KEY ISSUES FOR THE 57th PARLIAMENT

NSW Parliamentary Research Service

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Foreword

Matthew Dobson

Welcome to the 57th Parliament of New South Wales (NSW). As part of your welcome, I am pleased to present the *Key Issues for the 57th Parliament* publication, which has been prepared by the NSW Parliamentary Research Service. The main focus of this publication is to provide Members of Parliament with an authoritative overview of a selection of 45 key issues affecting NSW in 2019.

It begins by examining the demographic profile of NSW, before considering the current state of our economy and the ongoing challenges of planning and transport. The latest evidence and developments on matters of enduring interest to the NSW community such as health, education, crime and justice, housing and the environment are all covered. Social issues ranging from euthanasia to abortion are also considered. The publication ends with coverage of two political issues receiving recent attention: women in parliament and treaties with Indigenous peoples.

The *Key Issues for the 57th Parliament* publication is the third in a series which was first developed by the Research Service in 2011. Based in the Parliamentary Library, the Research Service was established to provide Members of Parliament and their staff with:

- An impartial, independent and evidence-based source of research and analysis on legislation and/or policy issues;

The Research Service has subject matter expertise in the areas of law, social issues, health, media, politics, environment and planning. It enhances the Library's research capacity by providing analysis and interpretation of information, statistical data and other reference material.

The Research Service publishes papers on a diverse range of public policy issues, including legislation before the Parliament. Recent examples include: Adult safeguarding laws; The High Court's decision on third-party campaign spending and Trends in NSW population growth. The Research Service also provides quarterly economic updates and a monthly release on Regional labour force trends and NSW electorates. This publication uses interactive maps and charts to enable the presentation of labour force indicators and trends across different NSW geographical regions, including electorates.

All of the Research Service's publications are available on the Parliament's website. The release of our publications can also be followed on Twitter @NSWParlResearch.

The Research Service also provides confidential responses to individual research requests from Members of Parliament. Requests can be made by directly contacting the Manager, Parliamentary Research Service in person, by phone or by email at DPS.ResearchService@parliament.nsw.gov.au or DPS.Library@parliament.nsw.gov.au.

Dr Matthew Dobson
Senior Manager, NSW Parliamentary Research Service
11 April 2019

10 key findings

NSW Parliamentary Research Service

1. In NSW, the juvenile domestic and family violence offending rate has increased from 154.5 per 100,000 in 2008 to 195.7 per 100,000 in 2017. The most common scenario involved a young male offender and his mother [For further information see **Domestic violence**].

2. In February 2019, 99.8% of NSW was experiencing either intense drought (26.3%), drought (52.2%) or was drought affected (21.3%) [**Drought**].

3. Over the past five years, NSW average annual wage growth was 2.3%. Over the previous ten years, it was 3.7% [**Wage growth**].

4. Every day, two people die by suicide in NSW. The number of suicides is more than double the number of road fatalities [**Suicide**].

5. The proportion of days where the NSW Government Air Quality Index met the national standard fell across all NSW regions between 2016 and 2018 [**Environmental issues**].

6. Since February 2003, the underemployment rate in NSW has eclipsed the unemployment rate. In December 2018, the underemployment rate was 7.8%, and the unemployment rate was 4.3% [**Underemployment**].

7. In 2017-18, 15.7% of NSW's electricity was generated from renewable energy. This was below the national average (16.9%) and well below South Australia (46.6%) and Tasmania (91.3%) [**Energy statistics**].

8. There were 749,504 emergency department attendances in the October to December 2018 quarter, up 3.4% compared with the same quarter last year [**Hospital performance**].

9. A total of 11,180 people suffered serious injuries on NSW roads in 2018, down from 12,340 in 2017. The serious injury rate was 141.2 per 100,000 for the 12 months ending June 2018 [**Road safety**].

10. Social housing providers now support some of the most vulnerable members of the NSW community. This is a shift away from the predominantly working families the system originally supported. Tenants are now more likely to have a range of complex needs, with providers having to adapt to these changing requirements [**Social housing**].

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

NSW population growth

Chris Angus

Between 2007 and 2017 the NSW population increased by just over one million people to reach 7.9 million, the second largest State population growth after Victoria. Since Federation, NSW's growth rate, while fluctuating significantly, has averaged 1.5% per annum.

Where has growth occurred?

Over the ten years to 2017, NSW 'major cities' recorded the lion's share of population growth, in line with a global trend towards urbanisation. The Sydney electorates of Camden (+58.8%), Heffron (+51.3%) and Riverstone (+50.7%) recorded the largest growth. In contrast, eight of the ten electorates recording the lowest population growth were outside Sydney.

Due to its small geographic size, Sydney has a significantly higher population density than the rest of NSW. With the exception of Kogarah, nine of the ten electorates with the highest densities are located in two regions of Sydney: Sydney (East/Inner) and Sydney (West).

NSW electorates by population growth, June 2007 to June 2017

Highest growth	Change (No)	Change (%)
Camden	35,896	58.5
Heffron	39,353	51.3
Riverstone	32,567	50.7
Auburn	29,753	35.8
Drummoyne	20,706	32.0
Parramatta	26,797	31.9
Londonderry	22,565	30.2
Newtown	19,906	27.4
Rockdale	19,159	25.4
Maitland	16,025	24.6
Lowest growth	**Change (No)**	**Change (%)**
Barwon	-5,168	-6.2
Lismore	1,054	1.4
Cootamundra	1,293	1.8
Murray	2,316	2.8
Northern Tablelands	2,270	2.9
Blue Mountains	2,769	3.9
Clarence	2,927	4.1
Heathcote	3,199	4.2
Charlestown	3,480	4.9
Upper Hunter	3,792	5.2

NSW annual population growth rate, 1901 to 2017

2.0% (1901-09)
2.4% (1910-19)
2.1% (1920-29)
0.9% (1930-39)
1.3% (1940-49)
1.9% (1950-59)
1.7% (1960-69)
1.4% (1970-79)
1.2% (1980-89)
1.0% (1990-99)
1.0% (2000-09)
1.4% (2010-17)
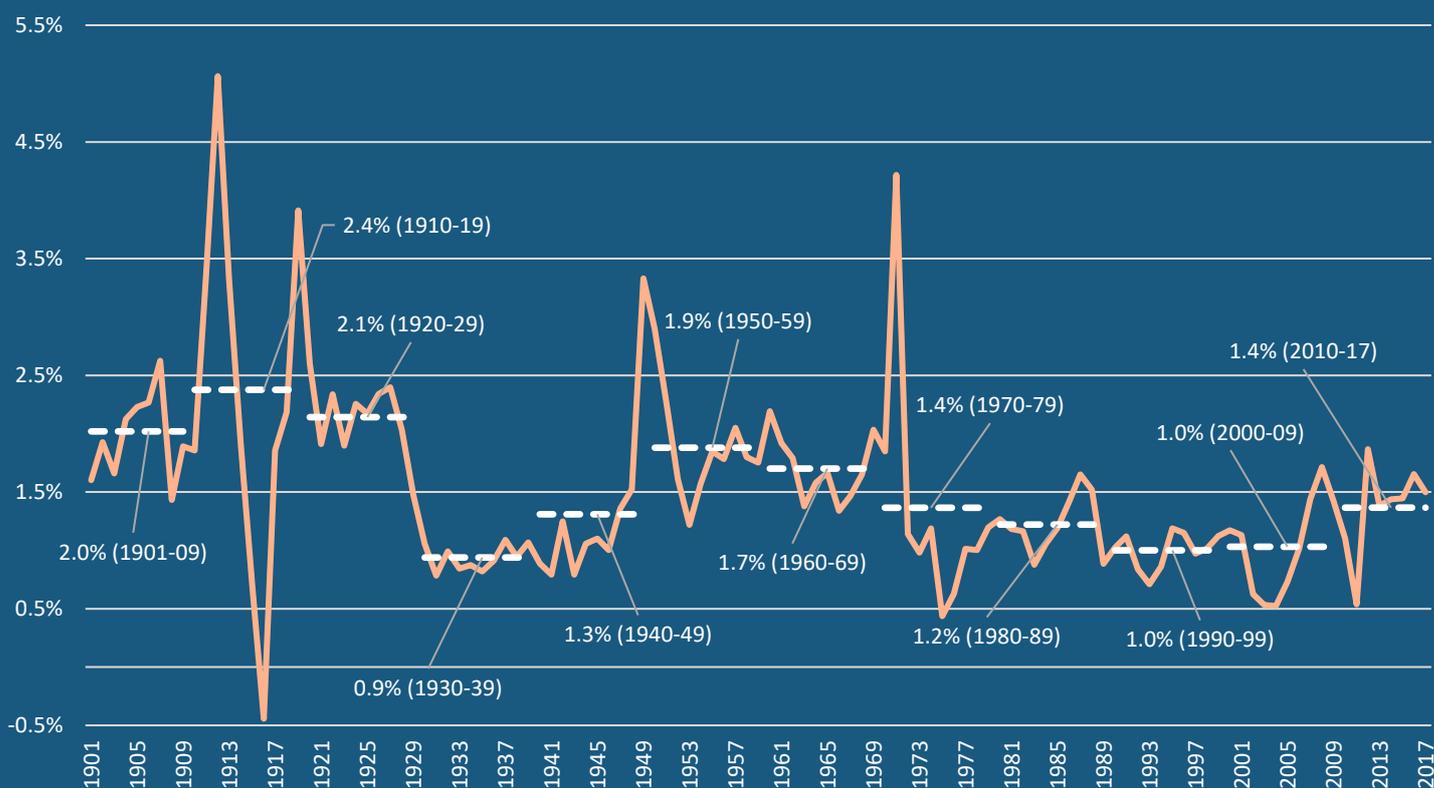
Components of population change

Two components contribute the most to population change: natural increase (i.e. births minus deaths); and net overseas migration (i.e. net gain of population from immigration and emigration). NSW's natural population increase has remained largely stable since 1981. In contrast, net overseas migration (NOM) has played a significant role in population growth, especially since the mid-2000s.

The largest contributors to NOM are temporary visa-holders and permanent visa-holders. Since 2004-05, temporary visa-holders have consistently outnumbered permanent visa-holders. In 2016-17, there were 73,500 net temporary visa-holders and 33,000 net permanent visa-holders. Of these temporary visa-holders, 40,190 were international students. Between June 2016 and June 2017, 85% of NOM growth (88,770 persons) in NSW occurred in Sydney, with just 15% of migrants (15,708 persons) moving elsewhere in the State.

Top ten NSW electorates by population density, June 2007 to June 2017

Electorate	Density (pp km²)	Change (pp km²)
Newtown	9,003.2	1,934.5
Sydney	7,405.9	1,420.2
Heffron	3,290.8	1,115.4
Balmain	5,565.3	994.7
Kogarah	5,427.7	906.7
Strathfield	4,416.5	833.1
Coogee	7,120.9	832.7
Drummoyne	3,351.0	812.3
Granville	4,301.4	808.1
Auburn	2,882.3	760.0

Key documents

Angus C, *Trends in NSW population growth*, e-brief 01/2019, January 2019

Montoya D and Angus C, *Visualising NSW electorates: Population growth*, January 2019

Average five year NSW quarterly growth, natural increase vs net overseas migration ('000)

Period	Natural increase	Net overseas migration
1983-1987	10.6	9.3
1988-1992	11.0	11.1
1993-1997	10.8	8.2
1998-2002	10.2	11.2
2003-2007	10.9	11.8
2008-2012	12.6	16.7
2013-2017	11.1	19.9
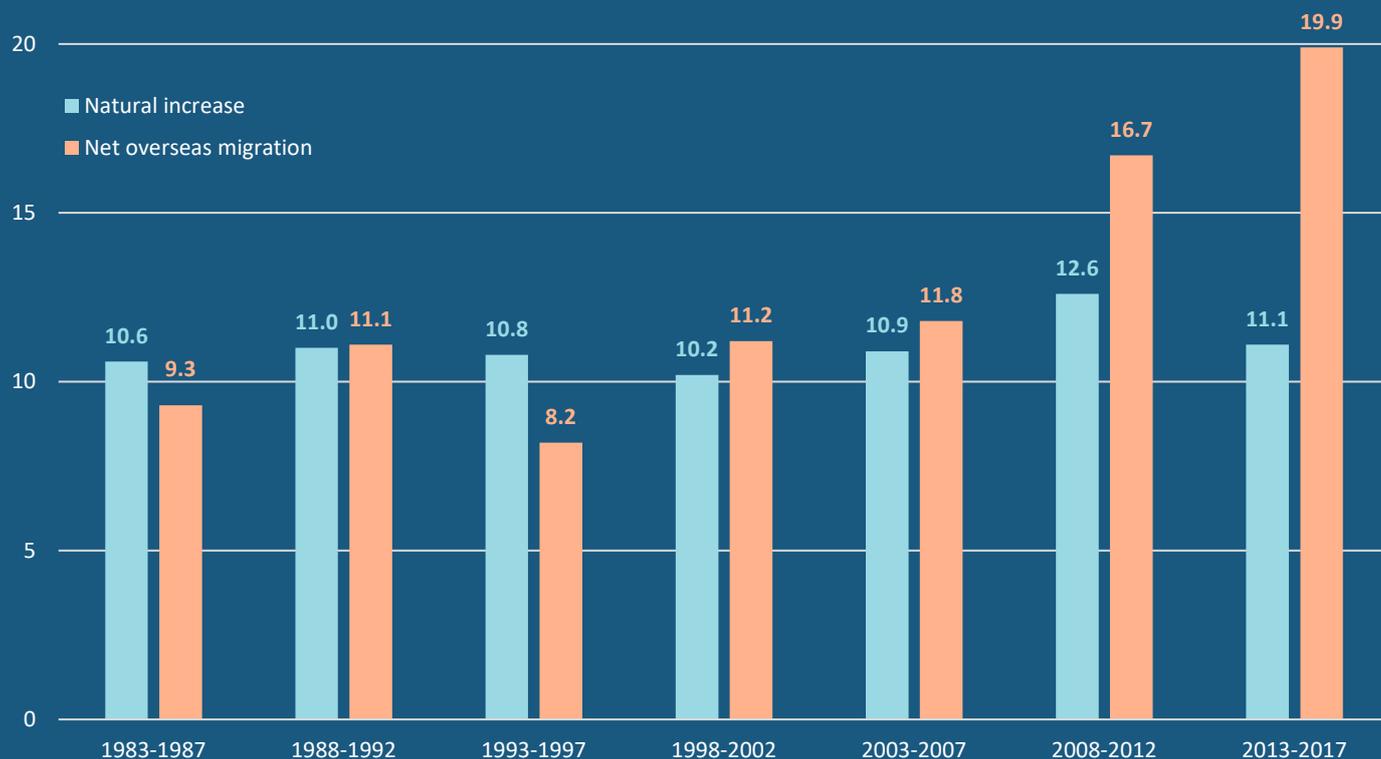
Multicultural NSW

Madeleine Dowd

The 2016 Australian Bureau of Statistics (ABS) Census data provides the latest data on the cultural, ethnic and religious characteristics of the NSW population.

