion in 2005-06). The State and Territory Governments spent \$3.2 billion (60%), although this included some Commonwealth funding under the Australian Health Care Agreement. The Commonwealth spent \$1.9 billion (36%).

In 2007-08, the NSW Government spent \$1.04 billion on mental health services (compared to \$891,000 in 2005-06). More than half of this was for inpatient care in public hospitals (\$526 million). Just over 35% was spent on community mental health services (\$369 million).

NSW GOVERNMENT POLICIES

In June 2006, the NSW Government released a new five-year plan for mental health services, [NSW: A New Direction for Mental Health](#). This was the NSW implementation plan for the COAG Action Plan. The Minister for Health stated that the direction taken in this plan was significant "in that for the first time it aims to balance hospital focused care with community care".

The plan outlined additional funding of \$939 million over the five years including: \$102 million for prevention, promotion and early intervention; \$712 million to improve and integrate the care system (with \$150 million to provide an additional 300 mental health beds); and \$114 million to enhance participation in the community.

Other NSW Government policies introduced in recent years include: the [Community Mental Health Strategy 2007-12](#); the [Aboriginal Mental Health and Well-being Policy 2006-2010](#); and the [Suicide Prevention Strategy: 2010-2015](#).

GARLING INQUIRY REPORT

In January 2008, the NSW Government initiated an inquiry into acute care services in public hospitals. In November 2008, Commissioner Garling published his [final report](#), which included a review of the treatment of mental illness.

The Commissioner's overall impression was that this was "an under-resourced, overstretched part of the public hospital system which is presently in 'catch up' mode". He reported that "there was an overwhelming shortage of acute mental health inpatient beds". The Commissioner also stated that community mental health services were stretched, and that there "is a lack of sub-acute accommodation for mental health patients who cannot stay in their homes ... but who do not need to be admitted to an inpatient ... unit".

The report's recommendations in this area were limited: they were aimed at having suitable facilities for mental health patients who attend hospital emergency departments (EDs). It was recommended that hospitals with EDs establish safe assessment rooms near the ED, and that larger hospitals should also establish a Psychiatric Emergency Care Centre (PECC) near the ED.

The NSW Government's [response](#) to the report supported these recommendations, with some qualifications. A November 2010 [progress report](#) showed that the Government had either achieved or, in some cases, substantially achieved the implementation of these recommendations.

NATIONAL POLICY AND PLAN

The [National Mental Health Policy 2008](#) "provides a strategic vision for further whole-of-government mental health reform in Australia". This policy is complemented by the [Fourth National Mental Health Plan](#), a five year plan from 2009-2014, which focuses on five priority areas (e.g. early intervention and prevention). For each priority area, key outcomes have been identified as well as actions to achieve these outcomes. Progress in relation to the plan will be reported in the National Mental Health Report.

NATIONAL COMMISSION REPORT

In February 2008, Prime Minister Rudd announced the establishment of a National Health and Hospitals Reform Commission to develop a long-term health reform plan for Australia. The Commission's [interim report](#) (December 2008) stated that Australia's mental health services:

are inadequate and incapable of meeting present, let alone, future needs. Indeed, in the eyes of many the mental health system is in an ongoing state of crisis.

The Commission's [final report](#) (June 2009) made a number of recommendations including:

- **Youth screening:** That a youth-friendly community-based service, providing young people with information and screening for mental disorders, be rolled out nationally;
- **Youth psychosis:** That the Early Psychosis Prevention and Intervention Centre (EPPIC) model be implemented nationally;
- **Acute services:** That all acute mental health services have a rapid response outreach team, which are available 24 hours a day;
- **Sub-acute services:** That there be a major expansion of community-based sub-acute services that are effectively linked in with hospital-based mental health services.

RECENT FEDERAL INITIATIVES

On 20 April 2010, as part of the deal on national health reforms, the Commonwealth Government announced that it would provide \$174 million over four years to improve the mental health system, including \$78 million for 30 new youth-friendly mental health services; and \$25 million to expand the EPPIC model. It also committed \$1.6 billion over four years to fund 1,300 sub-acute beds in the health system (which would include some mental health beds). In the federal election campaign, Prime Minister Gillard announced a suicide prevention package with funding of \$277 million over four years, and said that she would make mental health "a second-term priority".

NSW COALITION POLICY

During the NSW election campaign, the Coalition [announced](#) that it would "establish a Mental Health Commission to drive reform and improve outcomes for patients". The new Commission would be "based on best practice models around the world, including the Western Australian Mental Health Commission". The Coalition also said that it would "quarantine mental health funding from the overall health budget with the Commission responsible for allocating resources to where they are most needed".

KEY DOCUMENTS

Commonwealth Government, [National Mental Health Report 2010](#), December 2010

DISABILITY SUPPORT

Governments have an important responsibility to provide appropriate support for people with a disability, so that they can live independently and participate fully in society. This responsibility has recently been recognised internationally, in the [UN Convention on the Rights of Persons with Disabilities](#), which Australia ratified in 2008.

The Commonwealth and State Governments provide disability support in three categories:

- income support;
- specialist disability support services (e.g. supported accommodation); and
- measures to enable people with a disability to access mainstream services.

This brief focuses on specialist disability support services. However, in relation to the third category, it should be noted that a Legislative Council Committee [report](#) was published in July 2010 on the provision of education to students with a disability. The report found that there were significant inadequacies in the current system and it made a number of recommendations, including calling for a substantial increase in funding.

Over the last 30 years, a number of significant reforms have improved disability support in Australia. However, substantial problems remain, including high levels of unmet demand for services, and the reality that people with a disability continue to experience considerable social and economic disadvantage. As a result, a fundamentally new disability support system is being examined at the national level.

KEY STATISTICS

A [2003 survey](#) by the ABS found that there were 1,190,500 people in NSW with a reported disability, which equated to almost 18% of the population (i.e. almost 1 in 5).

Of the total number who had a disability, 366,000 people had a severe or profound limitation in the core activities of self-care, mobility or communication (191,000 people had a moderate core-activity limitation; and 362,900 people had a mild limitation).

The majority of people with a disability in NSW (62%) were under the age of 65 and 15% were under the age of 25. Of those with a severe/profound limitation, 50% were under 65 and 17% were under 25.

Over 380,000 people with a disability (32% of all people in NSW with a disability) were living in regional or remote areas.

FEDERAL-STATE ROLES

Federal-State responsibilities for disability support are outlined in the [National Disability Agreement](#). The Commonwealth Government is responsible for providing income support and employment services. State Governments are responsible for providing all other specialist disability services. This includes four broad service categories:

- **Accommodation support:** which includes both in-home support and out-of-home supported accommodation;
- **Respite care:** which provides a short-term break for families and other carers of people with a disability;
- **Community support:** which includes services such as therapy, early childhood intervention, and case management;
- **Community access:** which includes services such as learning and life skills development, and recreation services.

Note that some in-home accommodation support is provided under the [Home and Community Care \(HACC\) Program](#), which is jointly funded by the Commonwealth and State Governments.

EXPENDITURE ON SERVICES

The latest [report](#) from the Australian Institute of Health and Welfare shows that in 2008-09, all Australian Governments spent \$5.4 billion on specialist disability services (this does not include expenditure under the HACC program). The Commonwealth spent \$657 million, which represented 12% of total expenditure. The NSW Government spent \$1.6 billion. Between 2003-04 and 2008-09, real expenditure by all Australian Governments increased by over \$1 billion (29%).

NSW GOVERNMENT STRATEGY

Recognising that the system was struggling to cope, in 2006 the NSW Government launched a new 10-year disability strategy, entitled [Stronger Together: A New Direction for Disability Services in NSW: 2006-2016](#). The strategy committed \$1.3 billion in funding over the first five years (on top of the annual disability support budget of \$1.1 billion). This included over \$500 million to create 990 new supported accommodation places.

In December 2010, the Government reported that the \$1.3 billion funding package over the first five years was "delivered in full" and that "the number of new [disability services] places created has exceeded projections: 29,000 places have been created compared to the target of 18,100".

In December 2010, Premier Keneally released [Stronger Together: The Second Phase 2011-2016](#). This second phase involves funding of \$2.02 billion to support the growth in capacity that was created in the first five years, and additional funding of \$2.02 billion for further service expansions and reforms. This is expected to create an additional 47,200 places, including 1,800 supported accommodation places.

This five year plan also attempts to change the approach that is taken to disability services. First, it seeks to create a more "person-centred" approach, which would maximise a person's ability to determine how support resources are used. Second, it aims to build "a comprehensive lifespan approach into the disability services system". This would mean "having the right interventions at each point in a person's life".

UNMET DEMAND FOR SERVICES

For many years concerns have been held about the level of unmet demand for disability services. A survey conducted by the ABS in 2009 found that 18% of people with a disability had an unmet need for support with the core activities of self care, mobility or communication: 3% did not have their needs met at all, while 15% only had their needs partially met. The survey also found that 37% of people with a disability had a total or partial unmet need for other types of support.

In a [submission](#) to the Productivity Commission in August 2010, the NSW Government referred to actuarial findings that "demand for disability services is growing at the rate of approximately 8-10% per year". It then commented:

although the reforms put in place under *Stronger Together* have made a significant difference in refocussing the service system towards early intervention and prevention, these changes cannot fully alleviate demand. Long-term growth in the demand for specialist disability services in NSW is estimated at levels not sustainable within current financial investment.

NATIONAL DISABILITY STRATEGY

In February 2011, COAG endorsed the [National Disability Strategy: 2010-2020](#). The Strategy is structured around six outcome areas:

- inclusive and accessible communities;
- rights protection, justice and legislation;
- economic security;
- personal and community support;
- learning and skills; and
- health and wellbeing.

In each area, policy directions and areas for future action are identified. The first year report

on the strategy will include an implementation plan to prioritise future actions. A progress report will then be published every two years.

NATIONAL REFORM PROPOSAL

In February 2010, the Commonwealth Government asked the Productivity Commission to undertake an inquiry into establishing a National Disability Long Term Care and Support Scheme. This request followed a series of reports which found that the current disability support system was deeply flawed. The Commission published a [draft report](#) on 28 February 2011. Making the case for a new approach, it stated:

The disability support 'system' is inequitable, underfunded, fragmented, and inefficient and gives people with a disability little choice. It provides no certainty that people will be able to access appropriate supports when needed. While some governments have performed much better than others, and there are pockets of success, overall no disability system ... is working well in all of the areas where change is required.

The draft report recommended that there should be a new National Disability Insurance Scheme (NDIS) that provides insurance cover for all Australians in the event of significant disability. The NDIS would fund long-term high quality care and support for around 360,000 people (income support would remain outside the scheme).

This NDIS would require around \$6.3 billion in additional funding per annum. The Commission's draft view is that the Commonwealth should take full responsibility for funding the scheme (either by raising additional tax revenue or by cutting expenditure elsewhere); and that State Governments should offset the fiscal implications of this by reducing State taxes by the amount of their disability services budget.

The draft report also recommended a separate scheme for people requiring lifetime care and support for catastrophic injuries. This would be a no-fault National Injury Insurance Scheme (NIIS) comprising separate State and Territory schemes that operate within a national framework. NSW already has a no fault scheme but it only applies to severe injuries from motor vehicle accidents.

The final report is due on 31 July 2011.

KEY DOCUMENTS

L Roth, [Government Policy and Services to Support and Include People with Disabilities](#), Briefing Paper 1/2007

CHILD PROTECTION

One of the Government's most important and challenging responsibilities is to protect children and young people from abuse and neglect.

The child protection system in NSW has many aspects and involves a number of different agencies. The Department of Community Services (DoCS) plays a key role in the system, but other Government agencies also play an important part, as does the non-government sector in delivering a range of early intervention and support services to children and families. A number of other agencies, including the NSW Ombudsman and Children's Guardian, have oversight functions.

The statutory requirements and powers in relation to child protection are outlined in the [Children and Young Persons \(Care and Protection\) Act 1998](#). Under the Act, people who deliver certain services to children (e.g. police, teachers, health workers) are required to make a report to DoCS if they have concerns about a child that meet the statutory threshold. If DoCS considers that the child is in need of care and protection, it can respond in various ways including referring the family to support services, providing intensive case management, and, in the most serious cases, removing the child from the family home and placing them in out-of-home care.

For many years, the child protection system has struggled to cope with high numbers of child protection reports. This has led to a greater focus on prevention and early intervention.

KEY STATISTICS

- In 2009-10, DoCS received over 250,000 child protection reports in relation to over 116,000 children;
- In 2009-10, 13,314 children were assessed by DoCS as having been harmed or being at risk of harm;
- In 2007-08, 42% of all reports referred to DoCS centres were closed due to "current competing priorities";
- In 2009-10, 21 children died from abuse or neglect and 8 other children's deaths were suspicious of abuse or neglect;
- In June 2010, 17,400 children were living in out-of-home care: about 33% of these children were Aboriginal;
- In June 2010, DoCS employed 2,112 caseworkers in all service areas including out-of-home care.

PAST REFORMS: 1998-2007

In the late 1990s and beginning of this century, major legislative and administrative reforms were made to the child protection system in NSW. These were introduced primarily in response to the Wood Royal Commission's 1997 report into paedophilia, and a review of child protection legislation that was initiated in late 1994 and completed in December 1997. Coinciding with the introduction of these reforms, there was a sharp rise in the number of child protection reports being made to DoCS. In response to this trend, and also to reports in 2002 that were critical of DoCS, the Government announced in December 2002 that it would commit an additional \$1.2 billion to child protection over the five years from 2003-04 to 2007-08. This funding package focused on expanding services in the areas of early intervention and out-of-home care.

2008 INQUIRY AND RESPONSE

In November 2007, following the deaths of two children who had been known to DoCS (one died from neglect and the other was killed by his mother), the NSW Government established a [Special Commission of Inquiry into Child Protection Services in NSW](#). The Commission of Inquiry was asked "to determine what changes within the child protection system are required to cope with future levels of demand once the current reforms to that system are completed".

In November 2008, Hon James Wood AO QC, presented his [report](#), which recommended major changes to the child protection system, reflected in 111 recommendations. The Government accepted, in whole or part, 106 of these recommendations and in March 2009 published a five-year action plan, [Keep Them Safe: A shared approach to child wellbeing](#). This plan is to be funded by \$750 million over the five years. The seven elements to the plan are:

1. Strengthening the universal service system
2. Strengthening early intervention and community-based services
3. Better protection for children at risk
4. Changing practice and systems
5. Supporting Aboriginal children and families
6. Strengthening partnerships across the community services sector
7. Delivering the plan and measuring our success

Outlined in the [Keep Them Safe: Annual Report 2009-10](#), is the progress that had been made up to June 2010 in implementing the action plan.

SOME OF THE KEY REFORMS

A key reform recommended by the Inquiry and adopted by the Government was to increase the statutory threshold at which a concern about a child must be reported to DoCS: the threshold has been raised from "risk of harm" to "risk of significant harm". The aim of this change is to allow DoCS to focus on the more serious cases that require statutory intervention.

As recommended, the Government has also established a new model for the intake and referral of child protection concerns. One part of this is the establishment of Child Wellbeing Units (CWUs) in four government agencies (Police, Health, Education, and Human Services), which were responsible for over 60 percent of reports to DoCS. The aims of CWUs are to support workers in these government agencies in identifying whether their concerns about a child meet the new statutory threshold; and to provide advice about possible service responses, particularly where concerns are below that threshold.

The other part of the new model is a new regional referral service. The Inquiry recommended that the Government establish a Regional Intake and Referral Service (RIRS) in each DoCS region, to be operated and staffed by an NGO, with one or more child protection caseworkers seconded from DoCS. A RIRS could receive referrals from CWUs in cases where the report did not meet the statutory threshold; and DoCS could also make referrals to a RIRS in appropriate cases. The RIRS would refer the family to appropriate support services in their local area. A 12 month trial of a RIRS (known as "Family Referral Services") has been established at three pilot sites, as a precursor to establishing services Statewide.

New laws have also been enacted that enable greater exchange of information directly between agencies (both government and non-government) that are involved in the safety, welfare or well-being of children. The provisions also place an obligation on these agencies to take reasonable steps to co-ordinate decision-making and the delivery of services regarding children.

A NATIONAL FRAMEWORK

On 30 April 2009, COAG endorsed the [National Framework for Protecting Australia's Children 2009-2020](#). This framework consists of six high-level outcomes, a number of strategies to achieve each of these outcomes, and three year action plans to implement the strategies. The framework also lists indicators of change for each high-level outcome, which can be used to monitor the success of the framework. In September 2009, an [Implementation Plan 2009-2012](#) was endorsed, which contains more than 70 actions that are grouped into four categories. Actions in the

category "national priorities" will be a major focus for Governments in the first three years. Some of the 13 national priorities are:

- joining up service delivery;
- closing the gap for indigenous children;
- seeing early warning signs and taking early action;
- improving support for carers;
- developing national standards for out-of-home care;
- building workforce capacity and expertise; and
- responding to sexual abuse.

A one year [progress report](#) has been published.

FUTURE PROSPECTS

The NSW Ombudsman's [2009-10 annual report](#) identified a number of issues in relation to the implementation of the *Keep Them Safe* reforms. For example, the limited basis on which some of the reforms were initially introduced meant that there were "potential risks in the ability of agencies and services to respond to concerns about children wherever they may be". The Ombudsman also commented that the transition of out-of-home care from the government to the non-government sector would be "a significant financial and planning challenge".

It is too early yet to assess whether the reforms are having any impact on child safety. Figures have been published which show that between January and 30 June 2010, there was a 33% drop in the number of child protection reports to DoCS, which is consistent with the higher reporting threshold. Other figures are more worrying. An [article](#) in the *Sunday Telegraph* on 9 January 2011 reported that a "confidential Community Services report" showed that there had been a 13% decrease in the number of seriously-at-risk children who had been visited by DoCS caseworkers in the first half of 2010.

KEY DOCUMENTS

NSW Government, [Keep Them Safe: A Shared Approach to Child Wellbeing – Annual Report 2009-10](#), November 2010

A Lamont and L Bromfield, [History of Child Protection Services](#), National Child Protection Clearing House, October 2010

NSW Government, [Keep Them Safe: A Shared Approach to Child Wellbeing](#), March 2009

Hon James Wood, [Report of the Special Commission of Inquiry into Child Protection Services in NSW](#), November 2008

INDIGENOUS DISADVANTAGE

Indigenous people in NSW and across Australia are disadvantaged both socially and economically when compared to the non-indigenous population. The causes are complex and are in part attributed to government policies in relation to indigenous people in the colonial period and during the twentieth century. In recent times, greater efforts have been made by all levels of government to address past policy failures and reduce indigenous disadvantage.