What is the make-up of the overseas born population in NSW?

According to the 2016 Census data, 26.7% of the NSW population were born in a country other than Australia. This in an increase from 2011 (25.7%), and is slightly higher than the national rate (26.0%). Of the States and Territories, NSW is home to the largest share of the overseas born population (33.6%). The most common country of birth outside of Australia was China (3.1%). In 2011, the most common overseas country of birth was England at 3.3% (3.0% in 2016).

## What is the ancestral background of NSW's population?

The Census provides for ancestry to be self-defined, with people able to nominate up to two ancestries. Based on the 2016 Census, the most common ancestries in NSW were English (30.8%) and Australian (30.2%). These figures have both decreased since 2011, where they were 31.1% and 32.1%, respectively.

The NSW population has seen an increase of people with Chinese ancestry, going from 5.5% in 2011 to 6.9% in 2016. This is higher than the 2016 national rate of 5.2%. There has also been an increase of the number of people with Indian ancestry, at 2.0% in 2011 and 2.8% in 2016. The Census also shows that 0.4% of NSW's population identifies their ancestry as Australian Aboriginal [For further information see **Indigenous peoples**].

Overseas countries of birth, NSW 2016

Country	Percentage
China	3.1%
England	3.0%
India	1.9%
New Zealand	1.6%
Phillipines	1.2%
Vietnam	1.1%
Lebanon	0.8%
South Korea	0.7%
Italy	0.7%
South Africa	0.6%

Ancestries, NSW 2016

Ancestry	Percentage
English	30.8%
Australian	30.2%
Irish	9.9%
Scottish	7.8%
Chinese	6.9%
Italian	3.6%
German	3.2%
Indian	2.8%
Lebanese	2.2%
Greek	1.8%
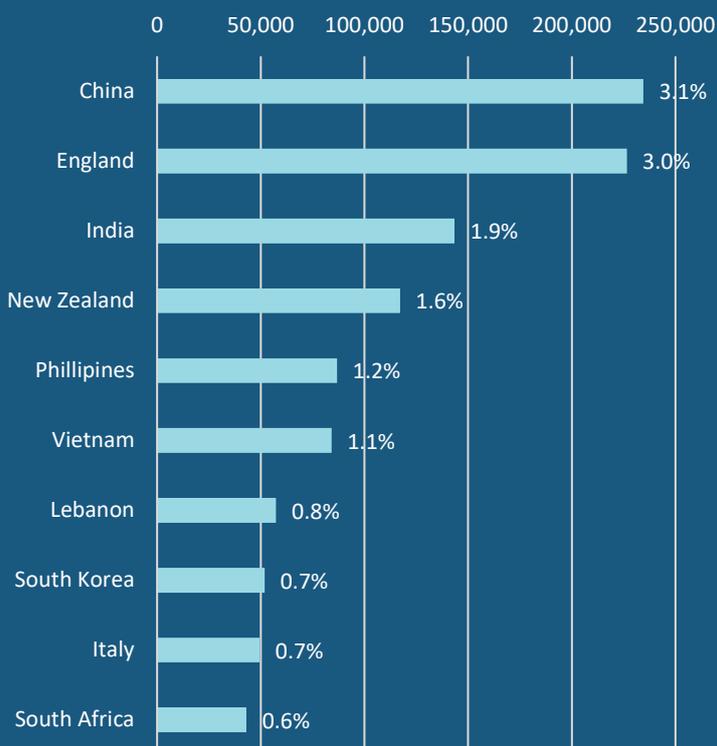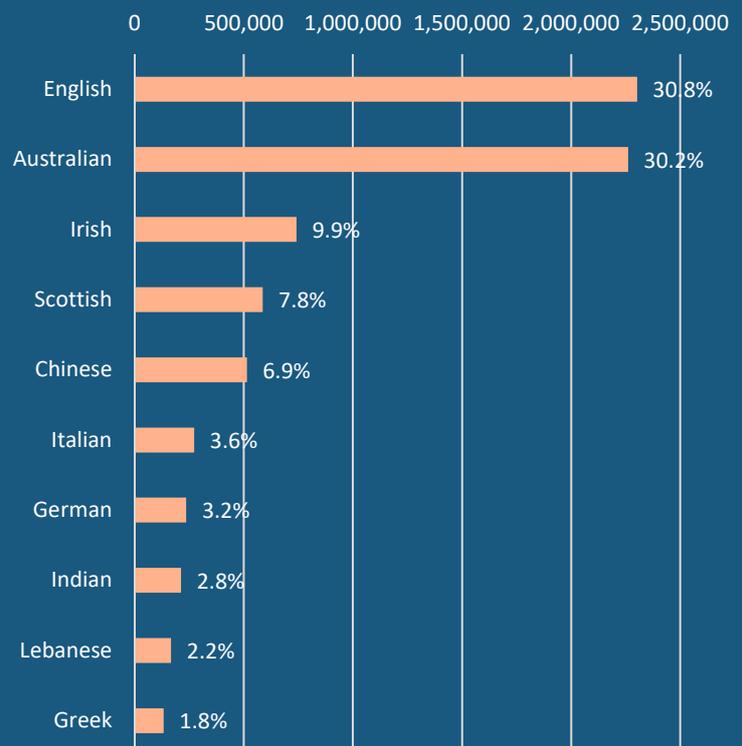
What languages are spoken in NSW?

In NSW, 68.5% of the population only speak English at home in 2016. In comparison, the national figure was 72.7%.

Approximately 5.4% of the NSW population speaks a Chinese language at home, with Mandarin making up the largest proportion (3.2%). This is an increase from 2011, where 2.0% of the population spoke Mandarin at home, and 4.3% spoke a Chinese language. According to the 2016 Census, 3.2% of the population speaks an Indo-Aryan language at home, with Hindi being the most commonly spoken, at 0.9%. In 2011, the total figure was 2.3%, with this change reflecting the increase of people who are born in India or have Indian ancestry in the NSW population.

What are the major religious affiliations in NSW?

In 2016, 25.4% of the NSW population identified themselves as having no religion (as defined by the ABS). This is an increase from 2011, where this figure was 17.5%, but is lower than the 2016 national rate of 29.9%.

Christian religions account for 55.2% of all religious affiliation in NSW. The largest denominations are Catholicism (24.7% of the NSW population) and Anglicanism (15.5% of the NSW population). Outside of Christianity, Islam is the most common religion in NSW, at 3.6%, an increase from 3.2% in 2011. Hinduism has also seen an increase, at 2.4% in 2016 and 1.7% in 2011.

Key documents

Montoya D, *NSW Electorate Profiles: 2016 Census*, Background Paper 02/2018, May 2018

Non-English languages spoken, NSW 2016

Language	Percentage
Mandarin	3.2%
Arabic	2.7%
Cantonese	1.9%
Vietnamese	1.4%
Greek	1.1%
Italian	1.0%
Hindi	0.9%
Korean	0.8%
Spanish	0.8%
Tagalog	0.6%
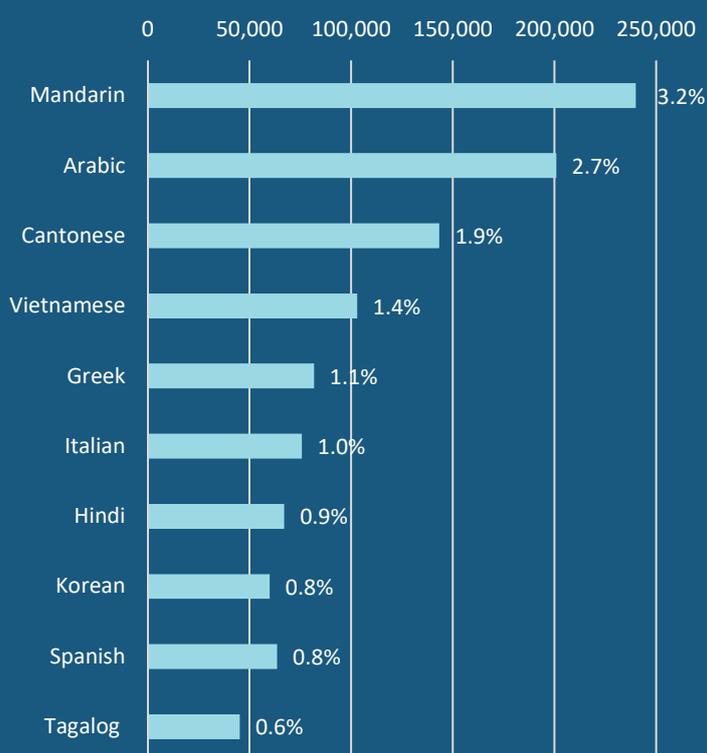
Religious affiliations, NSW 2016

Religion	Percentage
No Religion	25.4%
Catholic	24.7%
Anglican	15.5%
Islam	3.6%
Buddhisim	2.8%
Uniting Church	2.9%
Eastern Orthodox	2.5%
Presbyterian	2.5%
Hindusim	2.4%
Judaism	0.5%
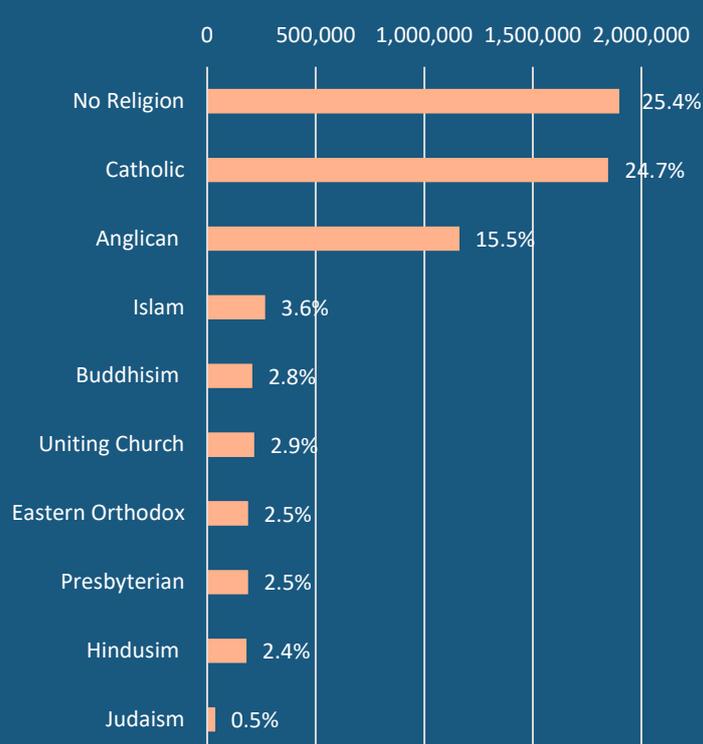
Indigenous peoples

Chris Angus

While improvements have been made since the 2006 Census, the 2016 Census shows that Aboriginal and Torres Strait Islander peoples (ATSI) experience worse outcomes across a range of indicators compared to their non-Indigenous counterparts. According to the Australian National University's Centre for Aboriginal Economic Policy Research, this is an ongoing consequence of historic violence, dispossession and other forms of colonial domination faced by ATSI people.

NSW Indigenous population

Top ten NSW electorates by proportion of ATSI people, 2016 Census

| Electorate	% electorate pop.	ATSI (No)
Barwon	16.5	12,754
Dubbo	13.2	10,095
Tamworth	10.5	8,099
Northern Tablelands	9.7	7,684
Oxley	8.3	6,012
Orange	7.2	5,581
Cessnock	6.7	5,161
Upper Hunter	6.7	5,039
Clarence	6.6	4,857
Myall Lakes	6.4	4,521

According to the 2016 Census, 649,171 Australians identified themselves as being of ATSI origin, with 216,171 residing in NSW. Indigenous people comprise just 2.9% of the NSW population, although they form a larger minority in many regional electorates. This proportion is lower than the Northern Territory (25.5% identified as Indigenous), Tasmania (4.6%), Queensland (4.0%) and Western Australia (3.1%). Of the NSW Indigenous population, 109,442 (50.8% of the total NSW Indigenous population) live in regional NSW. 58,442 Indigenous people live in the Sydney region (27.1%); and 47,432 (22.0%) reside in the greater metropolitan region.

Proportion of NSW population by age group, 2016 Census

Age group	ATSI	Non-ATSI
75+	1.6%	7.3%
65 to 74	3.7%	9.2%
55 to 64	7.4%	12.0%
45 to 54	10.4%	13.2%
35 to 44	10.6%	13.5%
25 to 34	12.8%	14.2%
15 to 24	19.1%	12.4%
5 to 14	22.8%	12.1%
Under 5	11.5%	6.1%
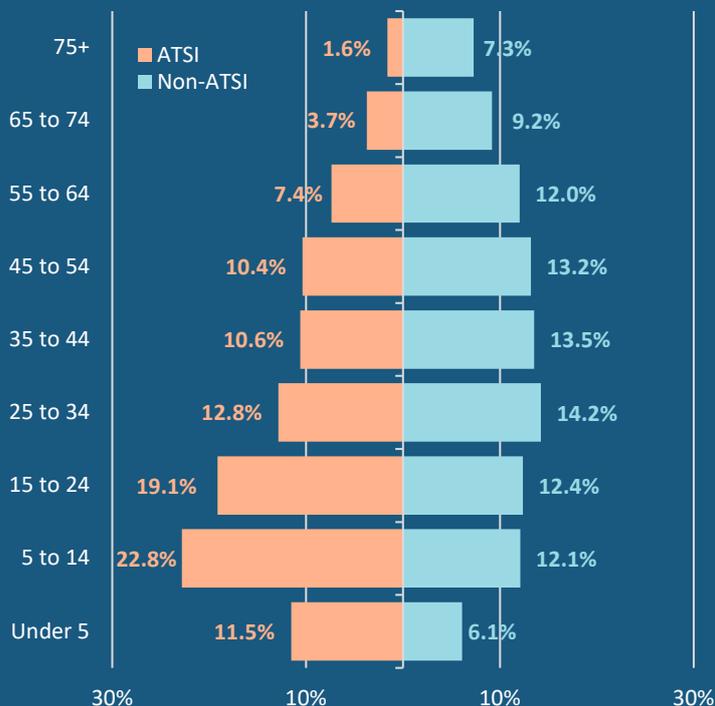
NSW labour force status, 2016 Census