KEY STATISTICS: NSW

- **Population:** In 2006, there were over 152,000 indigenous people in NSW; 2.2% of the State's population;
- **Health:** Based on 2005-07 data, the life expectancy gap compared to the non-indigenous population is estimated at 8.8 years for indigenous males and 7.5 years for indigenous females;
- **Education:** In 2006, 50% of indigenous young people aged 20-24 had achieved Year 12 or an equivalent qualification compared to 84% of non-indigenous people in this age group;
- **Employment:** In 2009, 43% of indigenous people aged 15-64 were employed, compared to 60% of non-indigenous people in this age group;
- **Children in care:** In 2010, the proportion of indigenous children who had been placed in out-of-home care (9%) was 12 times higher than for non-indigenous children;
- **Children in detention:** In 2009, the proportion of indigenous young people in a detention centre (under a control order) was 21 times higher than for non-indigenous young people;
- **Imprisonment:** In 2009, the proportion of indigenous men who were serving prison sentences was 16 times higher than for non-indigenous men.

STATISTICAL TRENDS IN NSW

Since 2005, the NSW Government has published a biennial report on indigenous disadvantage indicators. These indicators are related to the priorities outlined in the Government's Aboriginal Affairs Plan 2003-2012, *Two Ways Together*, and targets in the NSW State Plan, which now

includes the six targets agreed by COAG in 2007-08. The most recent report is the [Report on Indicators 2009](#), published in July 2010.

In this report, the data relating to some indicators is relatively recent while for others it is not. Some positive trends are evident: e.g. between 1999-2001 and 2004-06 there was a substantial decrease in the gap in infant mortality rates; while between 2003 and 2008 there was a narrowing of the gap in apparent retention rates for school students. However, the report also shows some negative trends: e.g. from 2001 to 2006 the household income gap widened; and between 2006 and 2009, the gap in rates of juvenile detention also increased.

COMMITTEE INQUIRY: 2007-08

Commencing in September 2007, the Legislative Council's Standing Committee on Social Issues conducted a lengthy and wide-ranging inquiry on *Overcoming indigenous disadvantage in New South Wales*. In June 2008, the Committee published an [interim report](#), which identified a number of issues and themes. In November 2008, the Committee published its [final report](#), which made 23 recommendations aimed at:

- ensuring that all government departments consider improvements in outcomes for Aboriginal people a core part of their work;
- improving the coordination of service delivery to Aboriginal communities across the different levels of government;
- creating more genuine partnerships between government and Aboriginal communities in the development and delivery of programs and services;
- providing more long-term funding for programs, particularly for pilot programs that have been successful; and
- strengthening the cultural resilience of Aboriginal people, including through indigenous language programs.

In May 2009, the NSW Government published a [response](#) to the Committee's report. It supported, wholly or partly, all of the recommendations, noting that "many of the recommendations closely align with work already underway". It referred, for example, to the *Two Ways Together* Partnership Community Program, which involves working with 40 Aboriginal communities to identify local needs and develop action plans.

NATIONAL REFORMS: 2007-08

Building on commitments in previous years, in December 2007, COAG [agreed](#) to "a partnership between all levels of government to work with Indigenous communities to close the gap on Indigenous disadvantage". At the same meeting, COAG set three targets for closing the gap, and further targets were agreed in March 2008.

CLOSING THE GAP TARGETS

1. To close the life-expectancy gap by 2031.
2. To halve the mortality gap for children under age five by 2018.
3. To halve the gap in literacy and numeracy achievement by 2018.
4. To halve the gap in employment outcomes by 2018.
5. To at least halve the gap in attainment at year 12 schooling (or equivalent) by 2020.
6. To provide all indigenous four year olds in remote communities with access to a quality pre-school program by 2013.

In November 2008, the Commonwealth and State Governments signed the [National Indigenous Reform Agreement](#), which sets out the framework for closing the gap, including the six targets, the seven areas or "building blocks" to which major effort will be directed (e.g. early childhood, schooling, health, safe communities), and the performance indicators for measuring progress.

The agreement is supported by seven indigenous-specific [National Partnership Agreements](#): e.g. the National Partnership on Closing the Gap in Indigenous Health Outcomes. Over \$8 billion in funding has been committed under these agreements, with the Commonwealth providing the vast majority of this. The largest funding allocations are for remote indigenous housing (\$5.5 billion over 10 years), and indigenous health (\$1.57 billion over four years).

NATIONAL PROGRESS REPORTS

The COAG Reform Council has the role of assessing and reporting the performance of governments against the commitments in the National Indigenous Reform Agreement. In June 2010, the Council released its first [report](#), which contains baseline information on the performance indicators. The Council's second report is due to be published in June 2011.

The Prime Minister also makes an annual report to Parliament on progress that has been made in closing the gap. On 9 February 2011, Prime

Minister Gillard published the third annual closing the gap [report](#). The report discusses trends in relation to each of the six targets but it does not contain much in the way of recent data and it is therefore difficult to assess what progress has been made over the past three years.

It should also be noted that since 2003 the Productivity Commission has, at the request of COAG, published biennial reports on indigenous disadvantage. These reports go beyond the six targets and indicators agreed by COAG. For example, they include indicators relating to child abuse, family violence and imprisonment. The latest [report](#) was published in July 2009.

SOCIAL JUSTICE REPORTS

The Aboriginal and Torres Strait Islander Social Justice Commissioner's [annual reports](#) over the last three years have discussed and made recommendations in relation to a number of important issues including:

- creating a stronger framework for protecting indigenous peoples' rights;
- making education more accessible for remote indigenous students;
- taking a new approach to address the high rates of indigenous imprisonment – based on the "justice reinvestment" model; and
- developing stronger relationships between indigenous people and the broader community, and between indigenous people and governments.

As part of developing stronger relationships, the Commissioner recommended in 2010 that steps be taken to recognise indigenous people in the Australian Constitution. The Prime Minister has since committed to holding a referendum on this issue before, or at, the next election. An expert panel has been set up and is due to report to the Government in December 2011.

In NSW, the [Constitution Act 1902](#) was recently amended to give recognition to Aboriginal people.

KEY DOCUMENTS

Commonwealth Government, [Closing the Gap: Prime Minister's Report 2011](#), February 2011

Legislative Council Standing Committee on Social Issues, [Overcoming Indigenous Disadvantage in NSW: Final Report](#), November 2008

T Drabsch, [Indigenous Issues in NSW](#), Background Paper 2/2004

COST OF LIVING

For many people in NSW, the less well off in particular, there is probably no more pressing or important issue than the [cost of living](#). In the Lucky Country where there is so much prosperity, there is unease in the community about rising housing costs, higher energy bills, food and fuel prices, as well as increasing health charges. This brief provides an overview of cost of living pressures and looks in more detail at electricity price rises. The next brief discusses housing affordability.

COST OF LIVING INDICATORS

The impact of cost of living pressures is reflected in several key social indicators. The [Australian Council of Social Services](#) reported in October 2010 that, based on the 2006 census, 2.2 million people in Australia are estimated to be living in poverty and that 12% of children live in poverty. Poverty in this case is defined as earning less than [50% of the median income](#). Increasing levels of poverty are due in part to an increasing number of "[working poor](#)" – households where at least one member is in paid employment, yet the household remains below the poverty line. In 2005-06, this applied to approximately 389,600 Australians. Several indicators of the impact of cost of living pressures, as reported by organisations such as [Wesley Mission](#), are summarised in the box below.

KEY INDICATORS

- **Financial stress:** In the last 12 months, more than a third of NSW households have experienced [financial stress](#)
- **Extreme difficulties:** 200,000 NSW households were unable to heat their homes and 165,000 went without meals at some point in 2010
- **Income changes:** A quarter of NSW households have seen a decrease in income over the past two years
- **Poverty rates:** Seven out of the ten Federal electorates with the highest poverty rates are in NSW
- **Homelessness:** In 2006, 27,374 people were classified as homeless in NSW [see Key Issues: Other Social Issues]

Low income households are the most susceptible to cost of living increases. A 2008 Senate committee [inquiry](#) found that many older Australians (especially those on low fixed incomes) were vulnerable to cost increases.

THE CONSUMER PRICE INDEX

According to ABS [figures](#), the cost of living in Sydney as measured by CPI increased by 30.9% between 2000 and 2010: the largest increases were in the subcategories of water and sewerage (88.6%) and electricity (105.4%). In 2009-10, utilities rose by 12%; by comparison, the CPI excluding utilities increased by 2.5%.

Consumer Price Index: 2000 to 2010

Category	Sydney % rise	Australia % rise
Transport (total)	18.7	21.6
Food	35.2	29.1
Fuel prices	35.8	36.7
Rents	43.6	48.1
Housing (total)	46.5	52.6
Health	60.1	61.6
Education	71.0	67.6
Gas & other household fuels	76.8	78.5
Water & sewerage	88.6	99.8
Electricity	105.4	84.2
Total CPI	30.9	32.5
Wage Price Index	43.3 (NSW)	44.4

The wage price index rose more than CPI in the last 10 years (43.3% compared to 30.9%). However, low income households spend a large proportion of their income on essential goods and services, many of which have risen faster than CPI.

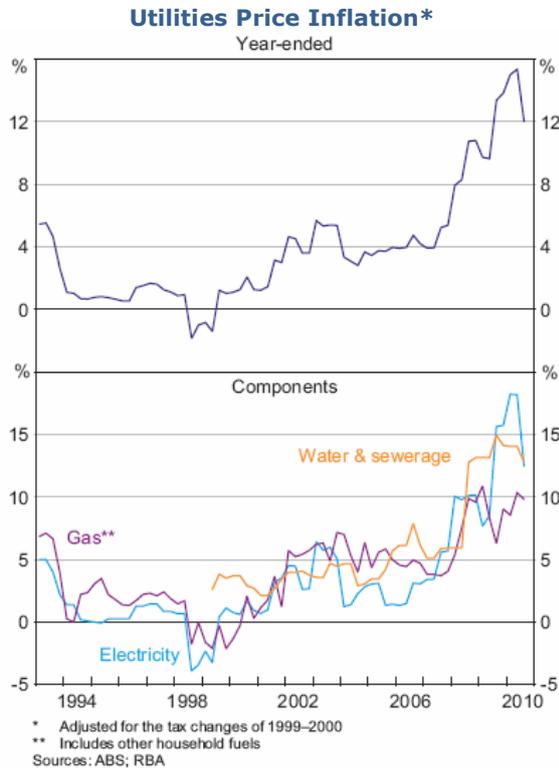
UTILITY PRICE REGULATION

Established under the [Independent Pricing and Regulatory Tribunal Act 1992](#), IPART is an independent body that oversees regulation of the water, gas, electricity and public transport industries in NSW. With respect to [electricity](#) prices, IPART is responsible for setting regulated retail tariffs and charges for electricity under the [Electricity Supply Act 1995](#). Currently, IPART sets prices through periodic [electricity determinations](#) for households and small businesses that are on a standard contract. IPART's retail price determination must result in prices which recover the efficient costs of: purchasing wholesale electricity; using electricity transmission and distribution networks; running the retail business; and earning a reasonable profit margin.

A range of retail regulatory functions are [expected](#) to be transferred to the Australian Energy Regulator (AER) between 2011 and 2013. Currently, the AER regulates the network costs of electricity prices by assessing and approving the revenues that distribution and transmission network businesses may earn from transporting electricity to customers.

ELECTRICITY PRICES: TRENDS

In 2010, one in five NSW households had difficulty paying utility bills. The figure below represents RBA modelling of utilities price inflation in Australia between 1993 and 2010.



In 2009-10, regulated electricity prices in NSW rose by up to 21.7%. Released on 14 April 2011, IPART's draft [electricity determination](#) projects a rise in electricity prices of 16.4 to 18.1% between 2010-11 and 2011-12. 10 percentage points are attributable to rising network charges and 6 percentage points to NSW and Federal Government renewable energy schemes.

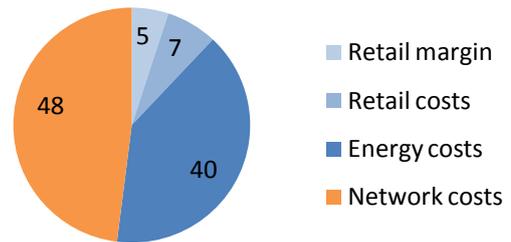
Projected electricity price increase based on an indicative annual bill (\$)

Provider	2010-11	2011-12	Change
EnergyAustralia	1,283	1,513	230
Integral Energy	1,391	1,619	228
Country Energy	1,747	2,063	316

ELECTRICITY PRICES: BILL BREAKDOWN

The two biggest components of an electricity bill are the costs of transporting electricity (network costs) and the costs of buying energy (energy costs). The contribution of network costs to an average electricity bill is [projected](#) to rise from around 47% in 2007 to 57% in 2012.

Electricity bill breakdown (%)



ELECTRICITY PRICES: FACTORS

Organisations such as the [RBA](#) and [AER](#) have recently reported on the factors behind rising electricity prices. These factors include: a shift towards full cost-recovery; renewable energy costs; increased investment in generation capacity; and increased investment in network infrastructure. The most significant factor – the increase in infrastructure investment – has occurred in response to: the introduction of more stringent reliability, security and safety standards; the need to replace ageing assets; and load growth and rising peak demand. What, if any, impact the recent electricity privatization has on prices remains to be seen.

In March 2011, [Ross Garnaut](#) suggested there has been overinvestment in electricity networks, and argued that this has produced unnecessarily high prices for consumers. He further argued that the effect of a carbon price would be less than recent price increases. Preliminary Treasury [modelling](#) has shown that, were a \$30 carbon price introduced, with fuel tax concessions this would add \$213.20 to the average annual electricity bill.

POLICY OPTIONS

Released in February 2011, an interim cost of living in Tasmania [report](#) identifies different funding sources by which governments can reduce cost of living pressures. Other organisations such as [Anglicare](#) and [Wesley Mission](#) have also proposed measures by which increasing costs of living may be addressed. Prior to the 2011 NSW election, both the [Coalition](#) and [Labor](#) promised to increase energy rebates from 1 July 2012. The [Energy & Water Ombudsman NSW](#) provides information on current bill payment assistance options in NSW.

KEY DOCUMENTS

T Drabsch, [Economic Indicators NSW – January 2011](#), Statistical Indicators 1/2011

Australian Energy Regulator, [State of the Energy Market 2010](#), December 2010

HOUSING AFFORDABILITY

Housing affordability has been identified as a major issue in Australia and NSW (particularly in Sydney). A 2008 Senate [inquiry](#) referred to it as a "significant problem" but noted that it was "not as severe or widespread as some media reports suggest" although "for some families the lack of affordable housing represents a crisis". As the Australian Housing and Urban Research Institute states, it is "a complex issue, impacted by the local housing and labour markets as well as larger economic, environmental and social forces".

AFFORDABILITY STATISTICS

Home ownership: Home ownership is the most common and most desired form of housing in Australia, yet for many it is increasingly unaffordable. Home ownership affordability can be measured in a number of ways.

The latest [report](#) by the COAG Reform Council found that in 2007-08, nationally only 3% of homes sold were affordable to low-income households; while only 27.5% of homes sold were affordable to moderate-income households. The figures were almost exactly the same in NSW. A home was considered to be affordable if a household would have to spend no more than 30% of its gross income on mortgage repayments. The report also provided figures on the percentage of low-income households with a mortgage who were in mortgage stress (repayments exceeded 30% of gross income). Nationally, 47% of low-income households were in mortgage stress; in NSW the proportion was slightly higher (49%).

The latest [Annual Demographia International Housing Affordability Survey](#) compared housing affordability in metropolitan markets in Australia, Canada, Ireland, New Zealand, the UK, the US and Hong Kong. It looked at median multiples (i.e. the median house price divided by the gross annual median household income). The survey found that the major metropolitan markets in Australia were all severely unaffordable (as they had a median multiple greater than 5.0); and that of the 82 major metropolitan markets in the countries surveyed, Sydney was the second most unaffordable (it had a multiple of 9.6).

A 2011 [report](#) by Bankwest found that 84% of Sydney's LGAs were unaffordable for "key workers" (e.g. nurses, teachers, police). However, this was an improvement from 2005, when 95% of LGAs were unaffordable. The report classified an area as unaffordable if median house prices were more than five times a key worker's annual earnings. The findings in the report meant that many key workers "are being forced to rent for longer or buy and face a long commute".

The rental market: Although affordability problems for home buyers tend to receive the most media attention, the largest group of households experiencing affordability problems are those in the private rental market.

The latest [report](#) by the COAG Reform Council shows that nationally 37% of all low-income renter households were in rental stress (i.e. rental costs exceeded 30% of gross income). Of all jurisdictions, NSW had the highest proportion of low-income renter households experiencing rental stress (46%). For low-income households in the private rental market (i.e. excluding public housing tenants), the rates of rental stress were higher: 48% nationally, and 57% in NSW.

A [factsheet](#) published by Shelter NSW notes that in September 2010: 13% of rental stock in the private market in NSW was affordable for very low income households; 31% was affordable for low income households; and 68% was affordable for moderate-income households.

A research paper by the University of New South Wales, [Our Changing City](#), shows how housing opportunities for lower income working households in the private rental sector have shifted significantly away from higher cost areas close to central city labour markets and into middle and outer suburbs.

HOUSING SUPPLY SHORTFALL

The 2008 Senate [inquiry](#) found that the "problem of affordability in Australia has been a function of both strong demand and limited supply". Commenting on the demand-supply imbalance, the Committee stated:

There seems to be a consensus that the 'underlying' demand for dwellings is growing by around 180,000 dwellings a year, around 30,000 more than is the stock of dwellings.

The Committee stated that affordability "cannot be adequately addressed without increasing the supply of housing". However, it stressed that this was "not simply a matter of constructing a certain number of dwellings in Greenfield sites. Instead, it stated that "housing supply must be well located and serviced with jobs, public transport and social and community infrastructure".

According to the [National Housing Supply Council](#), the gap between demand and supply in Australia resulted in a cumulative shortfall of 178,400 dwellings in the year ending 30 June 2009. The Council anticipates the gap will continue to rise and estimates a cumulative shortfall across Australia of 640,600 dwellings in 2029.

IMPROVING AFFORDABILITY

The State and Commonwealth Governments have implemented a range of measures to improve housing affordability. In December 2008, COAG agreed to the [National Affordable Housing Agreement](#), which provides a framework for all governments to improve housing affordability. It is supported by a Commonwealth Specific Purpose Payment to the States of \$6.2 billion over five years; and three separate National Partnership Payments to address homelessness, social housing and remote Indigenous housing.

The NSW Government has used a variety of [mechanisms](#) to improve housing affordability, such as reducing infrastructure charges, and introducing stamp duty concessions for first home buyers through such schemes as [First Home Plus One](#). A range of planning mechanisms also seek to improve affordability, retain existing low-cost housing stock and secure contributions towards affordable housing through the development process. A key State planning policy is [SEPP \(Affordable Rental Housing\) 2009](#).

Commonwealth Government measures have included: the provision of social housing grants; rental assistance; first home owner grants; and homelessness funding. In addition, the Commonwealth has introduced the [National Rental Affordability Scheme](#), which aims to increase the supply of new affordable rental dwellings by up to 50,000 by June 2012. The [National Building Economic Stimulus Plan](#) also aims to increase the supply of social housing.

SOCIAL HOUSING IN NSW

The provision of social housing is one way in which governments try to alleviate housing affordability problems. The public housing system in NSW once provided housing for low income working families. However, today's social housing system is aimed at helping those most in need. Tenants are overwhelmingly recipients of social security benefits and many have complex needs.

Social housing in NSW has three subsectors:

- [Public housing](#): Approximately 122,000 properties are managed by Housing NSW;
- [Community housing](#): Approximately 18,000 dwellings are managed by not-for-profit community housing organisations.
- [Aboriginal housing](#): Approximately 4,600 dwellings are owned by Aboriginal community organisations and an additional 4,500 dwellings are managed by Housing NSW on behalf of the [Aboriginal Housing Office](#).

In 2007, the NSW Government released the [Planning for the Future Strategy](#), which aimed to

grow community housing from 13,000 homes to 30,000 homes over 10 years.

The supply of social housing clearly falls short of demand. According to figures provided in budget estimates, on 30 June 2010 there were 43,335 people on the social housing waiting list.

STAKEHOLDER PERCEPTIONS

- [COAG Reform Council](#): Housing affordability should be addressed by improving the operation and effectiveness of mainstream markets for renters and home buyers.
- [Property Council of Australia](#): Identifies 30 policy reforms to improve affordability and stresses that attracting private sector funds into affordable housing is critical.
- [UWS Urban Research Centre](#): Suggests improved information resources are needed to help people make informed decisions about their mortgages.
- [Australian Conservation Foundation](#): Argues affordability must take into account a wider range of costs (e.g. transport costs).
- [RBA](#): Suggests that more "demand could be accommodated with extra homes for occupation, instead of by higher prices".

PARTY PLATFORMS

In the lead up to the 2011 State election, the NSW [Labor Party](#) policies included:

- continue roll out of Nation Building Economic Stimulus Plan;
- cut red tape associated with roll out of housing supply;
- ensure supply of affordable housing through National Rental Affordability Scheme;
- continue Mortgage Assistance Scheme;
- expand Community Housing model; and
- continue Aboriginal housing reform.

The [Coalition](#) policies included:

- repeal "homebuyers tax" on property purchases;
- extend stamp duty concessions to empty nesters;
- accelerate land release and reduce infrastructure costs on new developments;
- release of 10,000 blocks of land in Western Sydney over next four years;
- provide relocation grant to encourage housing construction in rural areas; and
- support 40,000 households to relocate from Sydney to regional NSW.

KEY DOCUMENTS

Shelter NSW, [NSW Housing Fact Sheet](#), 2011

OTHER SOCIAL ISSUES

This brief provides a snapshot of statistical indicators across a series of social issues that are of ongoing concern, namely, homelessness, gambling, and alcohol and drug use.

HOMELESSNESS

Establishing precise figures for homelessness is difficult, in part because of the problems associated with formulating an agreed definition of homelessness, but also owing to its recurrent underreporting.

Most Australian studies use a [three-tier categorisation](#) to take into account the varied nature of homelessness. **Primary homelessness** refers to people "sleeping rough" on the street or in makeshift shelter. **Secondary homelessness** refers to individuals residing with friends or relatives or in some form of emergency or transitional accommodation, often government-assisted, such as the Supported Accommodation Assistance Program ([SAAP](#)). Lastly, **tertiary homelessness** refers to individuals living in boarding houses on a medium-to-long term basis, but without security of tenure and living in premises that tend to fall short of community expectations of adequate housing.

The best available data on homelessness is derived from the five-yearly national census, with the most recent data based on figures obtained from the [2006 Census](#). On this basis, an estimated 27,374 individuals were classified as homeless (across all three categories) in NSW in 2006. This amounted to a rate of 42 per 10,000 head of population. This figure is on par with Victoria as the lowest in the country. It is also statistically stable when compared with figures obtained from the 2001 Census.

Categories of homelessness

Residence	NSW (%)	AUS (%)
Improvised Dwelling (Primary)	13	15
Friends / Relatives (Secondary)	40	45
SAAP (Secondary)	19	19
Boarding House (Tertiary)	28	21

The table above, from a 2009 AIHW [report](#), shows that most homeless persons, in NSW and Australia generally, are in some form of accommodation, albeit short-term, while those "sleeping rough" account for a relatively small proportion of the overall homeless population. It also shows that the category of tertiary homelessness is higher in NSW than nationally.

Homelessness by age group. NSW

Age	Number	Percent
Under 12	2,915	11
12 – 18	4,987	18
19 – 24	2,685	10
25 – 34	4,337	16
35 – 44	4,111	15
45 – 54	3,490	13
55 – 63	2,640	9
65 or Older	2,209	8
Total	27,374	100

The notable feature of the above table, derived from the same 2009 AIHW [report](#), is the very high incidence of homelessness among [children and young people](#) in NSW, with those between the ages of 12 and 24 accounting for 39% of the total. One disturbing implication relates to the relationship between youth homelessness and juvenile justice, with an estimated 20% of young people in custody having experienced a period of homelessness within the six months prior to arrest.

It is also estimated that over 7% of the entire homeless population of NSW are Indigenous Australians, well above the 2.2% of the total NSW Indigenous population.

GAMBLING

The issue of problem gambling has gained national prominence since Federal Independent MP, Andrew Wilkie, made gambling reform a [condition of his support](#) for the minority Gillard Government. Wilkie's proposed reform includes the introduction of uniform "pre-commitment" smart card technology that requires gamblers to set limits on the amount they wish to spend. As the debate has developed it has attracted significant [comment](#), for and against. [Premier Barry O'Farrell](#) has indicated a potential challenge to the [constitutional validity](#) of any Commonwealth legislation passed without State agreement.

Gambling revenue: Based on the 2010 Productivity Commission [report](#), nationwide, total gambling expenditure (measured by the net losses of gamblers) exceeded \$19 billion in the financial year ending 2009, or an average of \$1,500 per adult who gambled.

The financial importance of gambling for the major outlets that provide gambling facilities, namely clubs and hotels, is clear, with 28% of all hotel revenue and 61% of all club revenue being generated from gambling. This revenue is almost exclusively derived from electronic gaming machines (EGMs), more commonly known as "pokies".

The issue is particularly significant in NSW, which accounts for almost half of the nation's pokies, a total of 97,065. In turn, this is estimated to account for approximately 10% of all pokies worldwide. Each pokie in NSW generates approximately \$50,000 each year. In terms of NSW State revenue, taxes on gambling account for no less than 9% of all own-State tax revenue.

Selected Statistics on Gambling in NSW

Indicator (NSW)	Statistic
Gambling Tax Revenue (09-10)	\$1,656m
Gambling Participation	3.7m
Gambling Participation Rate	69%
Gambling Expenditure	\$7,150m
Gambling as Percent of Household Consumption	3.5%
Average Expenditure Per Adult	\$1,319
Average Expenditure Per Gambling Adult	\$1,911

Problem gambling: Identifying and estimating the extent of "problem gambling" is problematic, not least because it requires an individual to demonstrate a cluster of problematic behaviours, which are usually self-assessed. The Productivity Commission [estimates](#) that the rate of problem gamblers nationwide is between 0.5% to 1.0% of the adult population; a further 1.4% to 2.1% is considered to be at a moderate risk of problem gambling. Further, around 40% of all pokie revenue is estimated to come from problem gamblers, who total approximately 95,000.

Community awareness about problem gambling has undoubtedly increased in recent times and [strategies](#) have been introduced to address gambling addiction. For example, since 1995, a [special fund](#) has existed in NSW to help those affected by problem gambling. Funded through a special gaming levy, the proceeds go towards counselling services, research and education initiatives. Despite such initiatives, there is no evidence to suggest an appreciable decline in total spending attributed to problem gamblers.

ALCOHOL AND DRUG USE

Since the [1999 NSW Drug Summit](#) and the 2003 [Summit on Alcohol Abuse](#), there has been ongoing community discussion about excessive alcohol consumption and overall drug use. To underline its relevance, it is [estimated](#) that 4,000 people die each year from alcohol and drug related illnesses. In 2004-05, the [total cost](#) of drug and alcohol abuse (excluding tobacco) was estimated to be over \$24 billion nationwide; tobacco accounted for another \$31.5 billion.

Alcohol use: [Risky drinking](#) is defined as drinking more than four standard drinks a day for men and more than two standard drinks a day for women across seven day averages. In NSW, 16% of adult males and 10% of adult females engage in drinking that is considered risky. This

proportion rises significantly for individuals in remote communities and amongst Indigenous Australians. Alcohol is also the lead drug of concern for people seeking substance abuse treatment. In NSW, nearly 50% of all individuals seeking drug treatment do so because of alcohol misuse.

Principal drug of concern for person seeking treatment, NSW

Drug	2006 (%)	2008 (%)
Alcohol	43.0	49.3
Amphetamines	11.2	10.8
Cannabis	20.2	17.1
Heroin	15.6	12.0

Drug use: Contemporary debate in NSW about drug use (and abuse) is often framed around the findings and outcomes of the 1999 Drug Summit, with particular focus on heroin treatment strategies including methadone programs and the supervised injecting room. While the incidence of heroin use has declined substantially in the past decade, drug use and resulting harm continues to occur as a result of other substance use, both illicit and licit.

Selected drug use in Australia, 14 and over

Drug	Used in 12 Month Period, 2004 Survey (%)	Used in 12 Month Period, 2007 Survey (%)	'Ever Used', 2007 Survey (%)
Alcohol	83.6	82.9	89.9
Tobacco	20.7	19.4	44.6
Cannabis§	11.3	9.1	33.5
Ecstasy§	3.4	3.5	8.9
Amphetamines§	3.2	2.3	6.3
Analgesics§*	3.1	2.5	4.4
Cocaine§	1.0	1.6	5.9
Hallucinogens§	0.7	0.6	6.7
Heroin§	0.2	0.2	1.6
Any illicit drug	15.3	13.4	38.1

§ Illicit drugs * When used for non-medicinal purposes

These triennial [AIHW](#) surveys show a statistically significant fall in drug use across most classes of drugs, with appreciable falls in the use of cannabis, amphetamines and illicit analgesic use. With respect to [treatment programs](#), there were 268 government funded drug treatment agencies and outlets in NSW in 2008, providing 42,078 treatment episodes. Treatment emphasis is on counselling but methods like detoxification still form part of the total strategy against drug harm and dependence.

KEY DOCUMENTS

T Drabsch, [Health, Education and Community Indicators for NSW](#), Statistical Indicators 3/2010

K Simon, [Homelessness in NSW](#), Briefing Paper 3/2009

THE PRISON POPULATION

The last decade has seen growth in the number of inmates in NSW and in the imprisonment rate. There are also increasing numbers of juvenile detainees, as well as a rise in the rate at which young persons in NSW are detained. A particular concern is the continued growth in the imprisonment rate of Indigenous persons.

ADULT IMPRISONMENT

Prisoners in NSW are generally young and male and most have been in prison before. Indigenous persons are overrepresented in the prison population, as are persons with mental health concerns.

Corrective Services NSW is responsible for the provision of custodial and community-based correctional services in this State. These services include: the custody of inmates who are on remand or who have been sentenced; periodic detention; home detention; parole; and community service orders.

The number of prisoners in NSW has grown rapidly in the last decade, as has the imprisonment rate. The Aboriginal and Social Justice Commissioner in the [Social Justice Report 2009](#) commented that should growth continue at the current rate, a new gaol will be required in NSW every two years. The issue of space aside, the cost of keeping a person in prison is significant. According to the [Report on Government Services 2011](#), in 2009-10 it cost \$271 per prisoner, per day (Table 8A.7). In contrast, the cost of community corrections in NSW is only \$24 per offender, per day.

37% of Australia's prisoners are in NSW. The number of prisoners in NSW increased by 30% between 1999 and 2010, from 8,433 to 10,947. However, the number of prisoners has fallen slightly from 2009, when the [ABS](#) reported there were 11,127 persons in prison in NSW.

Prisoners in NSW, 1999 to 2010

	1999	2010
Number	8433	10947
Mean age	32.9	35.1
Female %	6.8	7.5
Indigenous %	15.0	21.2
Known prior imprisonment %	54.9	52.6
Unsentenced %	15.7	22.8

Remand: In 2010, 2,499 prisoners were unsentenced. Just over 1/5 were on remand for less than one month, 2/3 were held on remand for less than six months, but 14.1% were on remand for more than one year. According to the [NSW Inmate Census](#), the number of prisoners on remand in NSW tripled between 1993 and 2009,

and the proportion of prisoners on remand more than doubled in that time.

Imprisonment rate: Whilst the imprisonment rate decreased slightly between 2009 and 2010, the rate in NSW is still high – 196 people were imprisoned for every 100,000 people in NSW. This is 14% higher than the rate in 2000 which was 172 per 100,000 persons.

The imprisonment rate in NSW is also high when compared to the other States and Territories. It is the third highest in Australia, with only the Northern Territory and Western Australia having a greater rate. It is much higher than the rate in Victoria (105.5 persons for every 100,000). A recent BOCSAR [publication](#) concluded that the higher rate in NSW is a result of a greater rate of court appearance, a slightly higher conviction rate, a greater likelihood of imprisonment, and a higher probability of remand in custody.

The Indigenous imprisonment rate is even higher, at 2,459 Indigenous persons for every 100,000 Indigenous Australians in NSW (16 times the imprisonment rate for non-Indigenous persons). Indigenous Australians make up 2.2% of the general population but more than one fifth of the NSW prison population. Another recent BOCSAR [publication](#) found that the 48% increase in the Indigenous imprisonment rate between 2001 and 2008 was primarily due to tougher bail and sentencing policies and not to increased offending.

Imprisonment rate per 100,000 (2010)

	NSW	AUS
Male	369.5	323.2
Female	28.7	25.5
Indigenous	2459.2	2302.7
Non-Indigenous	151.8	129.2
All prisoners	196.0	172.4

Mental health: The mental health of prisoners is a significant issue. The [AIHW](#) found that nationally 37% of prison entrants reported that they had been told that they had a mental health disorder and 18% were currently on medication for a mental health disorder. Female prisoners were disproportionately represented – 57% had a history of mental health problems compared to 35% of male prison entrants.

JUVENILE DETENTION

In NSW, juvenile offenders are those aged between 10 and 17 years. Juvenile offenders who receive a custodial sentence from the courts are not imprisoned with adults but enter the juvenile detention system. Juvenile detention is seen as a last resort, with warnings, police cautions and

youth justice conferences being a more common outcome.

Number of detainees: According to the [Report on Government Services 2011](#), in NSW the number of juvenile detainees has steadily risen over the last decade, from an average of 251.3 persons per day in 1999-00 to 361.3 in 2008-09 (an increase of 44%). 39% of all juvenile detainees in Australia are in NSW.

The rate of detention has similarly increased, up from 19.3 per 100,000 people aged 10 to 17 years in 1999-00 to 35.5 per 100,000 in 2008-09. This is above the Australian rate of 33.8 per 100,000, making NSW the jurisdiction with the third highest rate of juvenile detention after the Northern Territory and Western Australia.

However, based on an Australian Institute of Criminology [report](#), when the long term data is viewed, it is apparent that even with the increase in recent years the current detention rates are far lower than they were 30 years ago. For example, in 1982, the juvenile detention rate was 91.6 per 100,000 persons aged 10 to 17 years in NSW. The fact that the rates are once again increasing is a concern for many.

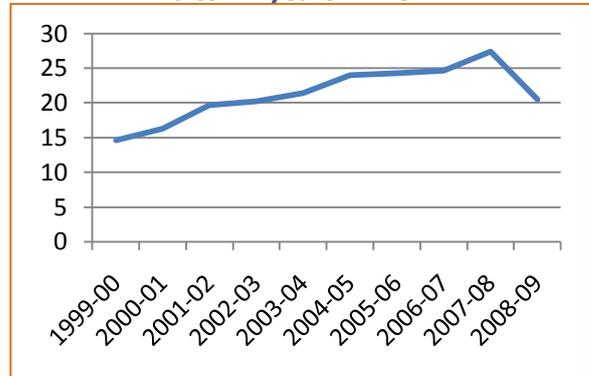
Remand: The [NSW Juvenile Justice Policy Review](#) highlights how the number of juveniles on remand (i.e. those who have been refused bail or who cannot meet bail conditions but have yet to be sentenced) has grown significantly since 2003. It also cites research findings which indicate that time spent in a remand centre is the most significant factor in increasing the probability of reoffending. This is particularly concerning as most remandees do not go on to receive a custodial sentence.

The police enforcement of bail conditions and changes to the [Bail Act 1978](#) (NSW) in the last decade are thought to be contributing to the growth in the number of juveniles on remand. Concern over the impact of changes to bail laws on young people, especially that in some situations only one bail application can be made, has been voiced by a number of groups including the [Law Society of NSW](#) and the [Community Justice Coalition](#).

Indigenous Australians are grossly overrepresented in juvenile detention in NSW. Almost half of detained juveniles in NSW are Indigenous. They are detained at a rate of 508.5 per 100,000 Indigenous youths, 20.5 times the non-Indigenous rate. The extent of overrepresentation has worsened in the last ten years – in 1999-00 the rate at which young Indigenous Australians in NSW were detained was 14.6 times that of non-Indigenous juveniles. However, 2008-09 saw an improvement on the previous year when young Indigenous Australians

were detained at 27.4 times the rate of young non-Indigenous Australians.