Status	ATSI	Non-ATSI
Employed (full-time)	27.0%	37.4%
Employed (part-time)	15.7%	18.7%
Employed (away)	3.3%	3.0%
Unemployed	8.3%	3.8%
NILF	43.0%	35.9%
Not stated	2.7%	1.2%
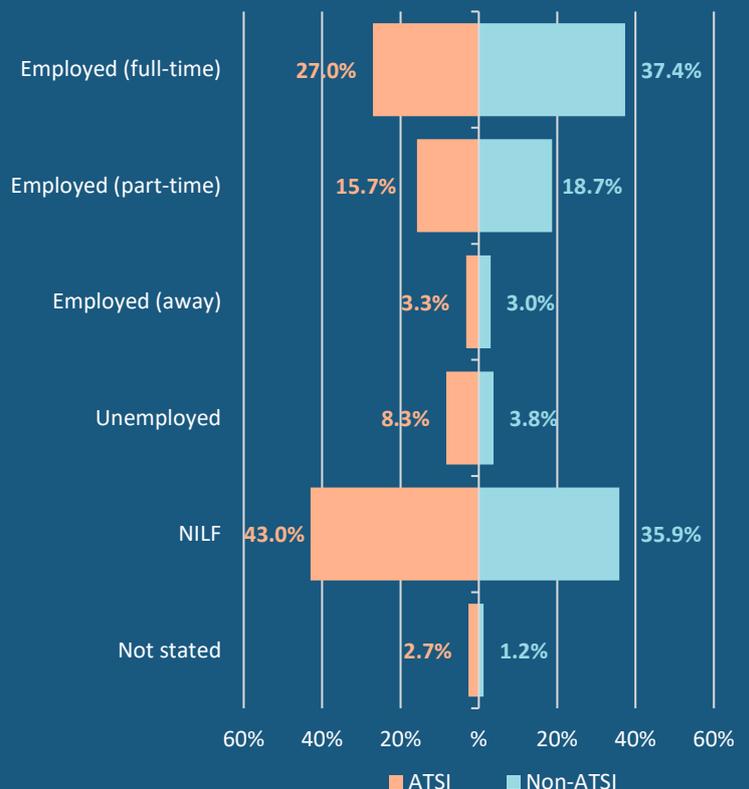
The NSW Indigenous community has a much younger age profile than the non-Indigenous population: 53.5% of the State's Indigenous population is under the age of 25, compared to 30.6% of the non-Indigenous community. A divergence is also apparent in the 65 and older age groups, with only 5.4% of the NSW Indigenous population aged 65 and over compared to 16.5% of non-Indigenous people.

Educational attainment

Education is crucial for overcoming disadvantage. Both the NSW and Commonwealth Governments are trying to improve educational attainment opportunities for ATSI students. In NSW, Indigenous people aged 15 and over were half as likely as non-Indigenous people of the same age to have completed Year 12 or its equivalent. 53.5% of Indigenous people had only completed Year 11 or lower, compared to 34.9% of non-Indigenous persons. There is also a divergence within tertiary education. While there are similar proportions of 18-24 year old Indigenous and non-Indigenous youth in TAFE (8.2% and 9.3% respectively), Indigenous youth are significantly less likely to attend university than their non-Indigenous counterparts (10.9% and 36.2%). Only 6.7% of Indigenous people have a Bachelor Degree or above, compared to 25.3% of non-Indigenous people.

In comparison to other States and Territories, NSW has the third highest proportion of Indigenous people who have completed either a postgraduate degree or a bachelor's degree (the ACT and Victoria rank first and second respectively), but the second largest proportion whose highest qualifications were limited to Year 9 or below (the Northern Territory ranking first on this measure).

Income and labour force

The 2016 Census reveals that 54.4% of NSW Indigenous people earn under $800 per week, compared to 44.5% of non-Indigenous people. The greatest difference is seen in the lowest income bracket of $1-299 per week (16.9% of Indigenous people compared to 11.3% of non-Indigenous people), and the highest bracket of $1,750-$2,999 per week (4.1% vs 9.4%). Indigenous people in NSW are less likely to be in the labour force than non-Indigenous people. 43.0% of Indigenous people are not in the labour force (NILF) compared with 35.9% of non-Indigenous people. They experience a higher proportion of unemployment, and lower proportions of both full and part-time employment.

NSW Indigenous youth (aged 15 to 24) are more likely to not be in the labour force (NILF; 44.7%) than non-Indigenous youth (37.4%). In keeping with the Indigenous labour force trends noted above, Indigenous youth are more likely to be unemployed, and less likely to be in full or part-time employment. However, NSW Indigenous youth have higher participation levels and lower levels of unemployment than the national average and in comparison to other States with significant Indigenous populations such as Queensland, Western Australia and the Northern Territory.

Key documents

Angus C, *Indigenous NSW: Findings from the 2016 Census*, Statistical Indicators 02/2018, March 2018

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NSW economy

Lenny Roth

Gross State Product

Based on 2017-18 ABS data:

- NSW Gross State Product (GSP) was $604 billion. NSW is the largest State or Territory economy.
- NSW GSP grew by 2.6% over the year. This was slightly lower than Australia's Gross Domestic Product (GDP) growth of 2.8%.
- The financial and insurance services industry makes the largest contribution to NSW GSP (11.8%).

Labour force

According to February 2019 ABS trend data:

- In NSW, there were 4.09 million employees: 2.83 million full-time (69%) and 1.26 million part-time (31%).
- In NSW, employment grew by 3.2% over the previous 12 months (higher than Australia's growth rate of 2.3%).
- The NSW unemployment rate was 4.2% (lower than the national rate of 5.0%).
- The NSW labour force participation rate was 65.1% (slightly lower than Australia's rate of 65.6%).
- For labour force data by NSW region, see this publication.

## Wages and prices

- The NSW Wage Price Index (WPI) grew by 2.4% over the year to the December 2018 quarter (marginally higher than the national WPI's growth rate of 2.3%).
- The Sydney Consumer Price Index (CPI) rose by 1.7% over the year to December 2018 (slightly lower than the 1.8% growth for the national CPI).

GSP annual growth
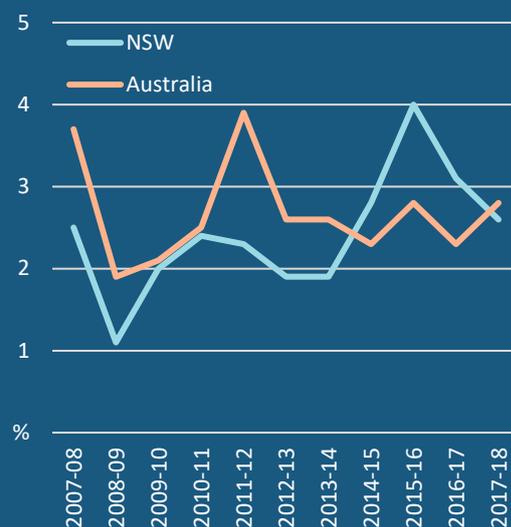
Top five industries by GSP
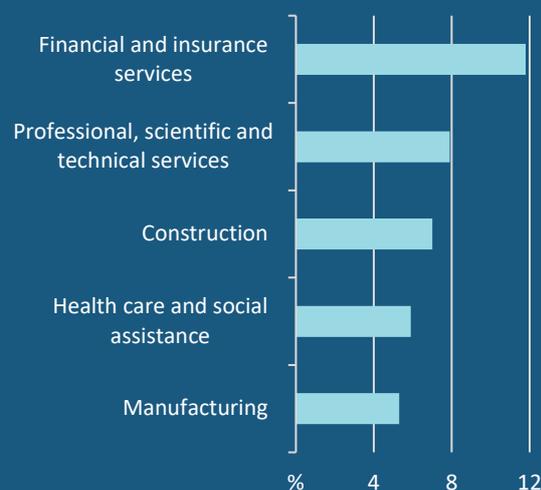
Unemployment rate
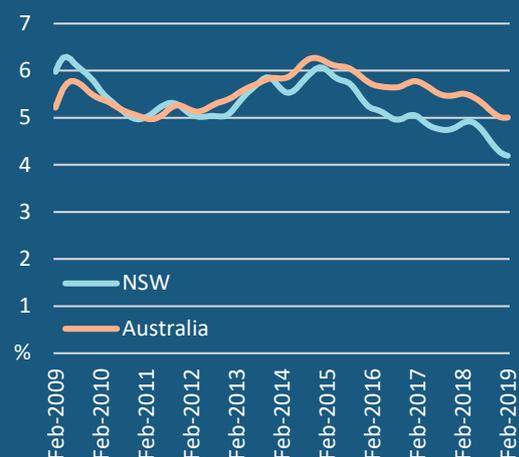
Business investment and confidence

- Based on December 2018 ABS trend data, business investment in NSW grew by 5.1% over the past year (higher than the five-year average of 4.7%).
- The *NAB Monthly Business Survey – February 2019* shows that business conditions and confidence in NSW have declined over the past year. It stated, "in trend terms, confidence is weakest in the eastern states, with NSW lowest".

International trade

According to Department of Foreign Affairs and Trade 2017-18 data:

- NSW merchandise and services exports were worth $89.4 billion, while imports totalled $157 billion, resulting in a trade balance of -$67.6 billion.
- The top merchandise export was coal ($16.9 billion), while the top services export was education-related travel ($12.1 billion).
- Japan was the top merchandise export destination accounting for 23% of these exports.

Comparison with other States

Commsec's January 2019 quarterly *State of the States Report* concluded that "NSW & Victoria now share the honour of the best performing Australian economy while the ACT is not far back in third spot". The report ranks the States and Territories by comparing the latest levels for eight key indicators with decade averages.

Economic outlook

NSW Treasury's *Pre-election Budget Update 2019* expects economic growth to be around 2½ per cent in 2018-19. As this growth rate was lower than expected at the *NSW Budget 2018-19 Half-Yearly Review*, the update commented:

> …Most of the revision is due to softer consumption growth, although a downgrade to the national growth outlook should also see a smaller contribution from interstate trade.

> …. The public sector is expected to remain a key source of strength, underpinned by a record construction pipeline, while conditions generally remain supportive for business investment and exports. Strong public demand is creating positive spill-overs to the private sector, while greater economic integration with Asia, solid growth potential for our major trading partners, a lower Australian dollar and elevated commodity prices, are all encouraging for the longer-term outlook.

Commsec January 2019 State of the States Report

Key indicator	NSW Rank
Economic growth	2
Retail spending	2
Equipment investment	2
Unemployment	2
Construction work	2
Population growth	4
Housing finance	5
Dwelling starts	2

Top five merchandise export destinations

Japan $12.3 bn
China $8.8bn
Republic of Korea $3.9 bn
Taiwan $3.0 bn
United States $2.7 bn

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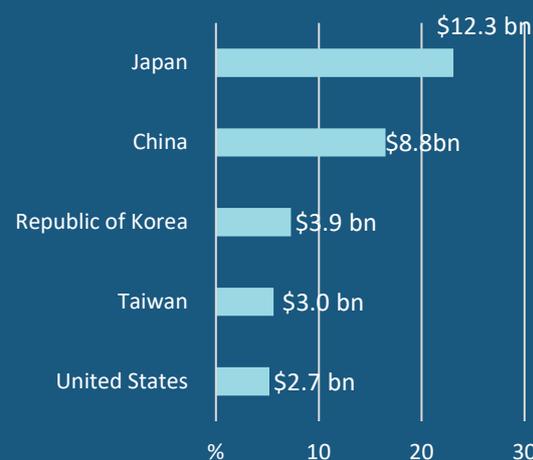
State finances

Lenny Roth

Fiscal position

Based on the _Report on State Finances 2017-18_ and the _Pre-Election Budget Update 2019_, key fiscal indicators for NSW are:

- The 2017-18 **budget result** was a $4.2 billion surplus; and the 2018-19 revised estimate is an $846 million surplus. The budget result represents the difference between revenues and expenses from transactions. This figure does not take into account asset sale proceeds or capital expenditure.

- The 2017-18 **net lending result** was a $2.8 billion deficit; and the 2018-19 revised estimate is an $11.6 billion deficit. The net lending result is the sum of the budget result before depreciation and net capital expenditure. A net lending deficit means that funds from operations plus asset sales are insufficient to fund capital expenditure, and the difference must be funded by borrowings.

- In 2017-18, **net debt** was negative $11.2 billion; and the 2018-19 revised estimate is negative $8.0 billion. Net debt is financial liabilities (e.g. borrowings) less financial assets (e.g. cash and deposits). A negative net debt figure means that financial assets exceeded financial liabilities. NSW has the lowest net debt of all states and territories.

- In 2017-18, **net financial liabilities** were $69.1 billion; and the 2018-19 revised estimate is $64.9 billion. Net financial liabilities is total liabilities less financial assets. It is a broader measure than net debt in that it includes significant liabilities other than borrowings (e.g. superannuation entitlements).
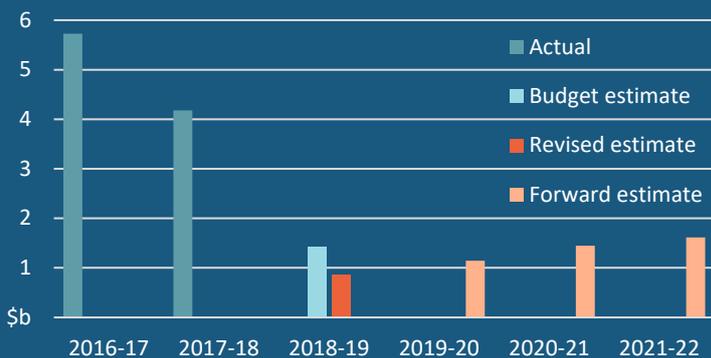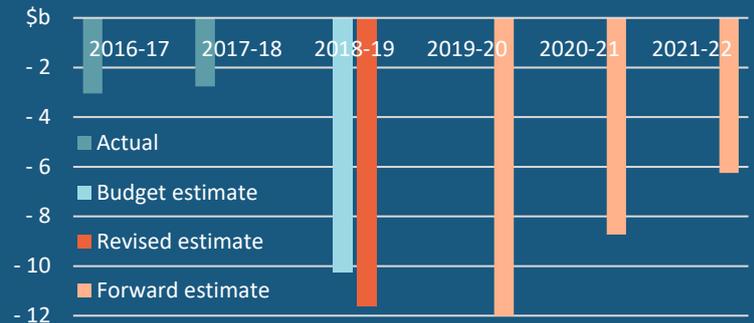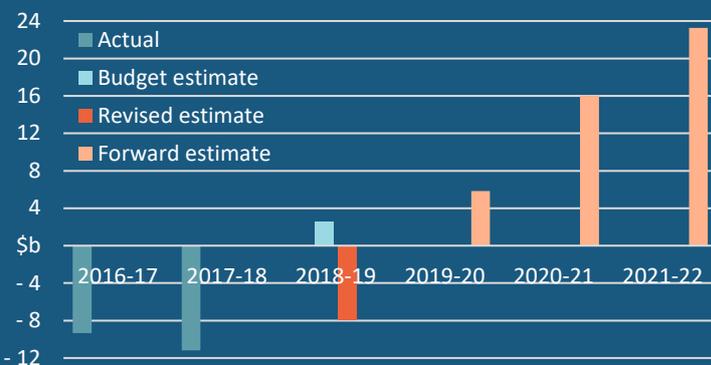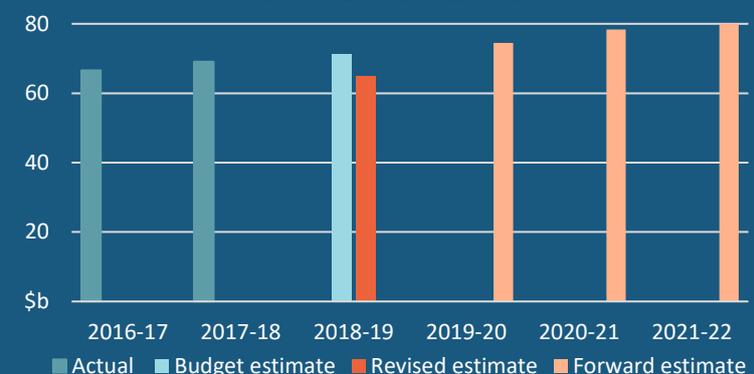
Fiscal responsibility targets

The *Fiscal Responsibility Act 2012* has the object of maintaining the State's AAA credit rating. The Act has two fiscal targets for achieving this object:

1. The annual growth in general government expenses of the State is less than the long-term average general government revenue growth of the State.
2. The elimination of the State's unfunded superannuation liability by 2030.