Indigenous/non-Indigenous rate ratio – Average rates of detention for persons aged 10 to 17 years in NSW



The causes of the ongoing gross over-representation of Indigenous persons in the juvenile justice system are complex, but the [NSW Juvenile Justice Policy Review](#) determined that the deep seated and long standing social disadvantage experienced by Indigenous Australians is the root cause.

Health and other issues: Of concern is the number of juvenile detainees who have some form of intellectual disability. The [NSW Juvenile Justice Policy Review](#) noted that recent research has shown that 13% of juvenile detainees in NSW could have an intellectual disability compared to 1% to 3% of the NSW community. This finding prompted the authors of the report to question whether NSW is addressing what is fundamentally a health issue through the means of justice.

Published in March 2011 was the Justice Health and Juvenile Justice report, [2009 NSW Young People in Custody Health Survey](#). This confirmed many of the findings of earlier studies, including high rates of drug and alcohol abuse among young offenders, mental illness, intellectual disability and a history of child abuse or trauma, as well as the continued over-representation of young Aboriginal offenders in the justice system. Policy implications arising from the report include support for prevention and diversion programs, and for early detection programs targeted towards disadvantaged communities.

KEY DOCUMENTS

T Drabsch, [A Statistical Snapshot of Crime and Justice in NSW](#), Statistical Indicators 5/2010

ABS, [Prisoners in Australia, 2010](#), 4517.0, December 2010

CRIME AND JUSTICE ISSUES – PART ONE

Criminal justice encompasses a broad range of subjects and perspectives. Broadly, the criminal justice system involves the state's prosecution of persons who have been charged with breaching criminal laws, the sentencing of those who have committed offences, and the administration of those sentences. Several policy objectives lie behind the sentencing process, including punishment, deterrence and rehabilitation. This two-part brief focuses on four crime and justice issues raised in the lead up to the 2011 State election.

BAIL LAW REFORM

Bail enables a person in custody who is charged with a criminal offence to be released on the condition that he or she undertakes to appear in court and observe any specified conditions.

Bail laws attempt to strike the right balance between, on the one hand, not infringing upon the liberty of an accused person who is entitled to the presumption of innocence; and, on the other hand, ensuring that the accused person will attend court and will not interfere with witnesses or commit other offences. Bail laws in NSW are contained in the [Bail Act 1978](#).

When the Act was enacted, it created a presumption in favour of bail for all offences except violent or armed robbery. Over the last 25 years, numerous amending Acts have removed this presumption for a range of offences. For various offences, not only was the presumption in favour of bail removed, but it was replaced with a presumption against bail. And in the case of persons charged with murder and certain "repeat offenders", bail can now only be granted in exceptional circumstances. These changes have been justified on the basis that they provide greater protection to the community.

In 2010, a newly formed lobby group (the Bail Reform Alliance), which includes the NSW Law Society, called for reforms to bail laws or a public inquiry into the laws. The Alliance criticised the ad hoc changes to bail laws over many years which removed the presumption in favour of bail and thereby undermined the notion of "innocent until proven guilty". The Alliance also argued that the tougher bail laws had led to a substantial increase in the remand population, without any evidence that this had led to falling crime rates.

The Alliance and others have also criticised section 22A of the Act, which restricts the number of bail applications that can be made. The section was introduced in 2007 to prevent "magistrate shopping". Concerns have been expressed that the application of the section is resulting in people (including juveniles) spending more time on

remand than they should. Critics point to research by BOCSAR showing that between 2007 and 2008, section 22A was a factor contributing to the increase in juvenile remand numbers.

Stakeholders and reports on juvenile justice have raised a number of other specific issues in relation to bail and young people. These include: the need to make the provisions in the [Bail Act 1978](#) more appropriate for young people; ensuring that inappropriate bail conditions are not imposed on young people; and addressing the lack of suitable bail accommodation for young people.

In October 2010, the NSW Department of Justice and Attorney General published a [Review of the Bail Act 1978](#) together with a [Draft Bail Bill 2010](#). The main aim of the review was "to improve the Act by making it more consistent, transparent, and simple to understand and apply". The purpose of the Draft Bill was to rewrite the Act but not to make major policy changes.

The Draft Bill proved to be controversial. A key concern was that the objects that are set out in the Draft Bill (and to which regard is to be had when making bail decisions) do not refer to the interests of the accused to be at liberty. In November 2010, the Attorney General reported that a roundtable which was examining the Draft Bill had requested more time to look at certain issues and, as a result, the Bill would not be introduced before the 2011 election.

A noteworthy recommendation in the 2010 review report was for the Government to "develop and pilot a system of electronic monitoring of accused persons who would otherwise be remanded in full custody". The report noted that "electronic bail" was available in some other jurisdictions.

Prior to the 2011 NSW election, Shadow Attorney General Greg Smith (now Attorney General) said that he would recommend that section 22A of the [Bail Act 1978](#) be repealed, and that a wider review of the Act be commissioned.

REDUCING RE-OFFENDING

A major challenge for the NSW criminal justice system is to reduce the high rates of re-offending (recidivism) and re-imprisonment.

Reoffending statistics: According to BOCSAR figures, which are displayed in a chart in the [NSW State Plan Performance Report](#):

- 28% of adults who were convicted of an offence in 2006-07 and who received non-custodial orders were reconvicted of another offence within two years;

- 58% of adults who were convicted of an offence in 2006-07 and who received a custodial sentence were reconvicted of another offence within two years.
- 58% of juveniles who were convicted of an offence in 2006-07 and who received non-custodial orders were reconvicted of another offence within two years.

Reimprisonment statistics: According to a recent Productivity Commission [report](#), 42.4% of NSW prisoners released in 2007-08 had returned to prison within two years (45.2% had returned to prison or to community corrections). NSW had the second highest rate of re-imprisonment in Australia after the Northern Territory (47.9%). In Victoria and Queensland, 33-34% of prisoners had returned to prison within two years.

A study on reducing reimprisonment: A 2009 BOCSAR [study](#) looked at the potential effects of a reduction in rate of reimprisonment on prison numbers and prison expenditure in NSW. The introduction to the study noted that the number of offenders entering prison on their first custodial sentence was lower than the number of those returning to prison. The study concluded that:

modest reductions in the rate at which offenders are re-imprisoned would result in substantial savings in prisoner numbers and correctional outlays. A ten percent reduction in the overall re-imprisonment rates would reduce the prison population by more than 800 inmates, and would save \$28 million per year. Comparable reductions in the number of new sentenced prisoners also produce benefits but they are smaller.

Measures to reduce reoffending: There are a range of rehabilitative programs that seek to address the causes of offending and thereby reduce reoffending. Some of these programs are available to people who are in prison, while others are available at earlier stages of the criminal justice process (e.g. prior to sentencing).

Some of the programs falling into the latter category divert the defendant from the normal court processes. A number of diversionary programs have been introduced in NSW to target defendants with drug or alcohol problems. These include the [Magistrates Early Referral Into Treatment \(MERIT\) program](#); the [Drug Court of NSW](#); the [Compulsory Drug Treatment Centre](#); and [The NSW Youth Drug and Alcohol Court](#).

The Drug Court and the NSW Youth Drug and Alcohol Court are discussed further in [Key Issues: Crime and Justice Issues – Part Two]. As noted there, an evaluation of the Drug Court has shown it to be successful in reducing recidivism.

The MERIT program allows eligible defendants in the Local Court to undertake supervised drug

treatment as part of their bail conditions (with participation being taken into account in sentencing). The program is currently available in 64 courts across the State. An [evaluation](#) of the program in 2009 found that completion of the program reduced the proportion of offenders reconvicted of any offence by 12% and the proportion reconvicted of a theft offence fell by 4%. In 2010, MERIT was extended to defendants with alcohol problems in a number of locations.

A pilot program aimed at addressing a broader range of issues was introduced in August 2009 on a two-year trial basis. The [Court Referral of Eligible Defendants into Treatment \(CREDIT\) program](#), which only operates at Tamworth and Burwood Local Courts, provides defendants with access to a wide range of treatment programs to address issues such as drug and alcohol treatment, homelessness, gambling addiction, and mental health problems. Participation in treatment is taken into account in sentencing.

In addition to diversionary programs, there are programs that provide an alternative forum for resolving a case. The [Circle Sentencing program](#), which operates at several locations, is an alternative sentencing court for adult Indigenous offenders, which involves local Indigenous people in the sentencing process. One of its objectives is to reduce recidivism. However, an [evaluation](#) of the program in 2008 found that it had not reduced recidivism. In September 2010, the Attorney General [noted](#) that improvements had recently been made to the program, and that it would be expanded to new locations.

Recent comment: In a recent [article](#), Dr Don Weatherburn stated that offender rehabilitation programs could "reduce crime substantially and cost a good deal less than imprisonment". He urged policymakers to focus their attention on evidence-based programs, and he also said that "we need programs that reach all or most of those at risk of repeat offending. This will take money, government commitment and time".

Election policies: Both of the major parties said that they would establish a Drug Court at a third location (in Sydney). Other specific initiatives announced by the Liberal Party included: creating a specialist Metropolitan Drug Treatment facility; and providing an extra \$20 million over four years for prison education and training programs.

KEY DOCUMENTS

L Roth, [Bail Law: Developments, Debate and Statistics](#), Briefing Paper 5/2010

T Drabsch, [Reducing the Risk of Recidivism](#), Briefing Paper 15/2006

CRIME AND JUSTICE ISSUES – PART TWO

SPECIALIST COURTS

Specialist courts can be divided into two broad categories. The first refers to specialist jurisdiction courts, such as industrial or children's courts. The second refers to what are sometimes called "speciality" or "problem-solving courts". These tend to incorporate new and innovative court practices and seek to achieve "therapeutic outcomes", including offender rehabilitation and restorative outcomes for victims. It is [said](#) that:

Speciality courts represent a move towards a model of justice that recognises the behavioural and environmental factors that contribute to offending, and the judicial system's capacity to deal with these problems.

This second category includes specialised drug courts, domestic violence courts and mental health courts. The first Australian specialist court of this kind was the Family Violence Court in South Australia in 1997, followed in 1999 by the NSW Drug Court, and the South Australian Mental Impairment Court and the Indigenous Nunga Court.

Drug courts: The objectives of the NSW Drug Court, which is in Parramatta, are set out in the *Drug Court Act 1998*. They include reducing the drug dependency of eligible persons/convicted offenders and promoting their re-integration into the community. Offenders must be adults and must have pleaded guilty. The program also requires offenders to have been convicted of a non-violent, non-sexual, drug-related offence (excluding trafficking) for which they have been sentenced to between 18 and 36 months imprisonment. A [BOCSAR](#) evaluation of the program found that participants were:

- 17% less likely to be reconvicted for any offence;
- 30% less likely to be reconvicted for a violent offence; and
- 38% less likely to be reconvicted for a drug offence.

In March 2011, a second Drug Court was opened in the Hunter region.

Operated by the Children's Court and modelled on the Drug Court is the [NSW Youth Drug and Alcohol Court](#) for juvenile offenders. Unlike the adult program, the Youth Drug Court also administers offenders with alcohol dependency and is available to violent offenders.

Family violence courts: An example of a more jurisdictional specialist court currently in NSW is

the [family violence courts](#) which have operated since 2005 in the Wagga Wagga and Campbelltown Local Courts, as part of the Domestic Violence Intervention Court Model. Unlike the Family Violence Court Division of the Magistrates' Court of Victoria, these courts do not exercise broad jurisdiction across family violence related matters, including family law and protection orders. Rather, the NSW courts deal exclusively with criminal matters related to family violence. Their focus is on the safety of victims of domestic violence and with ensuring that perpetrators are brought to account for their actions. Magistrates can, if considered appropriate as part of the sentence, place an offender on a perpetrator program run by the Probation and Parole Service. A [BOCSAR evaluation](#) in 2008 concluded that the most successful aspect of the pilot was increased access to victim support.

Proposed new courts: The creation of new specialist courts was on the agenda of the major parties leading into the NSW 2011 State election. In October 2010, then Shadow Minister for Justice Greg Smith [proposed](#) the creation of specialised sexual assault courts and mental health courts as well as another drug court in metropolitan Sydney. Labor also [promised](#) to invest in a Drug Court in Sydney's East.

Back in November 2010, then Attorney-General John Hatzistergos [announced](#) the establishment of a working group to examine proposals to establish family violence and sexual assault courts in NSW. The working group was to consider the merits of establishing stand-alone specialist courts or the option of creating or extending dedicated lists or divisions within the current court system. The announcement was made in response to a recent [report](#) on family violence by the ALRC/NSWLRC.

As part of a broader review by the [NSW Law Reform Commission](#) of mental illness and the criminal justice system, the introduction of a mental health court, or a specialist court list to address mental health issues, is currently under consideration. In South Australia, the [Magistrates Court Diversion Program](#) (previously known as the Mental-Impairment Court) is available to persons charged with minor or summary offences who have a recognised mental impairment.

ALCOHOL AND CRIME

Alcohol-related crime was on the agenda of public debate in NSW in the lead up to the 2011 State election. The problem arises in many contexts, domestic and public. Violence against women and children in the home can often be alcohol related. In public places, those involved are more likely to

be young men, with assaults [occurring](#) in or near a licensed venue. The problem is many faceted therefore, as are the proposed and actual public policy responses.

Closing times and violent venues: In March 2008, a scheme to restrict alcohol availability for a number of licensed premises was introduced in the Newcastle CBD, including 1am lockdowns and 3am closure of certain licensed premises. A BOCSAR [paper](#) evaluating the scheme was published in November 2009. By reference to three sources of police data (recorded crime data; last-place-of-consumption data; and police call-out data), the paper concluded that they all:

revealed a significant decrease in the proportion of assaults occurring after 3am in the intervention site but not in the comparison sites. Collectively, the data provide strong evidence that the restricted availability of alcohol reduced the incidence of assault in the Newcastle CBD.

In December 2008, the Government introduced licence restrictions on the top 48 licensed premises on BOCSAR's top 100 list of violent venues. The restrictions included mandatory 2am lock outs, and the cessation of alcohol service 30 minutes before closing time. A BOCSAR [study](#) published in October 2009 found a general decline in the number of assaults in the 48 licensed premises, but that the decline was not restricted to those premises. A similar decline was found in licensed venues across the top 100 premises. The exact cause of the decline was unclear but "likely influences include adverse publicity and increased enforcement activity".

Since its introduction in December 2008, the scheme has been implemented in several rounds. [Round 4](#), under which licensed premises are categorised as Level 1, 2 or 3 depending on the number of alcohol-related incidents attributed to it in a defined reporting period, started in December 2010. Basically, by amendment to Schedule 4 of the [Liquor Act 2007](#), special licence conditions apply to Level 1 and 2 venues.

It was [reported](#) in February 2011 that NSW Police had applied to Communities NSW to have a Statewide "1am lockdown and 3am closure of licensed premises as well as restriction on the service of 'shots' of alcohol after 10pm". This followed release of CCTV footage taken in Wollongong. Responding to the proposal, a Communities NSW spokesperson was [quoted](#) as saying:

A number of Wollongong venues have also been subject to tough restrictions under the Government's violent venues scheme and recent BOCSAR figures show a 13 percent drop in violent incidents in and around venues subject to the police complaint.

The [SMH](#) reported that Barry O'Farrell would not commit the Coalition to "3am closing times". On the other hand, the [Coalition](#) did commit to introducing a "three strikes and you're out" policy for the State's licensed venues "in a tough new measure to crack down on alcohol-related anti-social behaviour".

Proportion of assaults around licensed premises: In January 2011 BOCSAR published a [paper](#) on the association between "alcohol outlet density and assaults on and around licensed premises". The study focused on licensed premises in the Sydney LGA and found that assaults in 2008 were highly concentrated around licensed premises. Around 57% of assaults happen in a 50-metre radius of licensed premises, which accounts for about 12.5% of the entire LGA. Dr Don Weatherburn is [quoted](#) as saying: "I don't think it is possible to have both more pubs and longer trading hours as well as lower assault rates". The same [SMH](#) article stated that Sydney Lord Mayor, Clover Moore, had called for a "licensing permit system across NSW which would require annual or biannual renewal of late-night trading hours".

Public drunkenness was decriminalised in 1980. However, signalling a new direction in public policy, prior to the 2011 State election then Shadow Minister for Police, Michael Gallacher, [said](#) that police needed more powers than the current orders to "move on". The [Coalition's](#) law and order platform included:

- strengthening "Move On Powers" so they can be used for individuals. Currently they can only be used for groups of three or more;
- introduce the new offence of "drunk and disorderly" under the [Summary Offences Act 1988](#) with a maximum penalty of 6 penalty units or an on-the-spot fine of \$200; and
- pilot three "Sobering Up Centres" in NSW. One will be in Sydney City covering the entertainment precincts taking in Kings Cross, George Street and The Rocks, another in a Sydney suburb and a third in regional NSW.

Post-election, Police Minister Gallacher told [The Sunday Telegraph](#) that "public drunkenness was the biggest cause of public disorder in NSW". He said he was determined to change this culture, making it as "unacceptable as lighting a cigarette at the dinner table".

KEY DOCUMENTS

J Arditi, [Liquor, Licences and Lockouts](#), E-Brief 4/2008

REGIONAL ISSUES

The Australian Bureau of Statistics (ABS) divides NSW into 12 Statistical Divisions (SDs): Central West; Far West; Hunter; Illawarra; Mid-North Coast; Murray; Murrumbidgee; North Western; Northern; Richmond-Tweed; South Eastern; and Sydney. The profile for each SD that follows includes: a map of each region; and various statistics on the geography, population, economy and housing of that region. The NSW averages are also provided for ease of comparison. The source for the figures used is data available from the ABS in the "Quick Stats" and "Regional profile" sections of its website.

The vast majority of the population of NSW lives in coastal city areas (the Sydney, Newcastle and Wollongong metropolitan regions). Almost two-thirds of the population of NSW live in the Sydney SD alone, a geographical area that only constitutes 1.5% of the total land area of NSW. 37% of the population of NSW live outside the Sydney SD.

The focus of this brief is on the regional areas outside the Sydney, Newcastle and Wollongong metropolitan regions. Non-metropolitan regional NSW is as diverse as it is geographically large. As reported in an Australian Housing and Urban Research Institute [paper](#), it comprises: large regional cities with a population over 10,000; small remote settlements; Indigenous homelands; country towns centred around farming; mining settlements; and coastal and country towns that appeal to those seeking a "seachange" or "treechange".