In a recent statutory review of the Act, NSW Treasury reported that the Government has achieved the object of the Act and the first target, and it is on track to meet the second target. The review also noted some recent reforms that align with the principles of sound financial management, e.g. NSW Generations Fund.

GST distribution reforms

The Commonwealth Government collects GST revenue and distributes it to the states and territories. In 2017-18, the Commonwealth collected $63.1 billion, of which NSW received $17.7 billion. States do not receive an equal per capita distribution of GST. This is because the GST distribution is subject to the principle of horizontal fiscal equalisation, which seeks to give all States the same fiscal capacity to deliver public services. In July 2018, the Productivity Commission published its report into horizontal fiscal equalisation and the Commonwealth released its interim response. In November 2018, the Commonwealth legislated reforms including:

- creating a new equalisation benchmark, which all states would transition to over six years from 2021-22 to 2026-27;
- permanently boosting the GST revenue pool with additional Commonwealth financial assistance from 2021-22 onwards; and
- guaranteeing that no State would be worse off under the new system during the transition period.

Impact of election policies

The Parliamentary Budget Office published budget impact statements for Labor and the Coalition. These statements summarise the net financial impact of each party's costed election policies on the current 2018-19 budget and forward estimates for the 2019-20 to 2021-22 years. The impacts are shown in the table below.

Impact of election policies

| Indicator	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m	4 year total ($m)
Budget result (ALP)	-2	+339	+618	+492	+1,442
Budget result (LIB/NAT)	+8	-126	-306	-327	-752
Capital expenditure (ALP)	-61	+307	+450	+362	+1,057
Capital expenditure (LIB/NAT)	0	+549	+2,144	+3,969	+6,662
Net lending (ALP)	+59	+31	+34	+38	+162
Net lending (LIB/NAT)	+8	-671	-2,433	-4,267	-7,363

Wage growth

Lenny Roth

In recent years, NSW wage growth has been low despite a robust economy. This phenomenon has been observed across Australia, as well as in other developed countries. The International Labor Organization has outlined the social and economic consequences of low wage growth:

> On the social side, the disconnect between economic growth and wage growth means that workers and their families do not feel that they are receiving a just share of the fruits of economic progress, which fuels their frustration. On the economic side, low wage growth dampens household consumption, which can reduce aggregate demand, particularly when wages stagnate in many large economies at the same time.

Key statistics

- According to the Wage Price Index, between December 2012 and December 2018 NSW's average annual wage growth was 2.3% (2.3% nationally). Over the previous ten years (December 2003 to December 2012), average annual NSW wage growth was 3.7% (3.8% nationally).
- A 2017 Commonwealth Treasury paper noted that:
  - All States and Territories are experiencing low wage growth;
  - All industries are experiencing low wage growth;
  - Both public sector and private sector wage growth are low; and
  - Real wage growth (i.e. after adjusting for inflation) is also low.

Wage Price Index annual growth, NSW v Australia
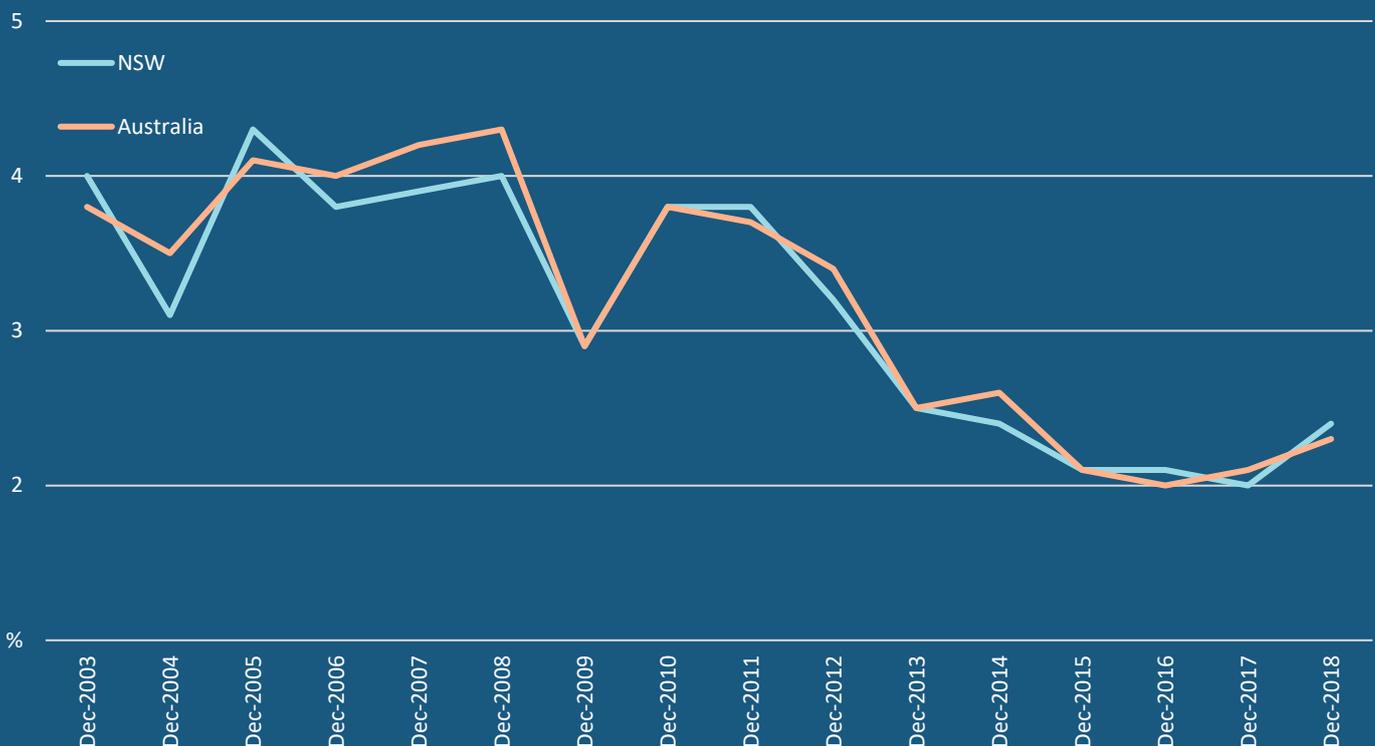
Causes and solutions

There are many different views on the causes and solutions of low wage growth. The Reserve Bank of Australia has referred to cyclical factors including:

- **Spare capacity in the labour market** – Essentially, that there are more workers than available jobs for them to fill. The rate of *underemployment* (the proportion of workers that want to work more hours) may indicate that, despite a low unemployment rate, the economy is operating below capacity.

- **Low inflation** – Employees are ultimately concerned with the purchasing power of their wage in terms of the goods and services it affords. Accordingly, lower wage growth might be partly explained by temporarily lower inflation expectations for consumer prices.

- **Declining terms of trade** – As the mining boom began to unwind, Australia saw a decline in its terms of trade (the ratio of export prices to import prices), leading to lower profitability for firms and placing pressure on them to contain costs.

In a June 2018 address, the Governor of the Reserve Bank, Philip Lowe, stated that several structural changes were also contributing to low wage growth, including changes in the bargaining power of workers, an increase in the supply of workers as the global economy becomes more integrated, and the nature of recent technological progress – namely, the uneven ability of firms to use new information technologies, with the lagging firms trying to remain competitive by controlling labour costs.

Mr Lowe said that there were some signs that wage growth was starting to move in the right direction but that this was likely to be a gradual process. Mr Lowe commented that it was reasonable to expect that wage growth would pick up as the labour market tightens. However, Mr Lowe stated that the basis for sustained growth in real wages is for the nation to become more productive. An important part of this is ensuring a strong ongoing focus on training, education and the accumulation of human capital.

In contrast, a group of 124 labour market researchers has argued that low wage growth is due in significant part to deep structural change, and that waiting for market forces to lift wages is not likely to be effective. They have called for measures to: raise (and better enforce) minimum wages, strengthen collective bargaining, relax wage caps on public sector workers, tackle pay inequities and constrain the ability of businesses to avoid or outsource normal employment responsibilities.

These different views on wage growth are also reflected in the divergence between business groups and unions:

- The Australian Industry Group contends that low wages growth has been caused by weak productivity growth, spare labour capacity and weak inflation. It argues that real wages are best strengthened through improved productivity.

- The Australian Council of Trade Unions claims that the current rules are the problem and that "we need to lift the minimum wage, reduce the number of insecure jobs, stop wage theft and upgrade workers' rights when bargaining".

Cost of living

Lenny Roth

Is the cost of living going up?

The Australian Bureau of Statistics (ABS) Consumer Price Index (CPI) is the official measure of price change in Australia. It measures changes in the price of a basket of goods and services based on average household expenditure by capital city households across Australia. CPI is an average measure of price increases. The Reserve Bank of Australia has explained that:

> At any given time, roughly half of households will have experienced inflation somewhat above the average for all households, because they spent proportionately more on high-inflation items, while the other half will have experienced inflation below the average, because they spent proportionately more on low-inflation items. In addition, a household's consumption basket is usually influenced by certain socio-economic characteristics, such as income, housing tenure or demographics, resulting in differences in cost-of-living inflation between certain socio-economic groups.

One way of measuring whether the cost of living is going up is to compare changes in the CPI with movements in the Wage Price Index (WPI). Over the last decade, annual increases in the NSW WPI have generally exceeded the Sydney CPI: i.e. wages have grown at a faster rate than price increases. Total NSW WPI and Sydney CPI growth over the last decade were 30.7% and 24.7% respectively. Over the same period, the CPI groups that exceeded the total CPI and WPI growth rates were: alcohol and tobacco (76.7%), education (61.4%), health (57.2%) and housing (48.3%).

The CPI was not designed to measure cost of living and the ABS has also developed Selected Living Cost Indexes (LCIs). Only available at the national level, LCIs estimate

Sydney CPI vs NSW WPI, annual growth (%)
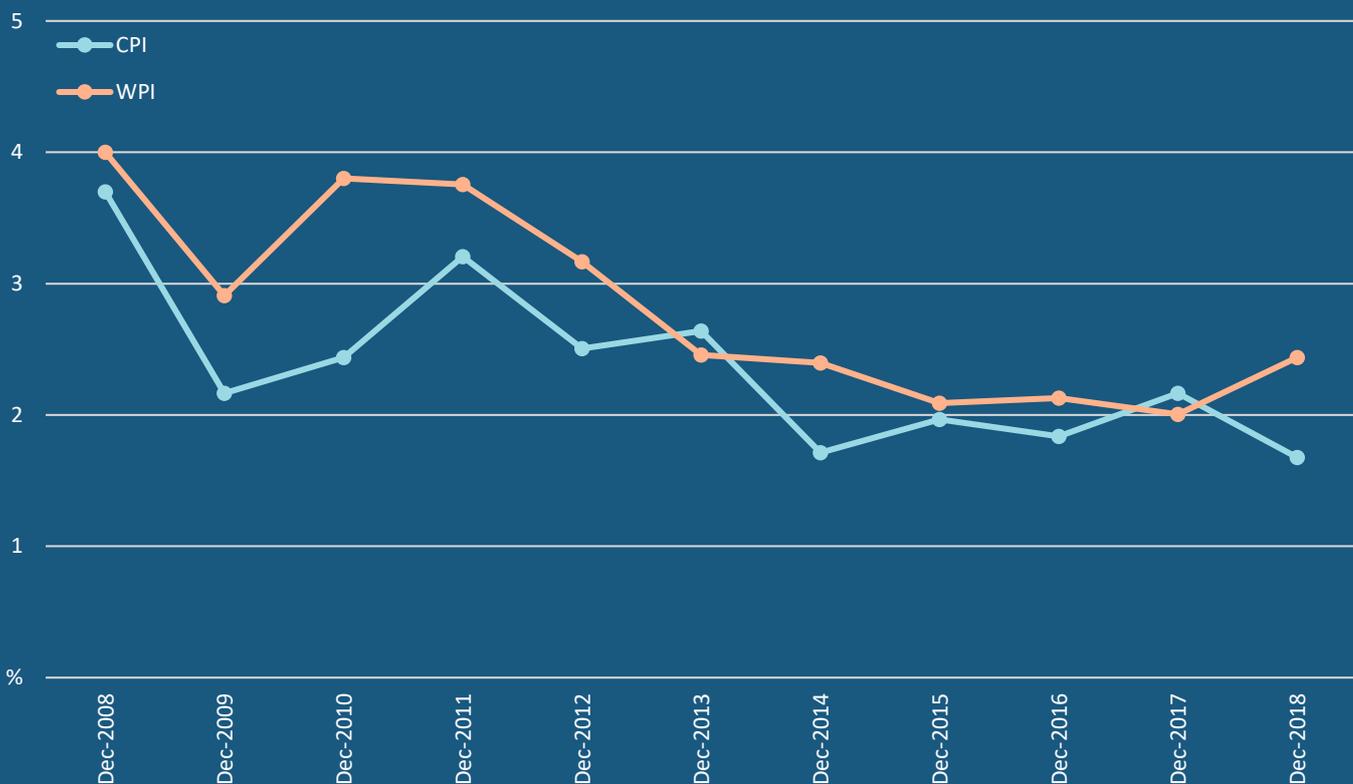
living costs for four types of household: employees, age pensioners, other government transfer recipients, and self-funded retirees. Over the last decade, the LCI–Employees has generally grown slower than the Sydney CPI, while the LCI-Other government transfer recipients has generally risen faster than the Sydney CPI.