While each of the regions faces its own particular set of issues, there is also considerable overlap between those faced by many, including the general challenges in the arenas of health, education, the economy, and the environment. Access to infrastructure and services is a common concern in a number of regional areas, but it is a particular challenge in the Far West SD owing to its size, its distance from capital cities, and the sparseness of its population.

There follows a discussion of some common issues facing rural and regional NSW. They are among those raised by local Members of Parliament before the NSW Legislative Assembly in the last five or so years. The same issues were voiced by community groups as part of the development of local action plans for the NSW State Plan. They were also noted by the Australian Local Government Association in its *State of the Regions 2010-11* report.

Other relevant concerns discussed elsewhere in this Key Issues paper include the needs of such specific groups as the homeless, Indigenous

persons, those with mental health issues and persons with disabilities.

ECONOMY

A number of regions have identified the need and the desire to diversify and broaden their economy. The closure of businesses or branches in rural regions can have a large impact on the local community, owing to the limited alternative means of employment in the region and the impact on other local businesses when there is less to spend. Over the years, some government departments have relocated to regional areas as a means of stimulating regional economies. Nonetheless, job creation remains a priority for many regional communities, as they seek to retain their young population when they reach employment age.

The major industries of employment in NSW are:

- school education;
- cafes, restaurants and takeaway food services;
- hospitals;
- legal and accounting services; and
- supermarket and grocery stores.

Whilst many of the above industries (legal and accounting services excepted) are one of the top five industries of employment in the regions outside Sydney, there are some differences. The following table highlights other industries that form part of the top five industries of employment outside Sydney.

Industry	Statistical Divisions
Sheep, beef cattle and grain farming	Central West, Murray, Murrumbidgee, North Western, Northern and South Eastern
Metal ore mining	Far West
Coal mining	Hunter
Basic ferrous metal manufacturing	Illawarra
Residential care and services	Mid-North Coast and Richmond-Tweed
Local government administration	North Western
Central government administration	South Eastern
Tertiary education	Northern

A number of regions have experienced a decline in traditional industries, whether it is the closure of mines, or the economy shifting away from the dominance of primary production and manufacturing. The drought that featured for so much of the first decade of the twenty-first century had a significant impact on the pastoral industry. The need for diversification in a number

of regions has been recognised so as to limit the impact of future structural shifts in the economy.

HEALTH

In many regional areas some residents have difficulty accessing health facilities. Large distances may need to be travelled in some cases; in others the existing health infrastructure is considered to be inadequate or requires updating. The lack of specialist health professionals is also an issue. The need to attract doctors and nurses to rural areas is commonly acknowledged and various programs have been established to encourage health professionals to either relocate to regional areas or to return to them once their studies are completed. See the [NSW Rural Doctors Network](#) and the [National Rural Health Alliance](#) for more information.

POLICE

Police numbers is one issue, as is the fact that in some regions the local command covers a large area which may cause some logistical difficulties, e.g. there may be a lag between the time of call to the police and their arrival at the scene. Some areas face the issue of police services not being available 24/7. The following table shows the distribution of police throughout the six police regions in NSW.

Police region	Number of police	Area (sq km)	Residents
Central Metropolitan	2,620	542.1	1,079,872
South West Metropolitan	2,201	3,445	1,300,148
North West Metropolitan	2,291	6,269	1,808,441
Southern	1,621	199,700	925,465
Northern	2,259	70,050	1,511,465
Western	1,183	520,600	509,030
NSW Police Total	12,175		

The table below shows the number of square kilometres for every police officer in a region, and the number of police for every 1000 residents.

Police region	Sq km per officer	Officers per 1000 residents
Central Metropolitan	0.21	2.43
South West Metropolitan	1.57	1.69
North West Metropolitan	2.74	1.27
Southern	123.20	1.75
Northern	31.01	1.49
Western	440.07	2.32

ROADS AND TRANSPORT

Many regions require roads to be upgraded, sealed, or repaired. Some community members face difficulties in accessing community transport, rail services, and/or regional airlines. This may be because the closest infrastructure is some distance from home. In other cases, services may exist but some believe that they need to be more frequent to be a viable option.

POPULATION MOVEMENTS

Certain regions, particularly coastal ones, face the challenge of growing populations, as people relocate away from the cities to other coastal regions. Some people are moving because of the appeal of a rural lifestyle, others are influenced by a possible lower cost of living, and others simply wish to retire in rural or regional areas. There is a concern in some areas, particularly where the older population is growing fastest, that the existing infrastructure may not be adequate to support this growth.

WATER SUPPLY

Water supply is a major concern in most areas, exacerbated by the drought that occurred at the start of the twenty-first century. A number of regions have had to deal with rapidly diminishing dam levels. Whilst NSW has now moved out of drought, access to water for irrigation and farming purposes remains a huge issue in some regions. Many communities, especially in the Murray, North Western, Murrumbidgee and the Far West SDs, are interested in and concerned about the outcomes of the Murray Darling Basin Plan [see Key Issues: Water in the Murray-Darling Basin].

ENVIRONMENT

Environmental concerns are common to all regions. Many coastal regions are dealing with the environmental pressures of population growth as they balance development with the environmental protection of coastal areas. Tourism plays a significant role in the economy of a number of regions, both coastal and inland. The need to ensure that tourism does not have a detrimental impact on the local environment is recognised.

KEY DOCUMENTS

Australian Local Government Association, *State of the Regions 2010-11*

J Wilkinson, *Regional NSW – Economic Survey and Development Initiatives*, Briefing Paper 9/2009

Regional Development Australia [website](#)

REGIONAL PROFILE – NEW SOUTH WALES



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

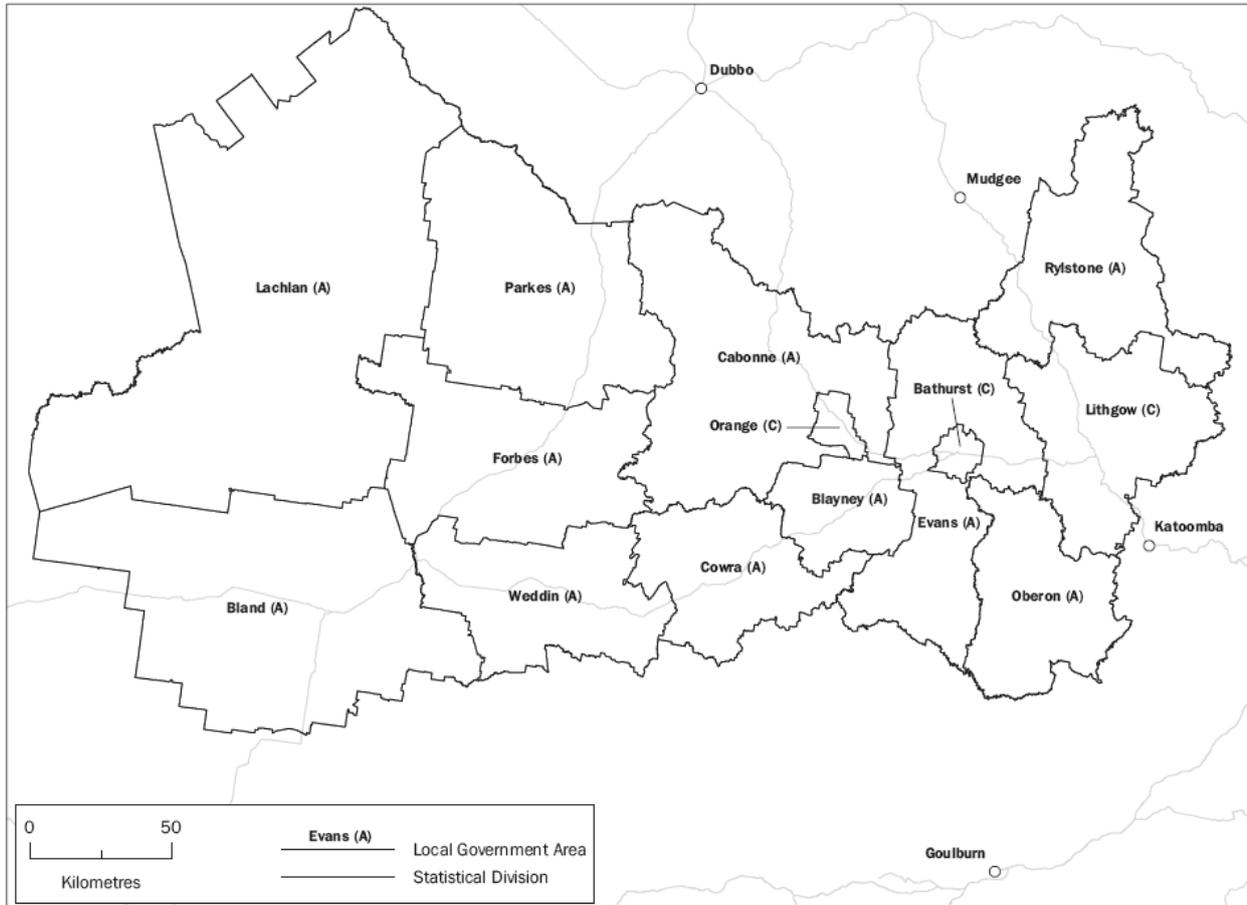
GEOGRAPHY AND POPULATION	
Land area (2009) – km²	801315.4
Area of agricultural land (2006)(ha '000)	62119
Population (2009)	
Male	3537399
Females	3597022
Persons	7134421
Population density (2009) (persons/km²)	8.9
Fertility rate per woman (2008)	1.9
Death rate per 1000 (2008)	6.0
Age group (2009) – %	
0-14 years	18.9
15-24 years	14.0
25-34 years	14.2
35-44 years	14.1
45-54 years	13.7
55-64 years	11.3
65-74 years	7.3
75-84 years	4.7
85 years and over	1.8
Indigenous population (2006) – %	2.2
Overseas born population (2006) – %	
Oceania and Antarctica (excl Aus)	2.6
NW Europe	5.9
Southern and Eastern Europe	4.0
North Africa and the Middle East	2.3
SE Asia	3.5
NE Asia	3.4
Southern and Central Asia	1.8
Americas	1.2
Sub-Saharan Africa	0.9
Total	25.6
Speak language other than English at home (2006) – %	21.3
% of persons aged 15 years and over with post school qualifications (2006)	54.5
Number of households (2006)	2328217
Number of families (2006)	
Couple families with children under 15 and/or dependent students	640554
One parent families with children under 15 and/or dependent students	182987
Total families	1716222
% of population by remoteness (2006)	
Major cities	72.6

Inner regional	20.3
Outer regional	6.5
Remote	0.5
Very remote	0.1
% of persons undertaking voluntary work (2006)	19.0
% of occupied private dwellings with Internet access at home (2006)	63.4

REGIONAL ECONOMY	
Average taxable income (2008)	45439
Age pension recipients – %	9.7
Disability support pension recipients – %	3.4
Most common industries of employment (2006) – %	
School education	4.4
Cafes, restaurants and takeaway food services	3.6
Hospitals	3.3
Legal and accounting services	2.3
Supermarket and grocery stores	2.2
Total gross value of agricultural production (2006) – \$m	9041.5
Unemployment rate (2009) – %	5.7
Number of businesses (2007)	
Total businesses	679950
Total business entries	108606
Total business exits	99873

HOUSING	
Tenure type – occupied private dwellings (2006) – %	
Fully owned	33.2
Being purchased	30.2
Rented	28.4
Median weekly rent	\$210
Median monthly housing loan repayment	\$1517

REGIONAL PROFILE – CENTRAL WEST SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

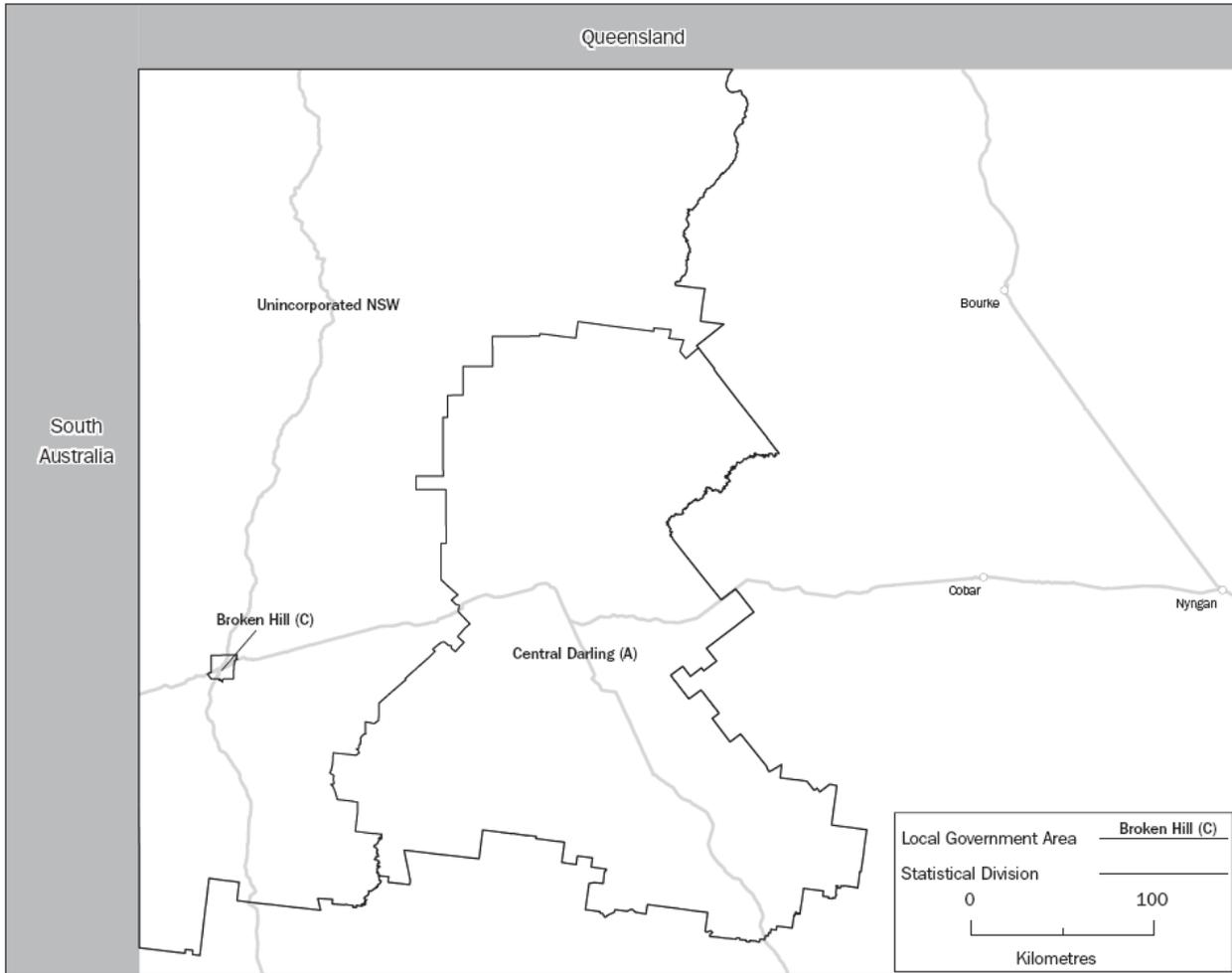
GEOGRAPHY AND POPULATION	CW	NSW
Land area (2009) – km²	63067.9	801315.4
Area of agricultural land (2006) (ha `000)	5017	62119
Population (2009)		
Males	92168	3537399
Females	90989	3597022
Persons	183157	7134421
Population density (2009) (persons/km²)	2.9	8.9
Fertility rate (2008) – per woman	2.2	1.9
Death rate (2008) – per 1000	7.1	6.0
Age group (2009) – %		
0-14 years	20.1	18.9
15-24 years	13.8	14.0
25-34 years	11.3	14.2
35-44 years	12.6	14.1
45-54 years	13.7	13.7
55-64 years	12.5	11.3
65-74 years	8.6	7.3
75-84 years	5.4	4.7
85 years and over	1.9	1.8
Indigenous population (2006) – %	4.7	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	1.0	2.6
NW Europe	3.4	5.9
Southern and Eastern Europe	0.8	4.0
North Africa and the Middle East	0.2	2.3
SE Asia	0.4	3.5
NE Asia	0.3	3.4
Southern and Central Asia	0.2	1.8
Americas	0.3	1.2
Sub-Saharan Africa	0.2	0.9
Total	6.9	25.6
Speak language other than English at home (2006) – %	2.5	21.3
% of persons aged 15 years and over with post school qualifications (2006)	47.6	54.5
Number of households (2006)	63003	2328217
Number of families (2006)		
Couple families with children under 15 and/or	16117	640554

dependent students		
One parent families with children under 15 and/or dependent students	4933	182987
Total families	44995	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	72.0	20.3
Outer regional	26.8	6.5
Remote	1.2	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	25.2	19.0
% of occupied private dwellings with Internet access at home (2006)	53.6	63.4

REGIONAL ECONOMY	CW	NSW
Average taxable income (2008)	36965	45439
Age pension recipients – %	11.4	9.7
Disability support pension recipients – %	4.7	3.4
Most common industries of employment (2006) – %		
Sheep, beef cattle and grain farming	9.3	1.5
School education	5.5	4.4
Hospitals	3.5	3.3
Cafes, restaurants and takeaway food services	3.2	3.6
Supermarket and grocery stores	2.4	2.2
Total gross value of agricultural production (2006) – \$m	983.8	9041.5
Unemployment rate (2009) – %	4.8	5.7
Number of businesses (2007)		
Total businesses	17796	679950
Total business entries	2172	108606
Total business exits	1851	99873

HOUSING	CW	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	38.9	33.2
Being purchased	29.1	30.2
Rented	26.1	28.4
Median weekly rent	\$140	\$210
Median monthly housing loan repayment	\$1090	\$1517

REGIONAL PROFILE – FAR WEST SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

GEOGRAPHY AND POPULATION	FW	NSW
Land area (2009) – km²	146963	801315.4
Area of agricultural land (2006)(ha '000)	13332	62119
Population (2009)		
Male	11246	3537399
Females	11485	3597022
Persons	22731	7134421
Population density (2009) (persons/km²)	0.2	8.9
Fertility rate (2008)	2.1	1.9
Death rate (2008)	7.3	6.0
Age group (2009) – %		
0-14 years	18.5	18.9
15-24 years	12.1	14.0
25-34 years	10.5	14.2
35-44 years	12.2	14.1
45-54 years	15.1	13.7
55-64 years	13.3	11.3
65-74 years	9.4	7.3
75-84 years	6.6	4.7
85 years and over	2.3	1.8
Indigenous population (2006) – %	9.4	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	0.7	2.6
NW Europe	2.0	5.9
Southern and Eastern Europe	1.1	4.0
North Africa and the Middle East	0	2.3
SE Asia	0.4	3.5
NE Asia	0.1	3.4
Southern and Central Asia	0.2	1.8
Americas	0.1	1.2
Sub-Saharan Africa	0.3	0.9
Total	5.1	25.6
Speak language other than English at home (2006) – %	2.2	21.3
% of persons aged 15 years and over with post school qualifications (2006)	43.0	54.5
Number of households (2006)	8685	2328217
Number of families (2006)		
Couple families with children under 15 and/or dependent students	1692	640554

One parent families with children under 15 and/or dependent students	781	182987
Total families	5740	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	0	20.3
Outer regional	88.5	6.5
Remote	3.8	0.5
Very remote	7.7	0.1
% of persons undertaking voluntary work (2006)	22.2	19.0
% of occupied private dwellings with Internet access at home (2006)	46.5	63.4

REGIONAL ECONOMY	FW	NSW
Average taxable income (taxable and non-taxable individuals) (2008)	38230	45439
Age pension recipients – %	14.4	9.7
Disability support pension recipients – %	8.5	3.4
Most common industries of employment (2006) – %		
Metal ore mining	7.3	0.1
Sheep, beef cattle and grain farming	6.1	1.5
School education	5.6	4.4
Hospitals	4.7	3.3
Cafes, restaurants and takeaway food services	3.5	3.6
Total gross value of agricultural production (2006) – \$m	69.8	9041.5
Unemployment rate (2009) – %	8.3	5.7
Number of businesses (2007)		
Total businesses	1260	679950
Total business entries	171	108606
Total business exits	156	99873

HOUSING	FW	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	48	33.2
Being purchased	23.5	30.2
Rented	19.8	28.4
Median weekly rent	\$100	\$210
Median monthly housing loan repayment	\$650	\$1517

REGIONAL PROFILE – HUNTER SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

GEOGRAPHY AND POPULATION	HUNTER	NSW
Land area (2009) – km²	29034.6	801315.4
Area of agricultural land (2006)(ha '000)	1366	62119
Population (2009)		
Male	320366	3537399
Females	323913	3597022
Persons	644279	7134421
Population density (2009)(persons/km²)	22.2	8.9
Fertility rate (2008) – per woman	1.9	1.9
Death rate (2008) – per 1000	6.5	6.0
Age group (2009) – %		
0-14 years	18.8	18.9
15-24 years	13.7	14.0
25-34 years	12.4	14.2
35-44 years	13.3	14.1
45-54 years	13.8	13.7
55-64 years	12.2	11.3
65-74 years	8.3	7.3
75-84 years	5.5	4.7
85 years and over	2.1	1.8
Indigenous population (2006) – %	2.7	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	1.3	2.6
NW Europe	4.7	5.9
Southern and Eastern Europe	1.4	4.0
North Africa and the Middle East	0.2	2.3
SE Asia	0.7	3.5
NE Asia	0.4	3.4
Southern and Central Asia	0.2	1.8
Americas	0.4	1.2
Sub-Saharan Africa	0.4	0.9
Total	9.7	25.6
Speak language other than English at home (2006) – %	3.9	21.3
% of persons aged 15 years and over with post school qualifications (2006)	50.9	54.5
Number of households (2006)	219890	2328217
Number of families (2006)		
Couple families with children under 15 and/or	54424	640554

dependent students		
One parent families with children under 15 and/or dependent students	18767	182987
Total families	160436	1716222
% of population by remoteness (2006)		
Major cities	67.2	72.6
Inner regional	31.0	20.3
Outer regional	1.9	6.5
Remote	0	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	18.8	19.0
% of occupied private dwellings with Internet access at home (2006)	57.8	63.4

REGIONAL ECONOMY	HUNTER	NSW
Average taxable income (2008)	40678	45439
Age pension recipients – %	12.2	9.7
Disability support pension recipients – %	4.9	3.4
Most common industries of employment (2006) %		
School education	4.6	4.4
Hospitals	3.9	3.3
Cafes, restaurants and takeaway food services	3.9	3.6
Coal mining	2.8	0.4
Supermarket and grocery stores	2.7	2.2
Total gross value of agricultural production (2006) – \$m	333.1	9041.5
Unemployment rate (2009) – %	5.2	5.7
Number of businesses (2007)		
Total businesses	43512	679950
Total business entries	6894	108606
Total business exits	6180	99873

HOUSING	HUNTER	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	36.4	33.2
Being purchased	31.1	30.2
Rented	25.8	28.4
Median weekly rent	\$180	\$210
Median monthly housing loan repayment	\$1300	\$1517

REGIONAL PROFILE – ILLAWARRA SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

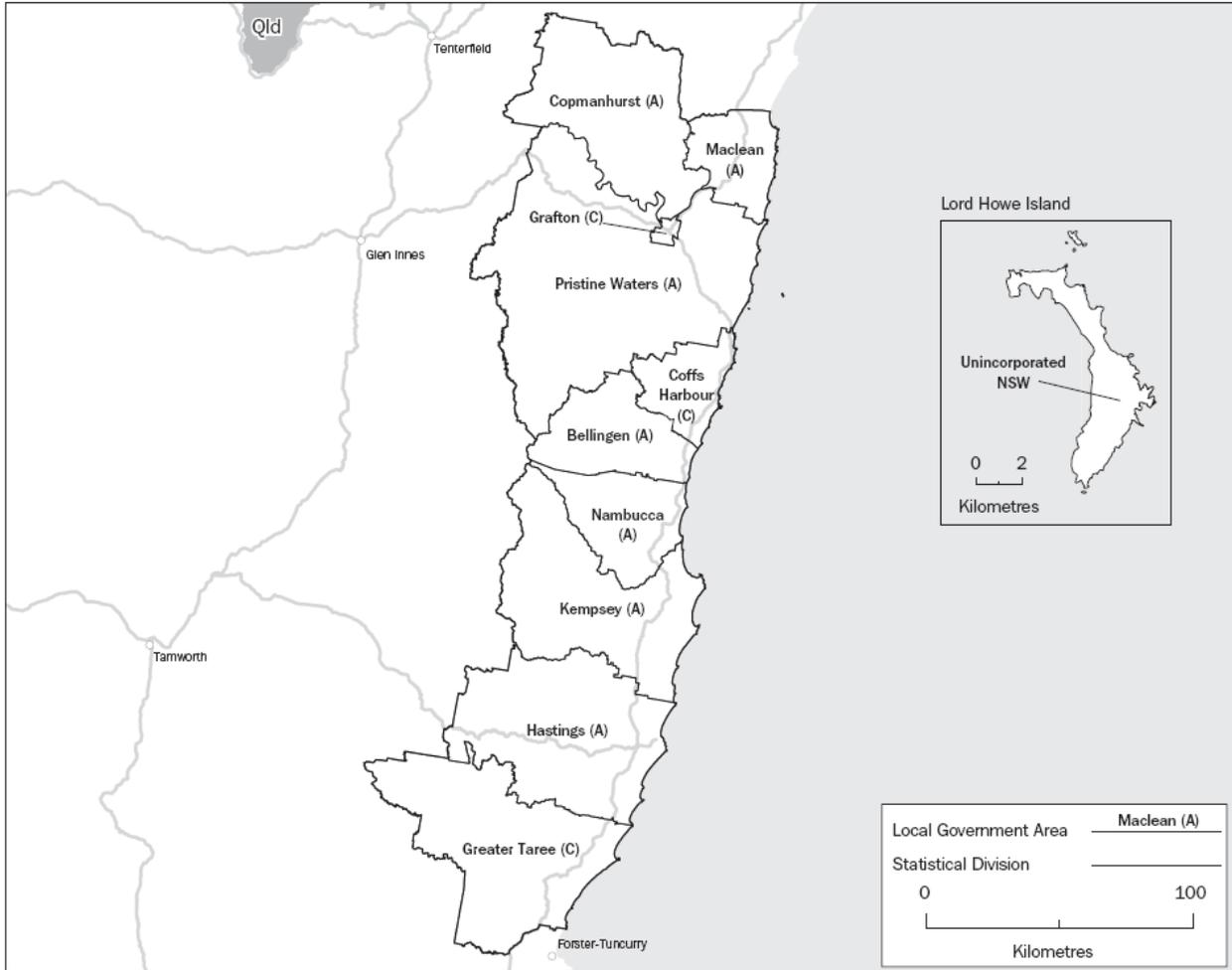
GEOGRAPHY AND POPULATION	ILL	NSW
Land area (2009) – km²	8308.9	801315.4
Area of agricultural land (2006)(ha '000)	133	62119
Population (2009)		
Male	213747	3537399
Females	217413	3597022
Persons	431160	7134421
Population density (2009) (persons/km²)	51.9	8.9
Fertility rate (2008) – per woman	1.9	1.9
Death rate (2008) – per 1000	6.0	6.0
Age group (2009) – %		
0-14 years	18.7	18.9
15-24 years	13.7	14.0
25-34 years	11.5	14.2
35-44 years	13.0	14.1
45-54 years	13.9	13.7
55-64 years	12.2	11.3
65-74 years	9.2	7.3
75-84 years	5.9	4.7
85 years and over	2.0	1.8
Indigenous population (2006) – %	2.3	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	1.3	2.6
NW Europe	8.7	5.9
Southern and Eastern Europe	5.1	4.0
North Africa and the Middle East	0.6	2.3
SE Asia	0.9	3.5
NE Asia	0.8	3.4
Southern and Central Asia	0.3	1.8
Americas	0.8	1.2
Sub-Saharan Africa	0.4	0.9
Total	19.0	25.6
Speak language other than English at home (2006) – %	11.0	21.3
% of persons aged 15 years and over with post school qualifications (2006)	52.8	54.5
Number of households (2006)	145493	2328217
Number of families (2006)		
Couple families with children under 15 and/or	37141	640554

dependent students		
One parent families with children under 15 and/or dependent students	12044	182987
Total families	107523	1716222
% of population by remoteness (2006)		
Major cities	61.5	72.6
Inner regional	38.4	20.3
Outer regional	0	6.5
Remote	0	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	20.3	19.0
% of occupied private dwellings with Internet access at home (2006)	59.4	63.4

REGIONAL ECONOMY	ILL	NSW
Av. taxable income (2008)	40072	45439
Age pension recipients – %	13.0	9.7
Disability support pension recipients – %	4.3	3.4
Most common industries of employment (2006) – %		
School education	5.5	4.4
Cafes, restaurants and takeaway food services	3.9	3.6
Basic ferrous metal manufacturing	3.8	0.5
Hospitals	3.3	3.3
Supermarket and grocery stores	2.5	2.2
Total gross value of agricultural production (2006) – \$m	101.4	9041.5
Unemployment rate (2009) – %	6.1	5.7
Number of businesses (2007)		
Total businesses	28284	679950
Total business entries	4461	108606
Total business exits	4131	99873

HOUSING	ILL	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	38.3	33.2
Being purchased	29.5	30.2
Rented	25.5	28.4
Median weekly rent	\$180	\$210
Median monthly housing loan repayment	\$1430	\$1517

REGIONAL PROFILE – MID-NORTH COAST SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

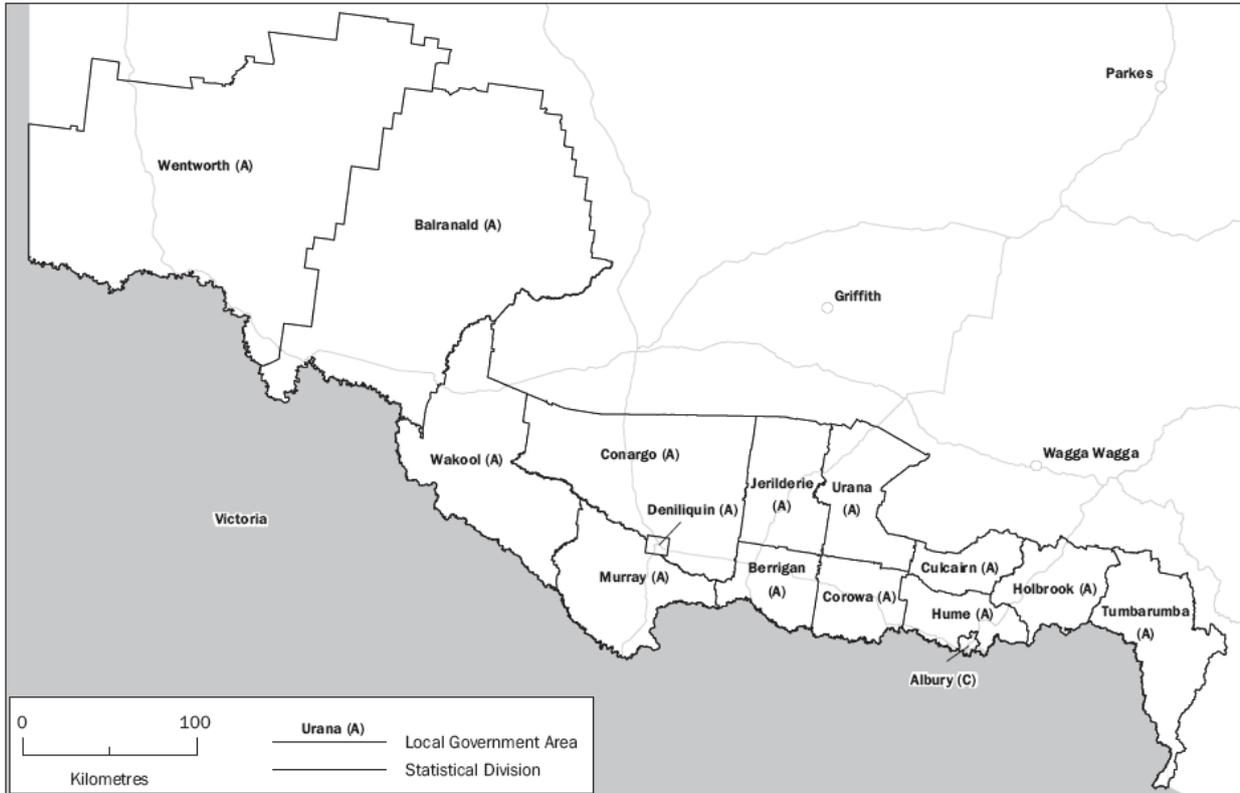
GEOGRAPHY AND POPULATION	MNC	NSW
Land area (2009) – km²	25524.1	801315.4
Area of agricultural land (2006)(ha '000)	905	62119
Population (2009)		
Male	152416	3537399
Females	157172	3597022
Persons	309588	7134421
Population density (2009) (persons/km²)	12.1	8.9
Fertility rate per woman (2008)	2.1	1.9
Death rate per 1000 (2008)	6.3	6.0
Age group (2009) – %		
0-14 years	18.4	18.9
15-24 years	11.5	14.0
25-34 years	8.9	14.2
35-44 years	12.0	14.1
45-54 years	15.0	13.7
55-64 years	14.2	11.3
65-74 years	10.6	7.3
75-84 years	6.9	4.7
85 years and over	2.5	1.8
Indigenous population (2006) – %	4.5	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	1.5	2.6
NW Europe	5.9	5.9
Southern and Eastern Europe	0.6	4.0
North Africa and the Middle East	0.1	2.3
SE Asia	0.5	3.5
NE Asia	0.2	3.4
Southern and Central Asia	0.3	1.8
Americas	0.4	1.2
Sub-Saharan Africa	0.3	0.9
Total	9.8	25.6
Speak language other than English at home (2006) – %	2.5	21.3
% of persons aged 15 years and over with post school qualifications (2006)	48.8	54.5
Number of households (2006)	109949	2328217
Number of families (2006)		
Couple families with children under 15 and/or	23473	640554

dependent students		
One parent families with children under 15 and/or dependent students	10542	182987
Total families	79007	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	79.5	20.3
Outer regional	20.4	6.5
Remote	0	0.5
Very remote	0.1	0.1
% of persons undertaking voluntary work (2006)	23.9	19.0
% of occupied private dwellings with Internet access at home (2006)	53.6	63.4

REGIONAL ECONOMY	MNC	NSW
Average taxable income (2008)	31683	45439
Age pension recipients – %	15.3	9.7
Disability support pension recipients – %	5.3	3.4
Most common industries of employment		
School education	5.8	4.4
Cafes, restaurants and takeaway food services	4.0	3.6
Hospitals	3.8	3.3
Supermarket and grocery stores	3.2	2.2
Residential care services	2.8	1.6
Total gross value of agricultural production (2006) – \$m	304.8	9041.5
Unemployment rate (2009) – %	8.1	5.7
Number of businesses (2007)		
Total businesses	24273	679950
Total business entries	3279	108606
Total business exits	3195	99873

HOUSING	MNC	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	41.8	33.2
Being purchased	25.9	30.2
Rented	26.0	28.4
Median weekly rent	\$165	\$210
Median monthly housing loan repayment	\$1083	\$1517