People's perceptions of the cost of living might differ to quantitative measures due to factors such as psychological biases (e.g. placing greater weight on prices that have risen) and not adjusting for quality changes.

Regardless of whether living costs have been rising in recent years, Sydney is an expensive place to live – in particular due to **housing affordability**. The Economist Intelligence Unit's *Worldwide Cost of Living Survey 2019* ranked Sydney the 16ᵗʰ most expensive city in the world.

Policy measures to reduce cost of living

The NSW Government has introduced a range of measures to assist with the cost of living. These are outlined in the *NSW Budget 2018-19 Half-Yearly Review* and include the: Creative Kids Rebate; Active Kids Rebate; Toll Relief Program; First homeowners grant; and Energy switch service (see table).

A number of other measures were announced in the lead up to the 2019 NSW election. For example, the Coalition said that it would double the Active Kids Rebate, extend the toll-relief program, and reduce the weekly cap on Opal cards to $50. Labor promised to give free public transport for school children, reinstate the M4 cashback, and re-regulate the electricity network to reduce power bills.

Sydney CPI groups, NSW WPI, 10 year growth (%)

Category	Value
Alcohol and tobacco	76.7
Education	61.4
Health	57.2
Housing	48.3
WPI	30.7
CPI	24.7
Insurance and financial services	18.0
Food and non-alcoholic beverages	16.0
Transport	10.4
Furnishings, household equipment and services	6.8
Recreation and culture	3.6
Clothing and footwear	-7.7
Communication	-16.9
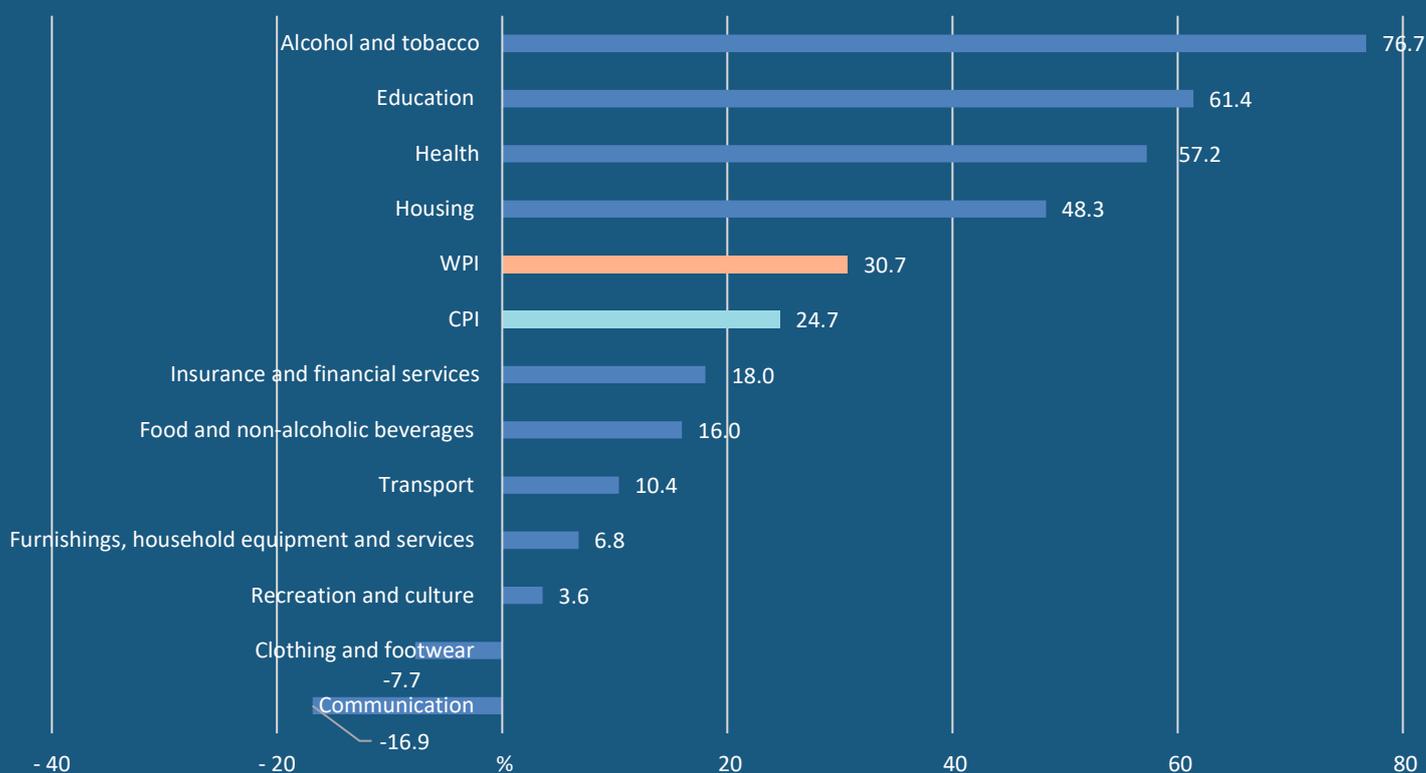
Cost of living initiatives in the NSW Budget 2018-19 Half Yearly Review

Cost of living Initiative	Description
Creative Kids Rebate	From 1 January 2019, families will be eligible to receive $100 each year for each school-aged child to access creative and cultural activities.
Active Kids Rebate	From 1 January 2018, families have been eligible to receive up to $100 each year for each school-aged child to participate in registered sports organisations. • Since January 2018, $53 million has been redeemed by families.
Toll Relief Program	The 2018-19 Budget announced free vehicle registration to owners of privately registered light vehicles that spend $25 or more per week, on average, over a year. Drivers could save between $277 to $729 on their car registration. • Since July 2018, $20.4 million in savings have been claimed by drivers.
First homeowners grant	Since 1 July 2017, first home buyers have been fully exempt from transfer duty (on both new and existing properties) valued up to $650,000, with transfer duty reductions up to a maximum of $800,000. The First Home Owners Grant applies to buyers of new homes up to $600,000 and to those building a new home up to $750,000 • As at October 2018, more than 43,200 people have saved up to $34,360 each on the cost of their first home equivalent to almost half a billion in duty concessions in total over the past year.
Energy switch service	Launch of a new 'One-click energy switch' website to assist consumers find the best alternative energy deals. • Since July 2018, savings of $1.7 million have been identified for customers, with an average saving of $433. • There have been around 47,000 visits to the service since it's commenced.

Selected Living Cost Indexes and Sydney CPI, annual changes (%)

Legend: CPI, LCI - employees, LCI - other government transfer recipient
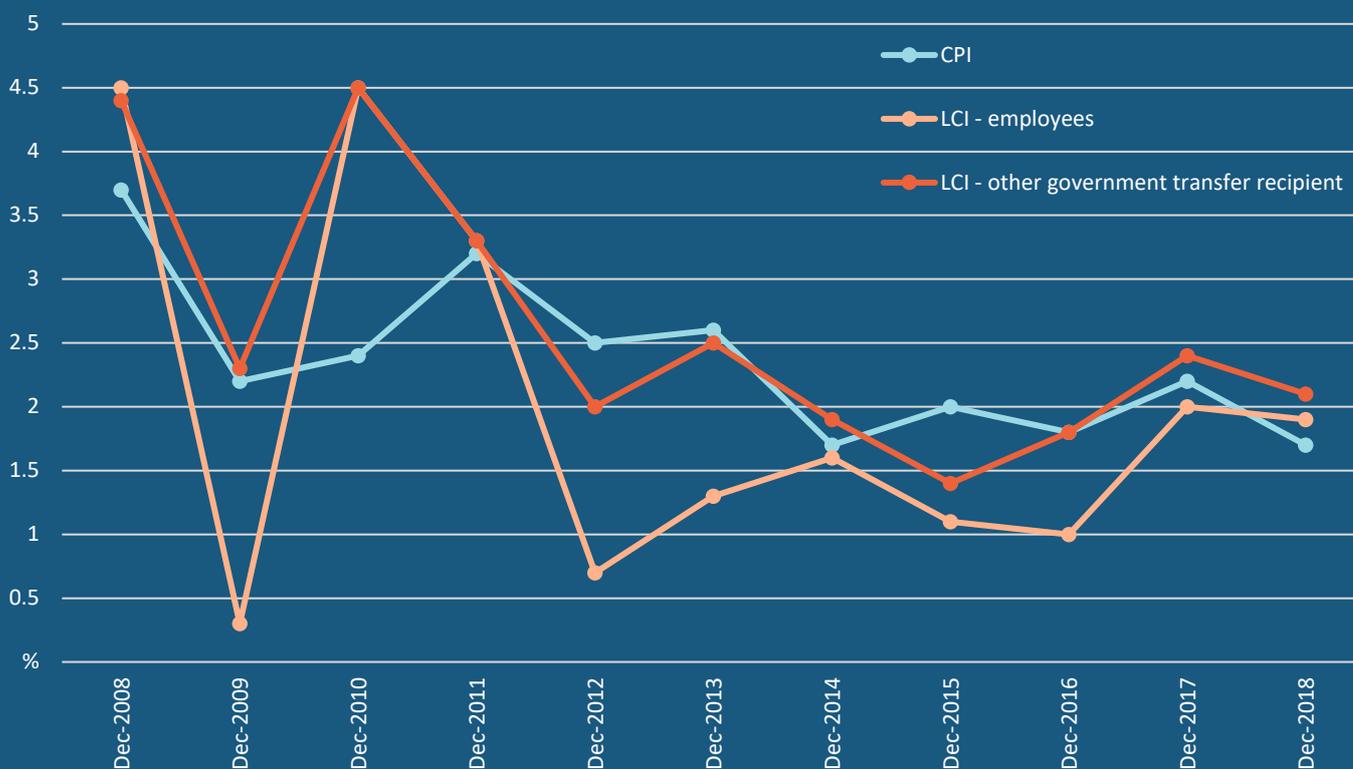
Underemployment

Madeleine Dowd

Underemployment is a measure of excess labour capacity, which the Australian Bureau of Statistics (ABS) defines in 'time-related' terms as including:

1. People employed part-time (less than 35 hours) who want to work more hours, and are available to work more hours in the next four weeks; and

2. People employed full-time (over 35 hours) who are working part-time hours due to economic reasons (i.e. reasons other than sick leave, holidays, or planned absences).

The underemployment rate is the number of underemployed people expressed as a proportion of the total labour force. Underemployment and unemployment together represent the overall underutilisation of the workforce.

Underemployment in NSW

ABS Labour Force data shows that the underemployment rate in NSW rose from 7.1% in December 2008 to 7.8% in December 2018, meaning 328,500 people are underemployed. The national underemployment rate has seen a greater rise, from 6.6% to 8.4% over the same period.

Since February 2003, the underemployment rate in NSW has eclipsed the unemployment rate. In December 2018, the unemployment rate stood at 4.3% (183,900 people). Underemployment is therefore now the more significant driver of the underutilisation rate, which was 12.1% (512,400 people) in December 2018.

On average, in February 2018 underemployed part-time workers in NSW would have liked to have worked for an additional 10 hours per week.

The ABS has published an Expanded Analytical Series since July 2014 which adds three categories that broaden the definition of underemployment:

1. Full time workers who want more hours, and are available to work more hours in the next four weeks;

2. Full-time workers who still worked full-time hours in the reference week, but worked less than their usual hours for economic reasons; and

3. Part time workers who do not want to work additional hours, and who worked less hours than usual due to economic reasons.

Using this definition, the underemployment rate in December 2018 was 13.2% (559,900 people) and the underutilisation rate was 17.5% (743,800).

Part-time work and underemployment

The growth in part-time employment between December 1978 (14.7% of all employed people) and December 2018 (31.2%) appears to be a key driver of the rising underemployment rate (using the ABS' original time-related definition). 25.3% of part-time workers in NSW were underemployed in December 2018, compared to 0.8% of

full-time workers. Further, 97.0% of all people who are underemployed work on a part-time basis.

Who experiences underemployment?

Being over-represented amongst the part-time employed, some groups in the labour force are more likely to be underemployed. In December 2018, women in NSW had an underemployment rate of 9.5%, and made up 66.4% of all part-time employed people in NSW. Youth (people aged between 15 and 24), for whom no NSW-level data is available, had an underemployment rate of 17.4% and made up 26.4% of all part-time employed people at December 2018.

National data shows that underemployment is not spread evenly amongst industries, with over 50% of all underemployed people working in either Accommodation and Food Services, Heath Care and Social Assistance, or Retail Trade. Underemployed people are also more likely to be employed on a casual basis, with the national Household, Income and Labour Dynamics in Australia (HILDA) data showing that 57.3% of the underemployed work casually. Comparatively, 39.5% of fully employed part-time workers (people working less than 35 hours per week, and who do not want additional hours) and 6.8% of full-time workers are casually employed.

The Reserve Bank of Australia has observed that underemployment is becoming an increasingly significant measure of spare labour force capacity as flexible work practices increase.

Key documents

Reserve Bank of Australia, *Underemployment and labour market spare capacity,* Statement on Monetary Policy, February 2017

Underemployment, unemployment and part-time employment in NSW
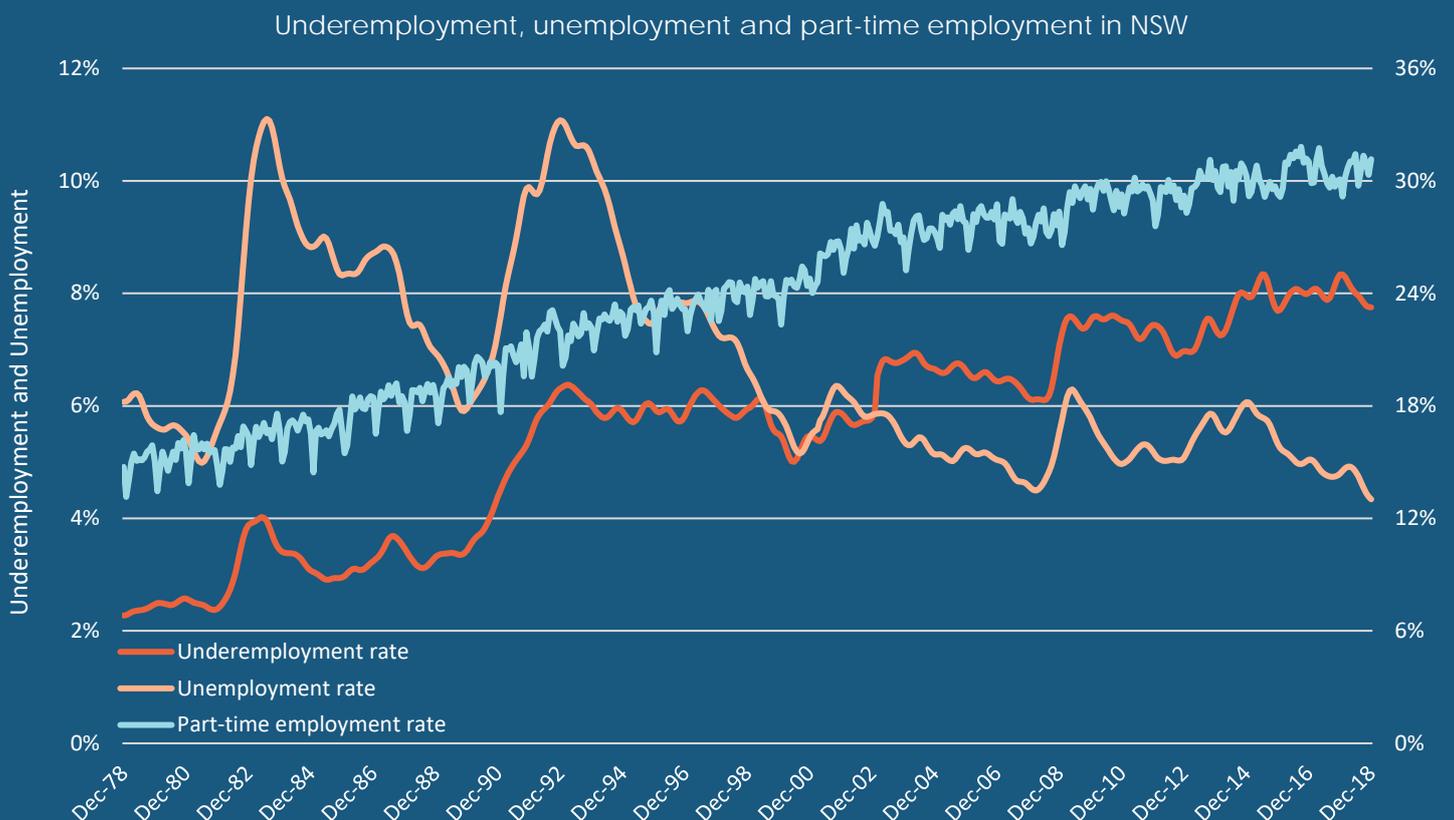
The future of work

Madeleine Dowd

Technological advancements, market disruptors like Uber, Deliveroo and Airbnb, and non-standard forms of employment have all had an impact on the modern workforce.

Though there are challenges in any prediction about the impact of future workforce trends for NSW, it is important to consider what these changes might look like, and what risks and benefits might arise for the State. This includes determining what the role of government will be in ensuring NSW is able to harness new opportunities in a way that benefits society as a whole.

What are the major disrupters to the nature of work?

The rise of an on-demand economy

On-demand work is described by the Productivity Commission as when 'workers or capital owners contract over a digital intermediary to do small tasks or short-term rentals known as 'gigs'', noting that 'at present, the gig economy is mostly limited to micro-tasks, or other low- to medium-value transactions'.

What does this kind of work mean for consumer expectations?

A significant feature of the gig economy is the way services are provided on an on-demand basis. Consumers are able to access more options and make more informed choices, and ultimately purchase smaller, task-based services in the way they want to. This trend of being able to access services quickly and flexibly has potentially far reaching consequences, as seen in the provision of on-demand, or 'turn up and go' transport options provided by government.

What are the impacts for people engaged in this kind of work?

As the Productivity Commission recognises, it is difficult to estimate how many people are in the on-demand workforce, as this remains an emerging area. This type of employment often does not include benefits traditionally associated with permanent work, such as sick leave, superannuation and job security. Arrangements like this also raise a number of questions about what constitutes an employee, and the responsibilities of the digital platforms that connect a contractor to the consumer. These issues have been outlined in a jurisdictional analysis undertaken by the Victorian Parliamentary Library and Information Service.

The Australian Senate's Select Committee on the Future of Work and Workers report argued that this is a new form of employment and requires a reimagination of labour laws and regulations. Questions remain about how this kind of work will be regulated and defined, and what, if any, protections need to be developed for the people affected.

Automation and evolving technology

Technological evolution is one the most significant disrupters of the employment landscape. Innovation in the fields of automation, artificial intelligence and digitisation have resulted in renewed attention on the implications for employment, and what the workforce might look like in the wake of continual technological evolution.

The degree to which jobs or industries could be replaced by automation is a necessary consideration when thinking about what the future of work may look like. Imagining this future also involves understanding what jobs may be created when new technology is harnessed, and if this growth has the ability to offset jobs that could become obsolete.

Flexible work practices

Changing the way people work is another way that employment in NSW may evolve. Non-standard or flexible work hours and the use of telecommunication options, like virtual offices, can provide increased choice for employees and assist people in overcoming barriers to employment.

The NSW Government committed to making all government sector roles flexible by 2019, with the NSW Public Service Commission undertaking extensive work in this area.

It has been argued that if harnessed correctly, this kind of innovation can have a particularly positive impact for working parents. This is specifically true for women, who are more likely to work part-time and undertake unpaid carers roles. According to a Senate inquiry submission made by the University of Sydney's Women, Work and Leadership Research Group , 62% of women valued flexibility as a job quality.

How can NSW be ready for any future changes to work?

What risks need to be considered?

There is a risk that government, and society more broadly, will not be able to adequately prepare and regulate for the future of work. A failure to develop a framework that attempts to provide equality of opportunity for diverse socio-economic groups could have a particularly negative impact on working class, low-income or disadvantaged people. This has been acknowledged by the International Monetary Fund, who have identified 'concerns about job and income polarization, rising income inequality, and the possibility that capital-intensive technologies may eventually reduce aggregate demand for labor'.

It has been argued that if low-skilled jobs are rendered obsolete, the entry point for employment will become higher and require more advanced skills and education, potentially resulting in 'structural unemployment' and increasing underemployment. Given that the jobs that have been identified as most likely to be impacted by automation are primarily lower-paid, these changes run the risk of entrenching unemployment for people who may already be financially vulnerable.

There is a risk that the growth of an on-demand workforce could also drive inequality. Job insecurity can have a compounding impact for people on low-incomes who may be engaged in this kind of work as a form of secondary employment. Without the benefits or protections that are associated with permanent work, it is possible that exploitation or underpayment could occur.

What benefits need to be considered?

The expansion of digital technology and global connectivity means that more people may have access to entrepreneurial opportunities that they otherwise would not have. This has the potential to foster innovation and allow people to engage with markets or industries that were previously geographically inaccessible, and subsequently drive job creation in new fields.

Additionally, the rise of on-demand services and flexible work practices means that new and different kinds of employment options are readily available for a more diverse group of people.

How can government best prepare for the future of work?

How can NSW utilise new technologies and trends in the most innovative and productive way? Answering this question, requires a consideration of the government's role in policy development, regulation, setting tax incentives, and the implementation of social supports that may be needed for people experiencing technological or economic transitions.

In 2018, the G20 Framework Working Group outlined a number of policy options for consideration, including providing tax incentives and other supports to lagging firms or industries, simplifying regulation to promote innovation and product testing, and providing a range of supports for people who may be impacted by' negative longer-term distributional effects'.

The International Monetary Fund has highlighted the need for policymakers to 'facilitate technological advances' as a key factor in responding to the challenges of the future work environment. The IMF have identified a number of policies including 'labor and product market reforms, digital infrastructure investment, and economic integration' that would aim to 'balance encouraging competition and incentivizing innovation'.

The Productivity Commission emphasised the importance of education and skills training to provide people with the opportunity to learn new 'core competencies' in a way that is flexible and adaptive to the community's needs. They note that 'since the dominant provider of education in this country is and seems likely to remain a role of governments, and since the fiscal burden of a failure to acquire new skills will remain with government under our social safety net if no action is taken, the case for better-designed and more accessible mature age education seems well-made'.

Key documents

Bankwest Curtin Economics Centre, *Future of work in Australia: Preparing for tomorrow's world*, Focus on the States Series, No. 6/18, April 2018
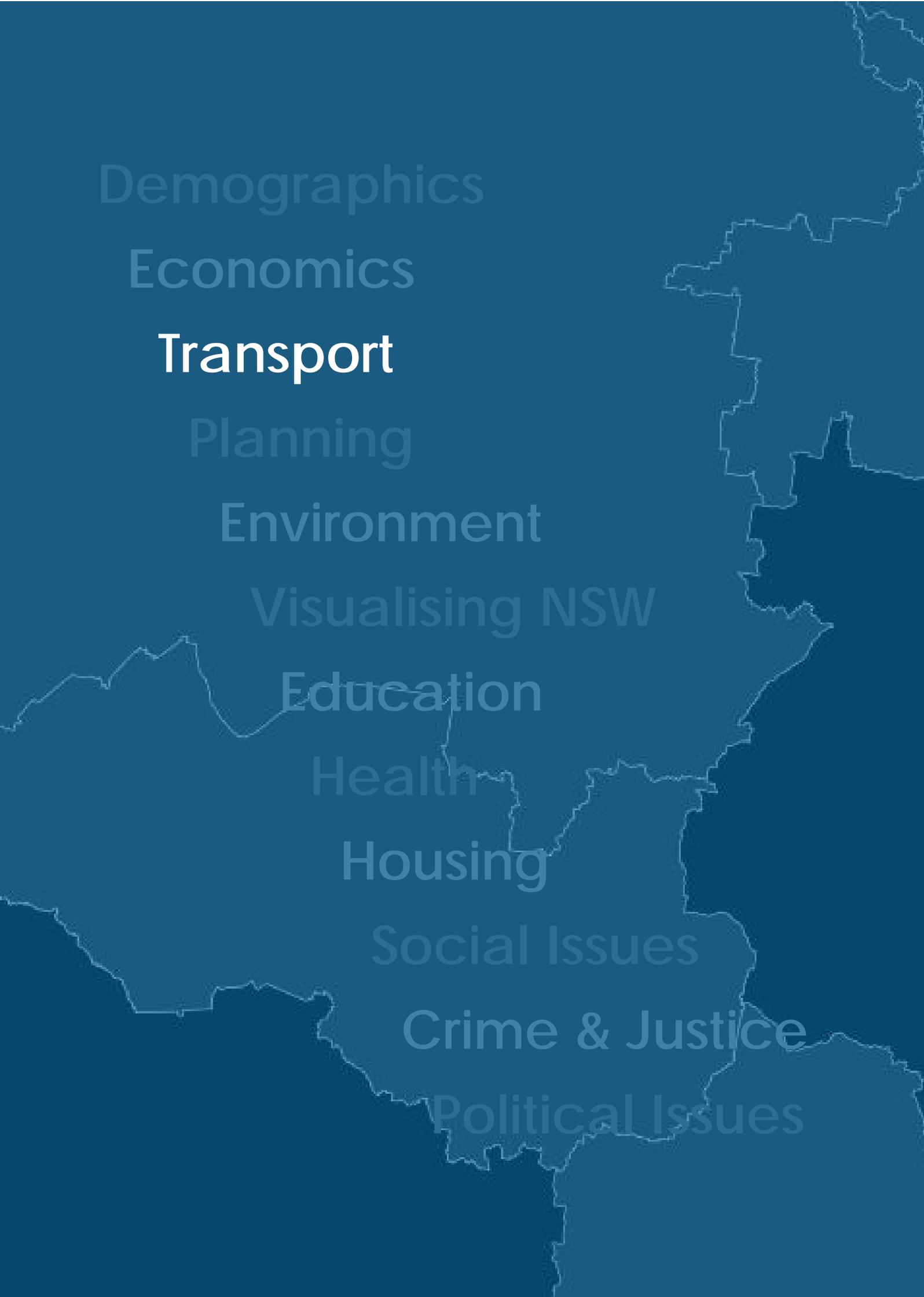
Transport

Demographics

Economics

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Sydney Metro

Talina Drabsch

The Sydney Metro is Australia's biggest public transport project. It is scheduled to deliver 31 metro stations and over 66km of metro rail by 2024. Initial services will commence in the second quarter of 2019 with the completion of Sydney Metro Northwest. It will then be extended under Sydney Harbour into the CBD and beyond in 2024. Trains will depart every four minutes during peak, with eventual capacity for a metro train every two minutes into the city. The target capacity is 40,000 customers an hour compared to 24,000 people an hour per line on the current suburban system. This will allow for an increase from 120 up to 200 train services per hour entering the CBD from 2024 onwards (an increase of 60%).

The Metro includes three types of stations: underground; open cut (open to the sky but below ground level); and elevated (on the skytrain). Stations are to be fully accessible with level access between platforms and trains. Platform screen doors separate people and objects from the edge of the platform. They open simultaneously with train doors, allowing trains to quickly move in and out of stations.