REGIONAL PROFILE – MURRAY SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

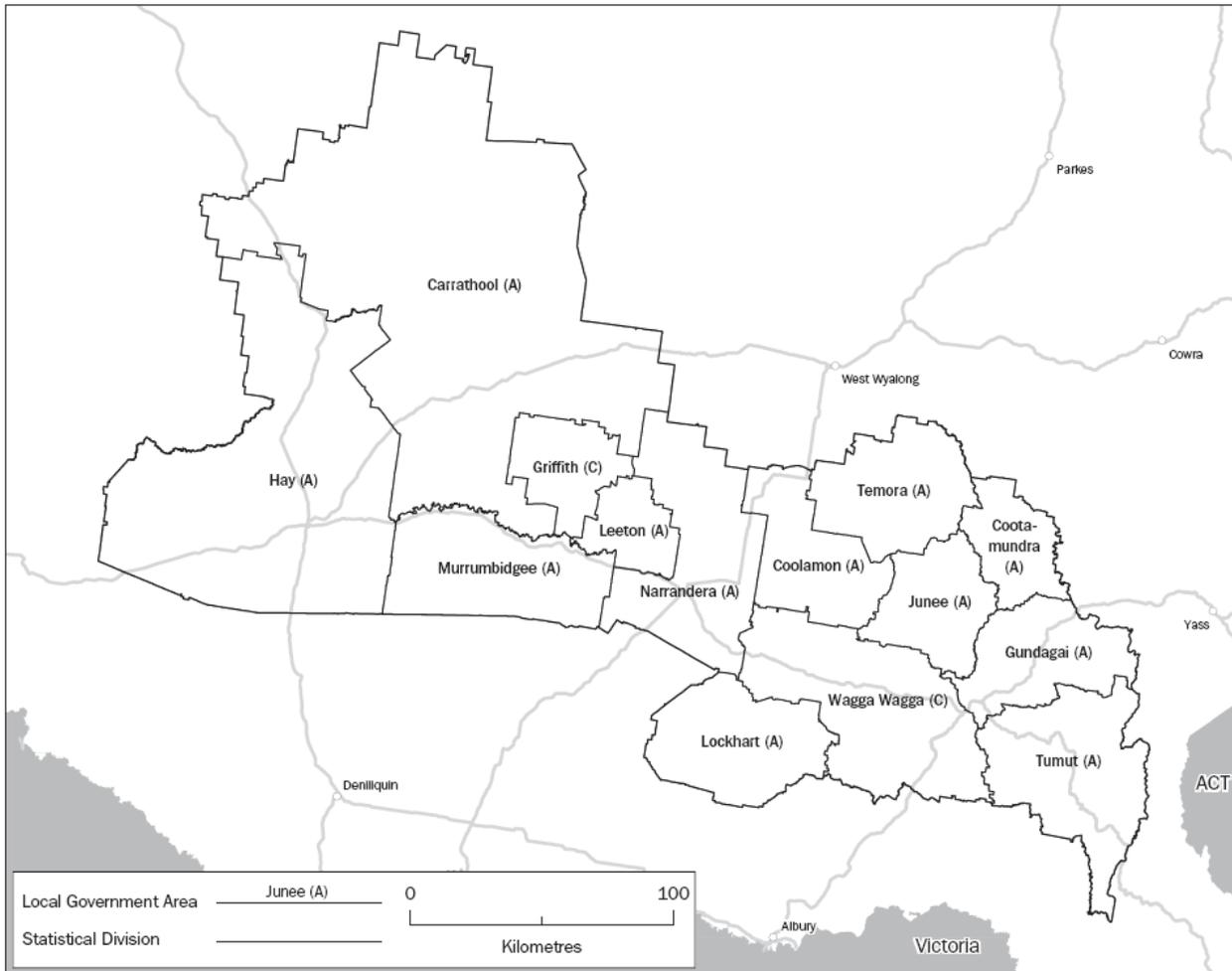
GEOGRAPHY AND POPULATION	MURRAY	NSW
Land area (2009) – km²	90287.9	801315.4
Area of agricultural land (2006)(ha '000)	7809	62119
Population (2009)		
Male	59532	3537399
Females	59008	3597022
Persons	118540	7134421
Population density (2009) (persons/km²)	1.3	8.9
Fertility rate per woman (2008)	2.1	1.9
Death rate per 1000 (2008)	6.3	6.0
Age group (2009) – %		
0-14 years	19.0	18.9
15-24 years	13.1	14.0
25-34 years	11.0	14.2
35-44 years	12.6	14.1
45-54 years	14.4	13.7
55-64 years	12.8	11.3
65-74 years	9.1	7.3
75-84 years	5.9	4.7
85 years and over	2.1	1.8
Indigenous population (2006) – %	2.6	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	1.1	2.6
NW Europe	4.0	5.9
Southern and Eastern Europe	1.0	4.0
North Africa and the Middle East	0.1	2.3
SE Asia	0.5	3.5
NE Asia	0.2	3.4
Southern and Central Asia	0.2	1.8
Americas	0.2	1.2
Sub-Saharan Africa	0.3	0.9
Total	7.6	25.6
Speak language other than English at home (2006) – %	2.9	21.3
% of persons aged 15 years and over with post school qualifications (2006)	47.2	54.5
Number of households (2006)	41951	2328217
Number of families (2006)		
Couple families with children under 15 and/or	10217	640554

dependent students		
One parent families with children under 15 and/or dependent students	3086	182987
Total families	29451	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	73.7	20.3
Outer regional	25.6	6.5
Remote	0.7	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	27.1	19.0
% of occupied private dwellings with Internet access at home (2006)	54.3	63.4

REGIONAL ECONOMY	MURRAY	NSW
Av taxable income (2008)	35213	45439
Age pension recipients %	12.0	9.7
Disability support pension recipients – %	3.9	3.4
Most common industries of employment		
Sheep, beef cattle and grain farming	8.8	1.5
School education	4.7	4.4
Hospitals	3.0	3.3
Cafes, restaurants and takeaway food services	2.8	3.6
Supermarket and grocery stores	2.8	2.2
Total gross value of agricultural production (2006) – \$m	1305.2	9041.5
Unemployment rate (2009) – %	5.3	5.7
Number of businesses (2007)		
Total businesses	12381	679950
Total business entries	1494	108606
Total business exits	1368	99873

HOUSING	MURRAY	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	36.1	33.2
Being purchased	30.9	30.2
Rented	26.1	28.4
Median weekly rent	\$130	\$210
Median monthly housing loan repayment	\$1039	\$1517

REGIONAL PROFILE – MURRUMBIDGEE SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

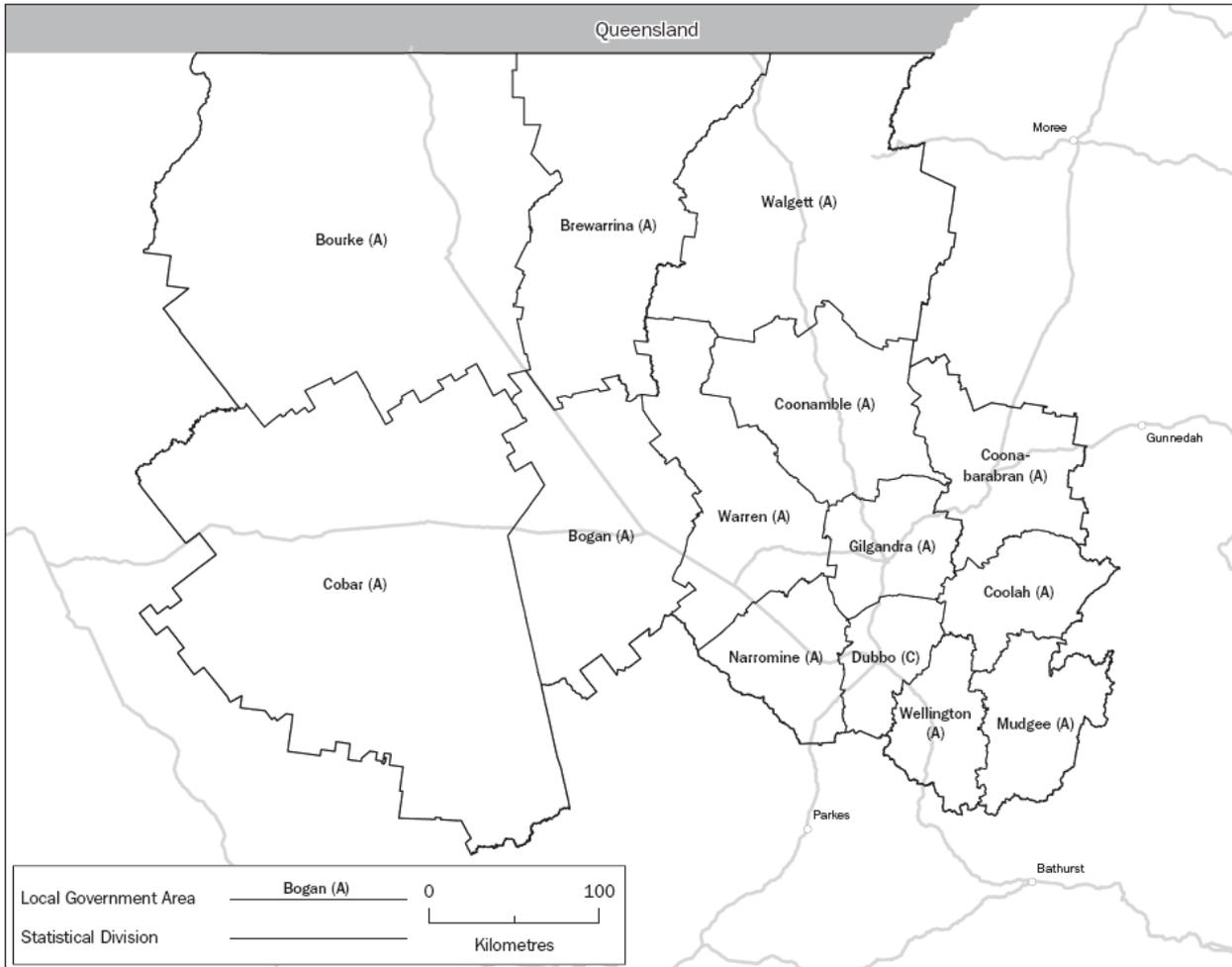
GEOGRAPHY AND POPULATION	MURRUM	NSW
Land area (2009) – km²	64230.6	801315.4
Area of agricultural land (2006)(ha '000)	5687	62119
Population (2009)		
Male	80082	3537399
Females	78511	3597022
Persons	158593	7134421
Population density (2009) (persons/km²)	2.5	8.9
Fertility rate per woman (2008)	2.1	1.9
Death rate per 1000 (2008)	6.3	6.0
Age group (2009) – %		
0-14 years	21.1	18.9
15-24 years	15.0	14.0
25-34 years	11.9	14.2
35-44 years	12.9	14.1
45-54 years	13.5	13.7
55-64 years	11.0	11.3
65-74 years	7.8	7.3
75-84 years	4.9	4.7
85 years and over	1.9	1.8
Indigenous population (2006) – %	4.2	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	1.3	2.6
NW Europe	2.5	5.9
Southern and Eastern Europe	1.7	4.0
North Africa and the Middle East	0.3	2.3
SE Asia	0.4	3.5
NE Asia	0.4	3.4
Southern and Central Asia	0.8	1.8
Americas	0.3	1.2
Sub-Saharan Africa	0.4	0.9
Total	8.0	25.6
Speak language other than English at home (2006) – %	5.7	21.3
% of persons aged 15 years and over with post school qualifications (2006)	46.3	54.5
Number of households (2006)	53247	2328217
Number of families (2006)		
Couple families with children under 15 and/or	14319	640554

dependent students		
One parent families with children under 15 and/or dependent students	4294	182987
Total families	38397	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	56.4	20.3
Outer regional	41.9	6.5
Remote	1.7	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	26.1	19.0
% of occupied private dwellings with Internet access at home (2006)	54.1	63.4

REGIONAL ECONOMY	MURRUM	NSW
Av taxable income ('08)	36203	45439
Age pension recipients %	10.2	9.7
Disability support pension recipients – %	3.7	3.4
Most common industries of employment (2006) %		
Sheep, beef cattle and grain farming	8.6	1.5
School education	5.2	4.4
Hospitals	3.1	3.3
Cafes, restaurants and takeaway food services	3.0	3.6
Supermarket and grocery stores	2.7	2.2
Total gross value of agricultural production (2006) – \$m	1542.4	9041.5
Unemployment rate (2009) – %	4.8	5.7
Number of businesses (2007)		
Total businesses	15333	679950
Total business entries	1926	108606
Total business exits	1833	99873

HOUSING	MURRUM	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	36.7	33.2
Being purchased	29.5	30.2
Rented	27.7	28.4
Median weekly rent	\$135	\$210
Median monthly housing loan repayment	\$1083	\$1517

REGIONAL PROFILE – NORTH WESTERN SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

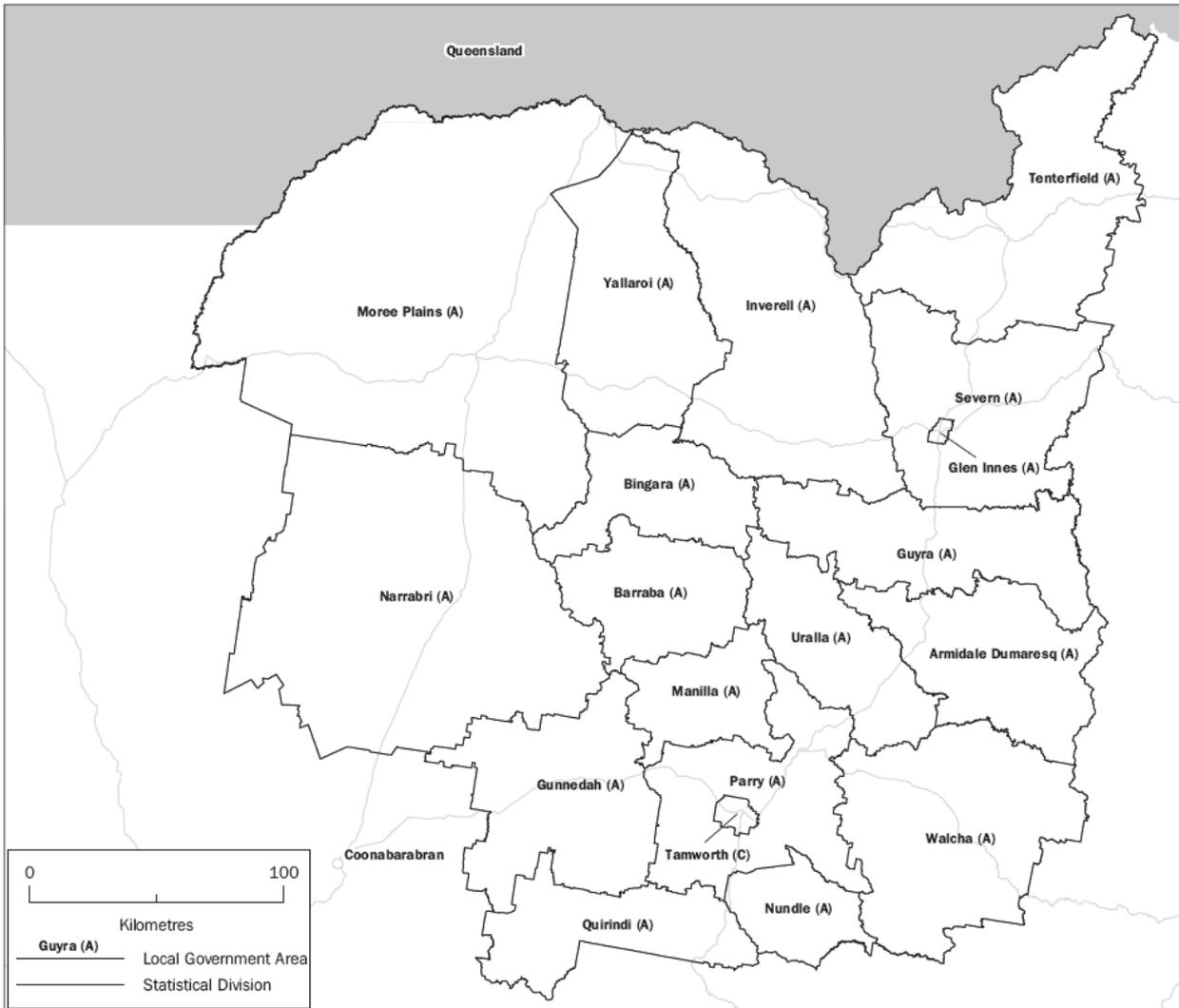
GEOGRAPHY AND POPULATION	NW	NSW
Land area (2009) – km²	200044.6	801315.4
Area of agricultural land (2006)(ha '000)	16769	62119
Population (2009)		
Male	60059	3537399
Females	58476	3597022
Persons	118535	7134421
Population density (2009) (persons/km²)	0.6	8.9
Fertility rate per woman (2008)	2.2	1.9
Death rate per 1000 (2008)	7.1	6.0
Age group (2009) – %		
0-14 years	21.6	18.9
15-24 years	12.5	14.0
25-34 years	11.7	14.2
35-44 years	13.0	14.1
45-54 years	13.9	13.7
55-64 years	12.0	11.3
65-74 years	8.5	7.3
75-84 years	5.1	4.7
85 years and over	1.7	1.8
Indigenous population (2006) – %	13.7	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	1.0	2.6
NW Europe	2.7	5.9
Southern and Eastern Europe	0.7	4.0
North Africa and the Middle East	0.1	2.3
SE Asia	0.3	3.5
NE Asia	0.2	3.4
Southern and Central Asia	0.2	1.8
Americas	0.3	1.2
Sub-Saharan Africa	0.2	0.9
Total	5.8	25.6
Speak language other than English at home (2006) – %	2.2	21.3
% of persons aged 15 years and over with post school qualifications (2006)	45.8	54.5
Number of households (2006)	40318	2328217
Number of families (2006)		
Couple families with children under 15 and/or	10144	640554

dependent students		
One parent families with children under 15 and/or dependent students	3782	182987
Total families	29055	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	41.2	20.3
Outer regional	36.2	6.5
Remote	20.5	0.5
Very remote	2.1	0.1
% of persons undertaking voluntary work (2006)	26.2	19.0
% of occupied private dwellings with Internet access at home (2006)	50.7	63.4

REGIONAL ECONOMY	NW	NSW
Av. taxable income (2008)	35482	45439
Age pension recipients – %	10.7	9.7
Disability support pension recipients – %	4.8	3.4
Most common industries of employment (2006) – %		
Sheep, beef cattle and grain farming	13.0	1.5
School education	6.5	4.4
Hospitals	3.6	3.3
Local government administration	2.9	1.3
Cafes, restaurants and takeaway food services	2.7	3.6
Total gross value of agricultural production (2006) – \$m	1008.7	9041.5
Unemployment rate (2009) – %	5.8	5.7
Number of businesses('07)		
Total businesses	12390	679950
Total business entries	1410	108606
Total business exits	1548	99873

HOUSING	NW	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	37.0	33.2
Being purchased	25.9	30.2
Rented	28.5	28.4
Median weekly rent	\$120	\$210
Median monthly housing loan repayment	\$1010	\$1517

REGIONAL PROFILE – NORTHERN SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

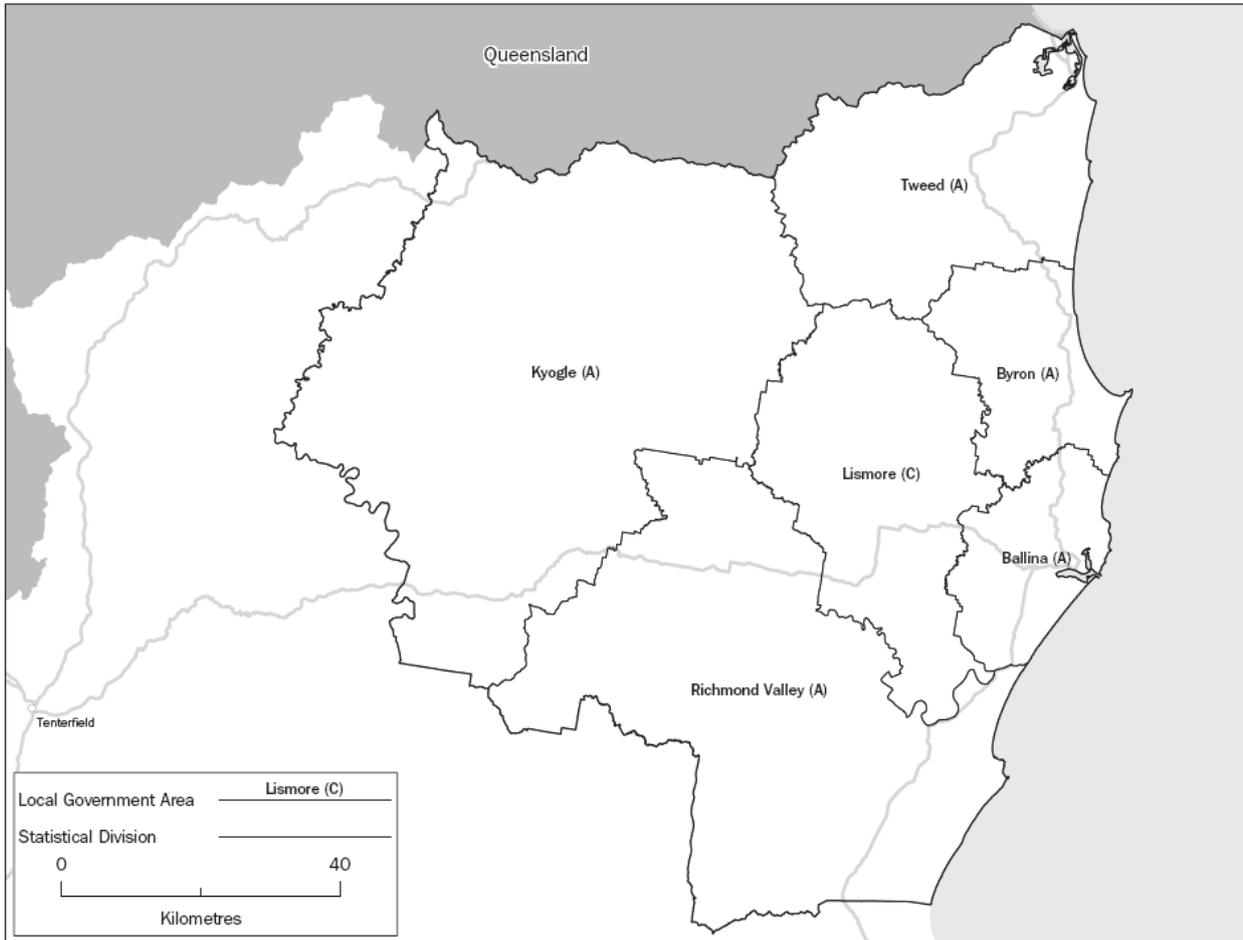
GEOGRAPHY AND POPULATION	N'ERN	NSW
Land area (2009) – km²	99755.4	801315.4
Area of agricultural land (2006)(ha '000)	7711	62119
Population (2009)		
Male	92280	3537399
Females	92542	3597022
Persons	184822	7134421
Population density (2009) (persons/km²)	1.9	8.9
Fertility rate (2008)	2.1	1.9
Death rate (2008)	6.9	6.0
Age group (2009) – %		
0-14 years	20.3	18.9
15-24 years	13.8	14.0
25-34 years	10.9	14.2
35-44 years	12.6	14.1
45-54 years	13.9	13.7
55-64 years	12.6	11.3
65-74 years	8.8	7.3
75-84 years	5.2	4.7
85 years and over	1.9	1.8
Indigenous population (2006) – %	8.3	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	0.9	2.6
NW Europe	2.8	5.9
Southern and Eastern Europe	0.4	4.0
North Africa and the Middle East	0.1	2.3
SE Asia	0.4	3.5
NE Asia	0.3	3.4
Southern and Central Asia	0.2	1.8
Americas	0.5	1.2
Sub-Saharan Africa	0.2	0.9
Total	5.8	25.6
Speak language other than English at home (2006) – %	2.0	21.3
% of persons aged 15 years and over with post school qualifications (2006)	46.3	54.5
Number of households (2006)	63848	2328217
Number of families (2006)		
Couple families with children under 15 and/or dependent students	15742	640554

One parent families with children under 15 and/or dependent students	5472	182987
Total families	45639	1716222
% of population by remoteness (2006)		
Major cities	0	72.6
Inner regional	40.6	20.3
Outer regional	57.8	6.5
Remote	1.6	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	27.7	19.0
% of occupied private dwellings with Internet access at home (2006)	51.4	63.4

REGIONAL ECONOMY	N'ERN	NSW
Average taxable income (2008)	34443	45439
Age pension recipients – %	11.2	9.7
Disability support pension recipients – %	4.6	3.4
Most common industries of employment (2006) – %		
Sheep, beef cattle and grain farming	12.7	1.5
School education	5.8	4.4
Hospitals	3.2	3.3
Cafes, restaurants and takeaway food services	3.1	3.6
Tertiary education	2.6	1.8
Total gross value of agricultural production (2006) – \$m	1779.2	9041.5
Unemployment rate (2009) – %	5.8	5.7
Number of businesses (2007)		
Total businesses	20247	679950
Total business entries	2403	108606
Total business exits	2412	99873

HOUSING	N'ERN	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	38.5	33.2
Being purchased	26.8	30.2
Rented	27.9	28.4
Median weekly rent	\$130	\$210
Median monthly housing loan repayment	\$975	\$1517

REGIONAL PROFILE – RICHMOND-TWEED SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

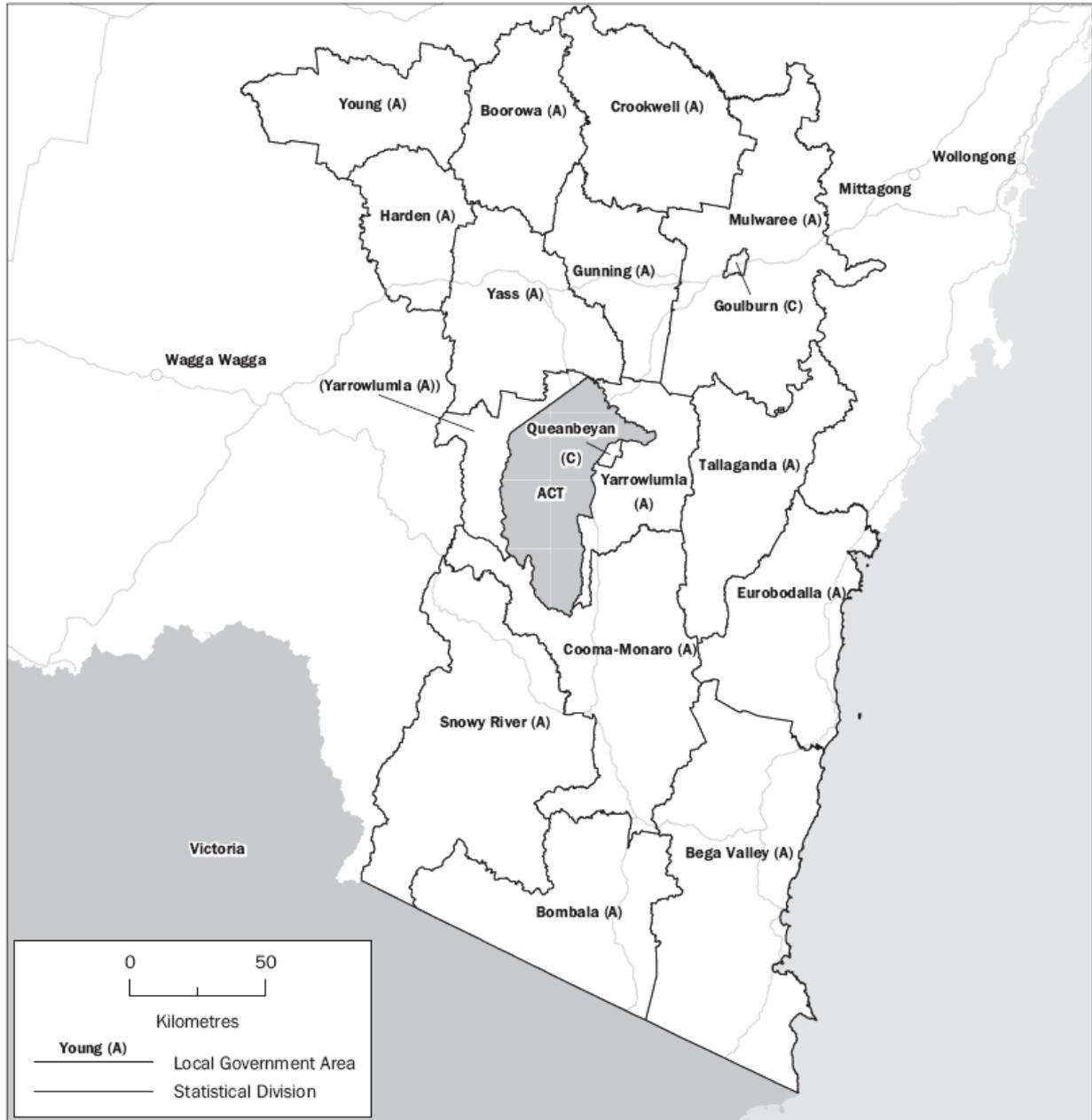
GEOGRAPHY AND POPULATION	RT	NSW
Land area (2009) – km²	10291.2	801315.4
Area of agricultural land (2006)(ha '000)	519	62119
Population (2009)		
Male	119429	3537399
Females	122525	3597022
Persons	241954	7134421
Population density (2009) (persons/km²)	23.5	8.9
Fertility rate per woman (2008)	2.0	1.9
Death rate per 1000 (2008)	6.0	6.0
Age group (2009) – %		
0-14 years	18.4	18.9
15-24 years	12.4	14.0
25-34 years	10.2	14.2
35-44 years	12.9	14.1
45-54 years	15.2	13.7
55-64 years	13.2	11.3
65-74 years	8.8	7.3
75-84 years	6.5	4.7
85 years and over	2.5	1.8
Indigenous population (2006) – %	3.4	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	2.2	2.6
NW Europe	6.6	5.9
Southern and Eastern Europe	0.8	4.0
North Africa and the Middle East	0.2	2.3
SE Asia	0.6	3.5
NE Asia	0.4	3.4
Southern and Central Asia	0.2	1.8
Americas	0.8	1.2
Sub-Saharan Africa	0.4	0.9
Total	12.2	25.6
Speak language other than English at home (2006) – %	3.3	21.3
% of persons aged 15 years and over with post school qualifications (2006)	50.4	54.5
Number of households (2006)	84467	2328217
Number of families (2006)		
Couple families with children under 15 and/or	18511	640554

dependent students		
One parent families with children under 15 and/or dependent students	8241	182987
Total families	59209	1716222
% of population by remoteness (2006)		
Major cities	27.3	72.6
Inner regional	71.5	20.3
Outer regional	1.2	6.5
Remote	0	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	24.0	19.0
% of occupied private dwellings with Internet access at home (2006)	56.6	63.4

REGIONAL ECONOMY	RT	NSW
Average taxable income (2008)	33334	45439
Age pension recipients - %	12.7	9.7
Disability support pension recipients – %	5.5	3.4
Most common industries of employment (2006) – %		
School education	5.6	4.4
Cafes, restaurants and takeaway food services	4.3	3.6
Hospitals	4.0	3.3
Supermarket and grocery stores	2.9	2.2
Residential care services	2.4	1.6
Total gross value of agricultural production (2006) – \$m	402.4	9041.5
Unemployment rate (2009) – %	6.7	5.7
Number of businesses (2007)		
Total businesses	20802	679950
Total business entries	3069	108606
Total business exits	2700	99873

HOUSING	RT	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	39.3	33.2
Being purchased	26.0	30.2
Rented	27.3	28.4
Median weekly rent	\$190	\$210
Median monthly housing loan repayment	\$1127	\$1517

REGIONAL PROFILE – SOUTH EASTERN SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

GEOGRAPHY AND POPULATION	SE	NSW
Land area (2009) – km²	51670.0	801315.4
Area of agricultural land (2006)(ha '000)	2767	62119
Population (2009)		
Male	109161	3537399
Females	107432	3597022
Persons	216593	7134421
Population density (2009) (persons/km²)	4.2	8.9
Fertility rate per woman (2008)	2.1	1.9
Death rate per 1000 (2008)	6.4	6.0
Age group (2009) – %		
0-14 years	19.1	18.9
15-24 years	11.9	14.0
25-34 years	10.5	14.2
35-44 years	13.5	14.1
45-54 years	15.1	13.7
55-64 years	13.7	11.3
65-74 years	9.2	7.3
75-84 years	5.2	4.7
85 years and over	1.8	1.8
Indigenous population (2006) – %	2.7	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excl Aus)	1.4	2.6
NW Europe	6.6	5.9
Southern and Eastern Europe	2.2	4.0
North Africa and the Middle East	0.2	2.3
SE Asia	0.7	3.5
NE Asia	0.3	3.4
Southern and Central Asia	0.2	1.8
Americas	0.6	1.2
Sub-Saharan Africa	0.3	0.9
Total	12.6	25.6
Speak language other than English at home (2006) – %	5.2	21.3
% of persons aged 15 years and over with post school qualifications (2006)	51.9	54.5
Number of households (2006)	73836	2328217
Number of families (2006)		
Couple families with children under 15 and/or	18316	640554

dependent students		
One parent families with children under 15 and/or dependent students	5530	182987
Total families	53395	1716222
% of population by remoteness (2006)		
Major cities	18.1	72.6
Inner regional	52.0	20.3
Outer regional	29.8	6.5
Remote	0.2	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	25.6	19.0
% of occupied private dwellings with Internet access at home (2006)	58.5	63.4

REGIONAL ECONOMY	SE	NSW
Av. taxable income (2008)	38577	45439
Age pension recipients - %	11.3	9.7
Disability support pension recipients - %	3.9	3.4
Most common industries of employment (2006) – %		
Sheep, beef cattle and grain farming	5.2	1.5
School education	4.4	4.4
Central government administration	3.9	0.9
Cafes, restaurants and takeaway food services	3.8	3.6
Supermarket and grocery stores	2.8	2.2
Total gross value of agricultural production (2006) – \$m	580.5	9041.5
Unemployment rate (2009) – %	4.9	5.7
Number of businesses ('07)		
Total businesses	19623	679950
Total business entries	2619	108606
Total business exits	2394	99873

HOUSING	SE	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	38.4	33.2
Being purchased	29.3	30.2
Rented	24.3	28.4
Median weekly rent	\$155	\$210
Median monthly housing loan repayment	\$1200	\$1517

REGIONAL PROFILE – SYDNEY SD



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

REGIONAL PROFILE – SYDNEY SD INSET



Source: ABS, [Regional Statistics, New South Wales](#), 1362.1, 2004

GEOGRAPHY AND POPULATION	SYD	NSW
Land area (2009) – km²	12137.4	801315.4
Area of agricultural land (2006)(ha '000)	104	62119
Population (2009)		
Male	2226913	3537399
Females	2277556	3597022
Persons	4504469	7134421
Population density (2009) (persons/km²)	371.1	8.9
Fertility rate per women (2008)	1.8	1.9
Death rate per 1000 (2008)	5.7	6.0
Age group (2009) – %		
0-14 years	18.8	18.9
15-24 years	14.4	14.0
25-34 years	16.0	14.2
35-44 years	14.8	14.1
45-54 years	13.4	13.7
55-64 years	10.4	11.3
65-74 years	6.3	7.3
75-84 years	4.1	4.7
85 years and over	1.7	1.8
Indigenous population (2006) – %	1.1	2.2
Overseas born population (2006) – %		
Oceania and Antarctica (excluding Australia)	3.3	2.6
NW Europe	6.3	5.9
Southern and Eastern Europe	5.3	4.0
North Africa and the Middle East	3.6	2.3
SE Asia	5.2	3.5
NE Asia	5.2	3.4
Southern and Central Asia	2.7	1.8
Americas	1.7	1.2
Sub-Saharan Africa	1.2	0.9
Total	34.4	25.6
Speak language other than English at home (2006) – %	31.4	21.3
% of persons aged 15 years and over with post school qualifications (2006)	57.2	54.5
Number of households (2006)	1423521	2328217
Number of families (2006)		
Couple families with children under 15 and/or	420456	640554

dependent students		
One parent families with children under 15 and/or dependent students	105519	182987
Total families	1063379	1716222
% of population by remoteness (2006)		
Major cities	97.5	72.6
Inner regional	2.5	20.3
Outer regional	0	6.5
Remote	0	0.5
Very remote	0	0.1
% of persons undertaking voluntary work (2006)	16.6	19.0
% of occupied private dwellings with Internet access at home (2006)	68.2	63.4

REGIONAL ECONOMY	SYD	NSW
Average taxable income (2008)	49770	45439
Age pension recipients – %	8.1	9.7
Disability support pension recipients – %	2.6	3.4
Most common industries of employment (2006) – %		
School education	4	4.4
Cafes, restaurants and takeaway food services	3.6	3.6
Hospitals	3.2	3.3
Legal and accounting services	2.8	2.4
Depository financial intermediation	2.2	1.8
Total gross value of agricultural production (2006) – \$m	630.1	9041.5
Unemployment rate (2009) – %	5.6	5.7
Number of businesses (2007)		
Total businesses	448284	679950
Total business entries	76653	108606
Total business exits	69624	99873

HOUSING	SYD	NSW
Tenure type – occupied private dwellings (2006) – %		
Fully owned	30.1	33.2
Being purchased	31.1	30.2
Rented	29.7	28.4
Median weekly rent	\$250	\$210
Median monthly housing loan repayment	\$1800	\$1517