Source: Sydney Morning Herald
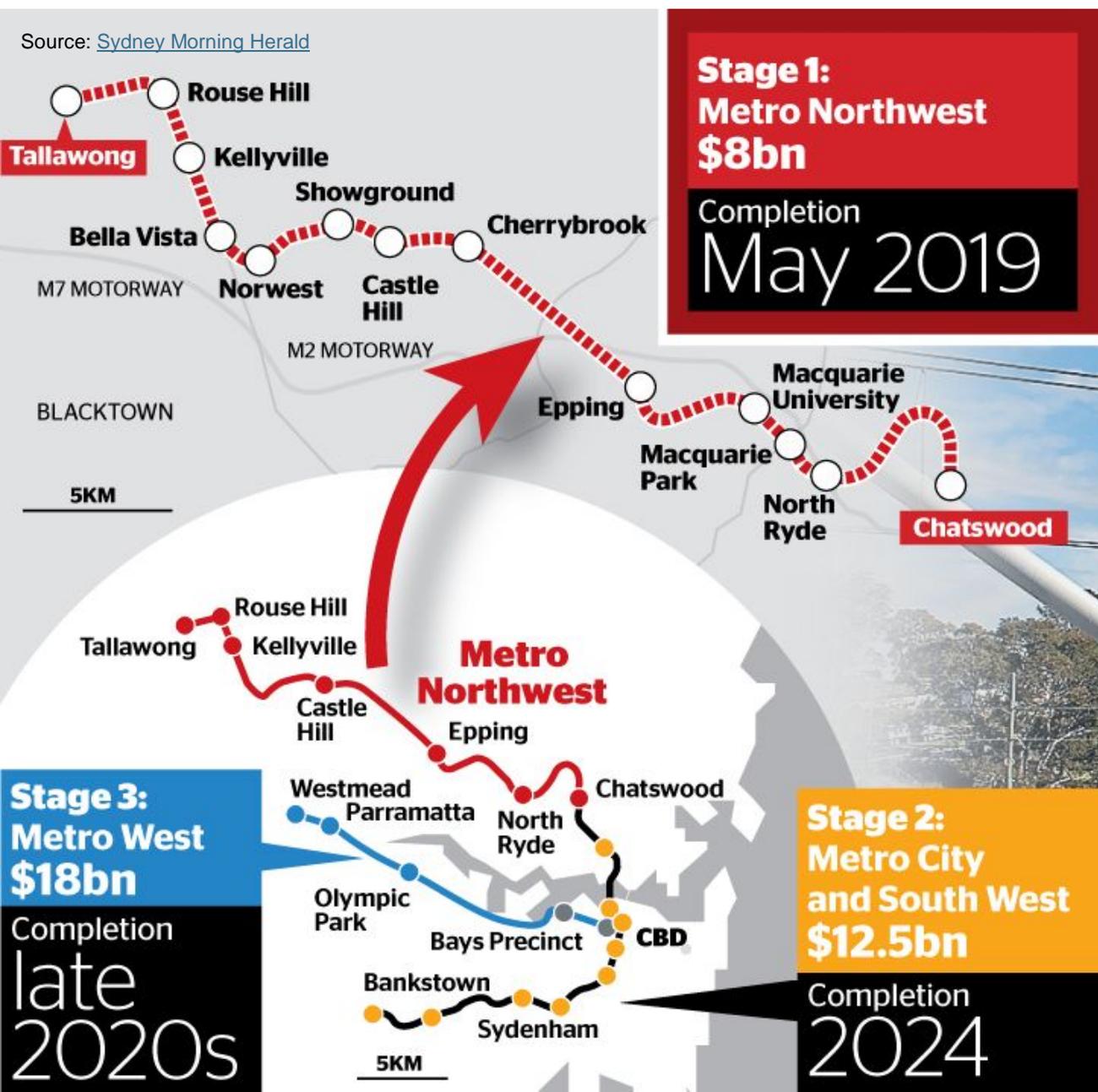
Sydney Metro is a statutory authority owned by the NSW Government and part of the NSW Transport cluster. It was established in July 2018 following an amendment to the *Transport Administration Act 1988*.

The decision to pursue a metro train system rather than upgrade the existing heavy rail network was controversial.

Sydney Metro Northwest

Sydney Metro Northwest (previously the North West Rail link) represents the first stage of the Sydney Metro program. It is a 36km $8.3 billion project set to open in the second quarter of 2019. It will be the first fully automated metro rail system in Australia. It runs from Rouse Hill to Chatswood and includes eight new metro stations, five upgraded stations and 4,000 commuter car spaces. According to Premier Gladys Berejiklian, the Northwest Metro will be completed at least $500 million under budget.

Sydney Metro City and Southwest

The second stage is Sydney Metro City and Southwest which involves a 30 km extension of metro rail joining the Sydney Metro Northwest at Chatswood, under Sydney Harbour through the Sydney CBD and southwest to Bankstown. The NSW Government's *Final Business Case Summary* for the project identified the problems to be addressed and the benefits of the Sydney Metro City and Southwest. These include reduced travel times, easing of congestion, and economic and social benefits.

Election pledges
The key differences

Sydney Metro West
Cost: $18bn
Completion: late 2020s
Labor: YES
Coalition: YES

Western Harbour Tunnel and Beaches Link
Cost: $14bn
Completion: mid 2020s
Labor: NO
Coalition: YES

Conversion of Sydenham-Bankstown line to metro
Cost: $1.5bn
Completion: 2024
Labor: NO
Coalition: YES

First stage F6 extension, Arncliffe to Kogarah
Cost: $2.6bn Completion: 2024
Labor: NO
Coalition: YES

Westmead
Parramatta
Chatswood
Olympic Park
Sydenham
Bankstown
CBD

Sydney Metro City
Cost: $11bn
Completion: late 2024
Labor: YES
Coalition: YES

Source: Sydney Morning Herald

Tunnelling has begun. Sydney Metro City and Southwest is due to open in 2024 and includes seven new metro stations and 11 upgraded stations at a cost of around $12.5 billion. There are two components:

1. **Chatswood to Sydenham**: 15.5 km twin tunnels from Chatswood to Sydenham with new stations at Crows Nest, Victoria Cross, Barangaroo, Martin Place, Pitt Street and Waterloo. There will also be a new underground platform at Central Station.

2. **Sydenham to Bankstown**: the upgrade of 13.5 km of rail line and the conversion of 11 stations to metro standards including lifts and level access. There has been criticism of the decision to convert this line into metro, as well as consideration of whether it represents value for money.

Infrastructure Australia completed its *Project Evaluation Summary* of Sydney Metro City and Southwest in June 2017.

Sydney Metro West

Sydney Metro West was announced in November 2016. It is a new underground railway doubling the rail capacity between the Parramatta and Sydney Central Business Districts. Sydney Metro West will service Greater Parramatta, Westmead, Sydney Olympic Park, the Bays Precinct and the Sydney CBD. The number of stops and their location is to be determined, with debate over whether the main priority should be speed of the train or connecting as many communities as possible. Options for intermediate stations include Camellia/Rydalmere, North Burwood/Five Dock/Kings Bay and Pyrmont. It is anticipated that the new service will be operational in the second half of the 2020s and is currently in the investment decision phase with delivery expected to commence in 2019. Preliminary estimates place the cost at approximately $10 billion, however, there are also reports of the true cost being closer to $18 billion or more. The 2018-19 NSW Budget reserved $3 billion from the Restart NSW fund for early works, land acquisition and tunnelling. $28.1 million was allocated in 2018-19 to progress planning and final business case development.

In the lead up to the 2019 NSW election, NSW Labor promised $8 billion to fast track a new metro line between Parramatta and the CBD and the NSW Coalition announced $6.4 billion for Metro West with construction to begin in 2020.

Sydney Metro Western Sydney Airport

The latest project is the Sydney Metro Western Sydney Airport (previously known as the North South Rail Link) – a rail line to connect the Western Sydney Airport (due to open in 2026) with Sydney's public transport. It is a joint Australian and NSW government project and is currently in the strategic assessment phase. The cost estimate is between $15 billion and $20 billion. It involves a new rail line from Schofields to Macarthur (via Western Sydney Airport and the Aerotropolis in Bringelly). It is to be a key part of an integrated transport system for the Western Parkland City, with stations at the airport, Western Sydney Aerotropolis and St Marys. The Federal Government and NSW Sydney Metro are conducting industry and stakeholder engagement to develop project delivery packages and intend the first stage to be completed in time for the opening of the airport.

WestConnex

Daniel Montoya

The Sydney motorway network consists of motorways at various stages of completion. Two motorways are currently under construction – WestConnex and NorthConnex. WestConnex will connect the existing M4 and M5 motorways, and join three planned motorways – the Sydney Gateway (targeted completion 2023), F6 Extension (2024), and the Western Harbour Tunnel and Beaches Link (2026). The Sydney Gateway featured as a Stage 2 component of WestConnex in the initial Business Case (2013) and 2015 Update, and was separated out into its own project in late 2015.

Stages

As at March 2019, Stage 1A (M4 (West) Widening; cost $497.0 million) and part of Stage 2 (the King Georges Rd Interchange Upgrade; cost $131.0 million) were complete. The NSW Government expects all stages to be complete in 2023. All stages are being managed by the Sydney Motorway Corporation (SMC) except for the Rozelle Interchange and Iron Cove Link (Stage 3B), which is being managed by Roads and Maritime Services (RMS). Tolls will begin on each stage when it opens to traffic.

M4 East

The M4 East (Stage 1B) extends the M4 Motorway from Homebush to Haberfield. It is 6.5km long and includes two 5.5km three-lane tunnels. The estimated cost is $3.802 billion. According to the WestConnex website, as at March 2019 it was 99% complete and is due to be opened between April and June 2019.

New M5

The New M5 (the other part of Stage 2) duplicates the M5 East from the King Georges Road Interchange to a new interchange at St Peters. The St Peters Interchange will connect the New M5 to the M4-M5 Link and the proposed Sydney Gateway. In December 2018, work was completed on the two 9km motorway tunnels that will initially be marked with two lanes, with capacity for a third to be added. The total cost is estimated to be $4.335 billion. As at March 2019, it was 75% complete and is due to open in early 2020.

M4-M5 Link Tunnels

The M4-M5 Link Tunnels (Stage 3A) consist of two four-lane tunnels linking the M4 at Haberfield with the M5 at the St Peters Interchange. Stages 3A and 3B received planning approval in April 2018. In June 2018, Lendlease Samsung Bouygues Joint Venture (LSBJV) was selected as the preferred tenderer for design and construction of Stage 3A, which has an estimated cost of $3.3 billion. According to the WestConnex website, as at March 2019 Stage 3A was 45% complete, with tunnelling due to commence in March 2019 and a completion date of early 2023.

Rozelle Interchange and Iron Cove Link

The Rozelle Interchange and Iron Cove Link (Stage 3B) is the most complex part of WestConnex. With an estimated cost of $3.9 billion, it will connect the M4-M5 Link Tunnels to the surrounding road network including the City West Link, Victoria Rd near the Iron Cove Bridge, and the proposed Western Harbour Tunnel. Stage 3B was separated from Stage 3A in order to "maximise efficiency and value for money" from the procurement process. The SMC called for expressions of interest (EOI) on 18 July 2017. On 11 October 2017 the Government stated that, as they had only received one EOI due to market conditions, RMS would now manage the project. In January 2018, RMS went to tender with a newly designed Collaborative Contractor Client (CCC) procurement process to design and build this link. On 14 December 2018, the contract was awarded to John Holland and CPB Contractors Joint Venture. According to the WestConnex website, as at March 2019 the project was 42% complete, with construction due to start in 2019 and a completion date of 2023.

Project cost and benefit cost ratio

In its submission to the 2018 Legislative Council inquiry into WestConnex, the NSW Government stated that the estimated cost of WestConnex was $16.812 billion in 2015 dollars. This figure includes $800.0 million for Sydney Gateway, which is now expected to cost up to $2.6 billion. As of 17 December 2018, the final NSW Government contribution to WestConnex is yet to be confirmed; the Commonwealth Government

has contributed about $1.5 billion, and agreed to provide a concessional loan of up to $2.0 billion. The remainder will be provided by private sector debt raised against the collection of future tolling revenue.

According to the NSW Government, the economic benefits of WestConnex include improved connections to Western Sydney and key employment hubs, and support for 10,000 direct and indirect jobs during construction. Cited community and environmental benefits include the return of local streets to local communities, and a reduction in greenhouse gas emissions by more than 610,000 tonnes a year by 2021. The 2015 updated business case found that, taking into account wider economic benefits, WestConnex will return $1.88 to the NSW economy for every dollar invested (i.e. a benefit cost ratio of 1.88).

When investigating the project's costs and benefit cost ratio, the 2018 Legislative Council inquiry found that the project's funding model had multiple benefits, including improving the State's financial position. It also found that the NSW Government had not considered the "full range of costs in the business case for the WestConnex project, including costs to public health, amenity, biodiversity, extra road building, and losses to public transport". Finding that the transparency arrangements pertaining to the WestConnex business case were unsatisfactory, it recommended immediate publication of the base-case financial model.

WestConnex ownership: recent developments

On 22 September 2017, the NSW Government commenced the process of selling 51% of the SMC, which had been established in August 2014 as a private company to manage the State's financial interests in WestConnex. On 26 February 2018, the Australian Competition & Consumer Commission (ACCC) began a review of the possible impacts on competition if Sydney Transport Partners (STP) acquired the majority interest. STP is a consortium consisting of Transurban (50%), AustralianSuper (20.5%), Canada Pension Plan Investment Board (CPPIB; 20.5%) and Tawreed Investments Ltd (9%). In February 2018, Transurban or a Transurban-controlled entity held 15 of 19 toll road concessions in Australia, and seven of nine concessions in NSW.

In a Statement of Issues released on 17 May 2018, the ACCC said that it was concerned that the proposed acquisition may substantially lessen competition for the purchase of toll road concessions, and competition between toll roads. On 30 August 2018, the ACCC announced its decision not to oppose the acquisition subject to an undertaking that Transurban publish NSW toll road data.

The sale for $9.26 billion was announced on 31 August 2018 and finalised on 27 September 2018. The motorway concession will return to the NSW Government in 2060. Should the NSW Government decide to sell the remaining 49%, STP have the right of first offer. The NSW Government retains its 49% interest in SMC in an investment holding company, Roads Retained Interest Pty Ltd (RRIPL), for which the Treasurer is the sole shareholder. RRIPL has been placed in the NSW Generations Fund – the new NSW sovereign wealth fund created in 2018 – to provide the Fund with an "ongoing source of income". The $9.26 billion net sale proceeds will be used to offset the "Government's cost of the M4-M5 Link (through the NSW Generations Fund) as well as future infrastructure across the State".

In reviewing the SMC sale, the Legislative Council inquiry noted that the NSW Audit Office only has the power to audit public bodies such as RRIPL. 'Follow the dollar' powers would need to be added to current legislation to enable the Audit Office to audit STP. The inquiry found that the sale "will likely exacerbate existing transparency and accountability concerns relating to the WestConnex project".

Impacts

The Legislative Council inquiry investigated tolls [see **Cost of Living**], air pollution [see **Environmental Issues**], and a number of health- and property-related impacts.

Health

Health impacts identified by the inquiry include noise and pollution from construction, the effects of night works, mental health issues, loss of green space, disruption to daily lives, and the risk of safety breaches for both WestConnex employees and communities. It made several related recommendations, including that the NSW Government should establish a WestConnex mental health support and wellbeing service, and that the NSW Government conduct an immediate review of safety measures and conditions relating to the construction of WestConnex.

Property acquisition

Under the *Land Acquisition (Just Terms Compensation) Act 1991*, the NSW Government may acquire private property for public purposes such as the construction of WestConnex. Most acquisitions are completed through negotiation and agreement with the land owner, with a purchase price based on current market valuation as assessed by an accredited valuer. For WestConnex, as of 31 August 2018 83% of properties were acquired by mutual agreement. Of the 597 matters which entered the compulsory acquisition process, a determination of compensation was issued in 149 cases and the land owner and RMS came to an agreement in the other 448 cases. See previous research by the NSW Parliamentary Research Service for further information.

Despite recent reforms to improve compulsory acquisition, the Legislative Council inquiry heard evidence suggesting that RMS had not always handled it "with an appropriate level of care". The inquiry made four recommendations to improve the process, including that the process only commences when the Government is able to clearly demonstrate a need to acquire the property.

Property damage

Damage to properties due to the construction of WestConnex has received recent media coverage. This may be an ongoing issue given the M4-M4 Link Tunnels will be as close as 12m below the surface. The Legislative Council inquiry recommended that the NSW Government improve provision of clear and consistent information about the property damage claim process. The Government has appointed an independent Community Complaints Mediator for Stage 3 to address complaints where the member of the public is not satisfied with the RMS response. The inquiry recommended that the Government publicly report on the activities of the Mediator.

Road safety

Matthew Dobson

Key statistics

In 2018, 354 people were killed on NSW roads. According to the latest Transport for NSW data, this was 35 (9 per cent) fewer fatalities than the comparable period last year. This number of road deaths equates to 4.43 deaths per 100,000 population down from 4.94 in 2017. The number of road deaths per 100,000 population in NSW has decreased from a peak of 28.9 in 1970 to a low of 4.1 in 2014. Meanwhile, the use of NSW roads continues to increase. In 2017, there were more than 6 million registered motor vehicles in NSW, up from about 4,000 motor vehicles in 1910.

A total of 11,180 people suffered serious injuries on NSW roads in 2018, down from 12,340 in 2017. The *Quarterly Bulletin of Serious Injury Crash Data* records 2,570 serious injuries (all hospitalisations) for the June 2018 quarter. This represented 134 (5 per cent) fewer serious injuries than the previous March 2018 quarter. The serious injury rate in NSW for the 12 months ending June 2018 was 141.2 per 100,000 population. Using data from the Australian Government's Australian Road Deaths Database, a recent analysis of Australian road fatalities by time of day, week and month revealed that the most dangerous time to drive in NSW was on a Saturday in August around 3:00 to 4:00 pm.

Indigenous road trauma statistics

In April 2017, the Centre for Road Safety released a study of *Road Trauma Amongst Aboriginal and Torres Strait Islander People in NSW 2005-2015* which found that Indigenous road users represented 3.3 per cent of all road fatalities and 4.1 per cent

NSW Road users - Serious injuries, 12 months ending June 2017 and 2018 (Prelim)
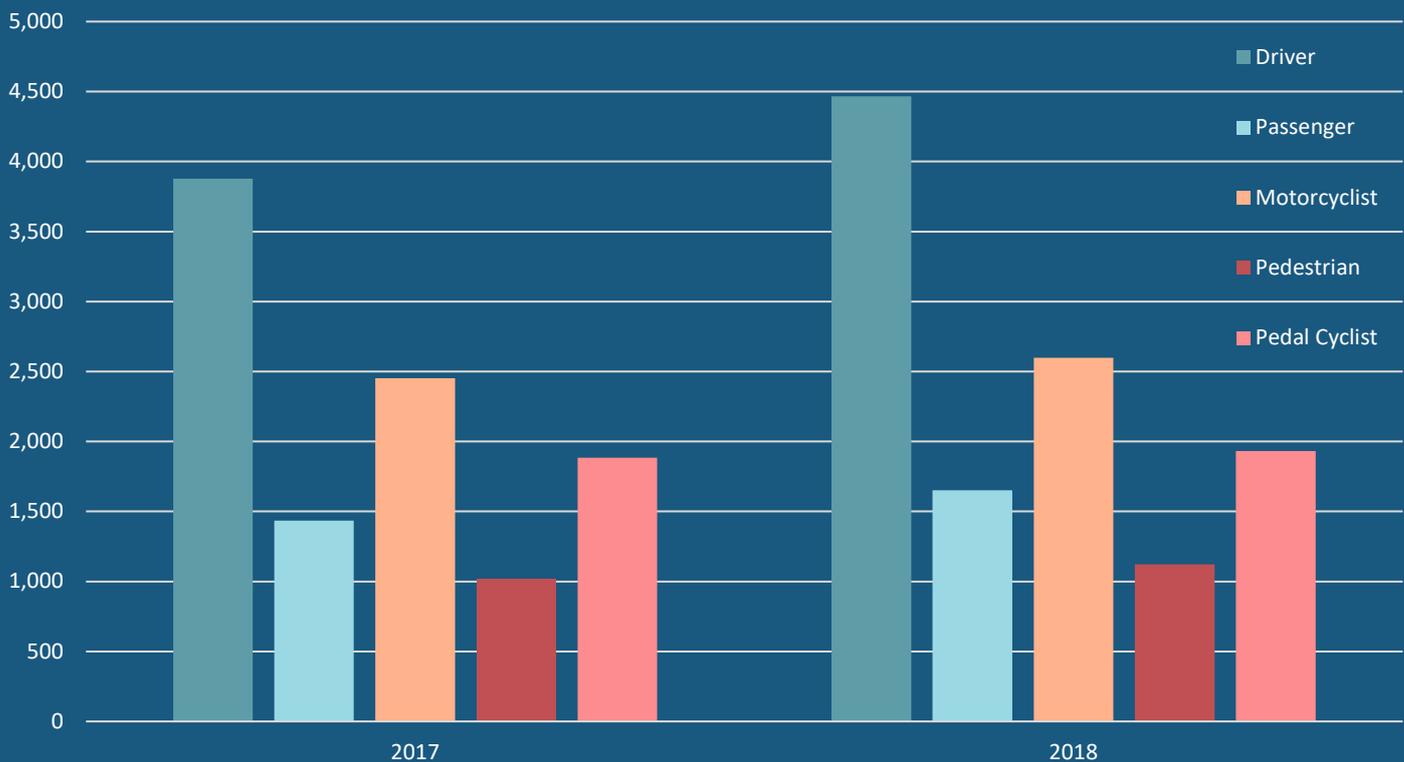
of all serious injuries over this period. On an annual basis, Indigenous road users experienced 13 fatalities and 486 serious injuries. In comparison, the non-Indigenous population experience 386 fatalities and 11,453 serious injuries per year. The study found that the age-standardised fatality rate for Indigenous people increased by 182.1 per cent from 3.7 to 10.3 deaths per 100,000 in 2005-2015. Over the same period, the fatality rate for non-Indigenous people decreased by 43.2 per cent from 7.6 to 4.3 deaths per 100,000 in 2005-2015.

A similar trend emerged for the serious injuries. For Indigenous road users, the age-standardised serious injury rate increased by 22.9 per cent from 221.9 to 272.6 per 100,000 in the 2005-2015 period. In the non-Indigenous population, the serious injury rate decreased by 11.4 per cent from 175.5 to 155.5 per 100,000 over 2005-2015.

NSW Government strategy

The _NSW Road Safety Strategy 2012-2021_ has a target to reduce annual deaths and serious injuries in NSW by at least 30 per cent by 2021. _The NSW Road Safety Plan 2021_ is underpinned by the 'Safe System' approach to improving road safety. This approach takes a holistic view of the road transport system and the interactions among the key components of that system – the road users, the roads and roadsides, the vehicles and travel speeds. This system approach recognises that all components contribute to the safety of road users. The NSW Road Safety Plan 2021 has an aspirational goal of a zero road toll by 2056. Under the plan, NSW will set new road safety targets every 10 years. These targets will be reviewed every five years to ensure that NSW continues to move Towards Zero fatalities and serious injuries on its roads. The plan will focus on six priority areas:

- Saving lives on country roads
- Liveable and safe urban communities
- Using the roads safely
- Building a safer community culture
- New and proven vehicle technology
- Building a safe future.

2018 Parliament of NSW Staysafe Committee report

On 15 August 2018 the Joint Standing Committee on Road Safety (Staysafe) decided to conduct a review of road safety issues for future inquiry with the aim of recommending potential inquiry topics to the Staysafe Committee in the 57th Parliament. The Committee's report was tabled on 13 November 2018 and recommended two inquiries examine: (1) the road safety benefits of compulsory first aid training for learner drivers and (2) community-specific road safety campaigning. It also considered safety issues for vulnerable road users, highlighting the need for improved cycling infrastructure and the ongoing requirement to monitor developments around motorcycle safety and school road safety zones.

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The planning system

Daniel Montoya

The NSW planning system is established by the *Environmental Planning and Assessment Act 1979* (EP&A Act) and may be divided into two broad areas: land use planning; and development control. The system plays a key role in regulating a range of issues currently on the public agenda, including housing affordability, short-term rental accommodation, overdevelopment, biodiversity conservation, and mining. Recent planning reforms have introduced the requirement that all NSW planning authorities prepare a Community Participation Plan that clearly sets out how the community can have a say in the decision making on these and other issues.

Land use planning

Three types of planning instruments shape land use planning across the State. A hierarchy of **strategic plans** – regional, district, and local – provide the overarching framework for future land use planning priorities and decisions in an area. Nine regional plans provide 20-year blueprints for the regions outside Sydney. The Greater Sydney Commission's *A Metropolis of Three Cities* is a 40-year vision for Greater Sydney that underpins five 20-year District Plans.

Environmental planning instruments (EPIs) come in two forms. State Environmental Planning Policies (SEPPs) deal with matters of State or regional planning significance, such as complying development codes or infrastructure, or areas of particular significance, such as NSW's three largest ports. All 128 councils have a Local Environmental Plan (LEP) which contains development controls and land zoning that guide decision-making. **Development Control Plans** (DCPs) support the aims of an LEP with detailed non-statutory planning controls.

Subregional areas of the State may be nominated in a planning instrument as being of particular importance because of their suitability for new development or urban revitalisation, or because of their social, economic or environmental characteristics. These areas include Growth Centres (for example, Redfern Waterloo), State Significant Precincts (Sydney Olympic Park), Growth Areas (the North West Growth Area), and Planned Precincts (St Leonards and Crows Nest).

Development control

Development may be classified as either prohibited, requiring development consent, or permissible without development consent. Development that falls into the last two classifications passes through the planning system through one of the eight planning approval pathways. Six of these pathways involve assessment by a planning authority in accordance with specific statutory and policy requirements, including assessment of the environmental impact of the development where relevant. A determination is made at the end of the pathway, to either approve or refuse the development. Development controls also apply to the other two pathways – exempt development and development without consent – and a development that does not need planning consent may require approval under other legislation.

Three pathways are collectively classified as major development: State Significant Development (SSD); State Significant Infrastructure (SSI); and Part 3A Development, which still applies to some development proposals awaiting determination. Major development is development that is over a certain size, or located in a sensitive environmental area, or which exceeds a specific capital investment value (CIV). Examples include new educational establishment and hospitals, mines, sites like Barangaroo, and transport infrastructure. The responsible planning authority may be either the Minister for Planning, Department of Planning & Environment (DPE), or Independent Planning Commission. According to DPE data, in 2015-16 304 major projects worth nearly $20 billion were determined in NSW.

Regional development includes development valued over $30 million, development valued between $10 and $30 million subject to a delay in determination by council, and council-related or Crown development valued over $5 million. It is determined by the relevant regional Planning Panel or, in the case of the City of Sydney, by the Central Sydney Planning Committee. In 2015-16, 403 regional development projects were determined, and the total value of approved projects was $15.0 billion.

Local development is determined by council and is all development other than major projects or regional development where development consent is required. For all Sydney councils and the Wollongong council, a Local Planning Panel determines local development where there may be a conflict of interest, the development is contentious or sensitive, or there is a departure from development standards. Examples of local development include home extensions, and medium sized commercial, retail and industrial developments. In 2015-16, 65,411 local development projects were determined, and the total value of approved projects was $38.1 billion.

Complying development is development that qualifies for a combined planning and construction approval called a complying development certificate (CDC). Examples include new houses, alterations and additions to a house, new industrial buildings, and the demolition of a building. A CDC may be issued by a council or an accredited private certifier. In 2015-16, 31,801 CDCs worth $6.4 billion were determined.

The planning system also certifies stages of building construction and completion. Private certifiers who may issue these certificates are currently regulated by the Building Professionals Board. This will change if and when the *Building and Development Certifiers Act 2018* comes into effect, legislation which only passed Parliament in October 2018.

Several mechanisms may be used to levy a contribution from developers for the purpose of providing the public infrastructure needed to support new development, including Special Infrastructure Contributions, Local Infrastructure Contributions, Voluntary Planning Agreements, and the Local Infrastructure Growth Scheme.

Key documents

Legislative Assembly Committee on Environment and Planning, *Land release and housing supply in New South Wales*, October 2018

Planning reforms: 2014 to 2019

Daniel Montoya

The NSW planning system has undergone substantial reform since early 2014. Amendments have been made to the _Environmental Planning and Assessment Act 1979_ (EP&A Act), and new related Acts have been introduced. Equally important have been the large number of reforms made to statutory instruments under the EP&A Act – regulations, environmental planning instruments, strategic plans, and codes – as well as to policies and guidelines. A selection of the most significant legislative changes are presented here, and several ongoing reforms are noted.

Legislative reforms

Greater Sydney Commission

The _Greater Sydney Commission Act 2015_ established the Greater Sydney Commission (GSC) to lead metropolitan planning in Sydney, in part through the process of making strategic plans and Local Environmental Plans (LEPs) under the EP&A Act. Other key roles of the GSC include promoting orderly development with regard to the principles of ecologically sustainable development (ESD), and providing increased opportunities for public participation in planning. Changes were made to the role of the GSC in 2018 – it started reporting to the Premier instead of the Minister for Planning, and took on more of an advisory role, losing the capacity to make LEPs in the process.

Coastal management

A new coastal management framework was set up under the _Coastal Management Act 2016_ with the aim of managing the coastal environment in line with ESD principles for the social, cultural and economic well-being of the people of NSW. Local councils in coastal areas are required to develop a coastal management program that is implemented in co-ordination with plans made under the EP&A Act. A new _State Environmental Planning Policy (Coastal Management) 2018_ under the EP&A Act was also made, which sets development controls for the coastal environment.

Biodiversity conservation and land management

In November 2016, the Government introduced a new framework for **biodiversity conservation and land management** to "implement a new and modern system to improve farm productivity and better protect biodiversity". It repealed several Acts including the _Native Vegetation Act 2003_ and the _Threatened Species Conservation Act 1995_, replacing them with the _Biodiversity Conservation Act 2016_ (BC Act) and new Parts in the _Local Land Services Act 2013_ (LLS Act). Together with the Native Vegetation Code, the BC Act and LLS Act regulate native vegetation clearing and management in rural areas. Native vegetation in metropolitan areas is covered by a new _State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017_.

The functions of the BC Act may be grouped under three themes: a Biodiversity Offsets Scheme (the Scheme), which includes provision for biodiversity certification of future

development in an area; identification and protection of native plants and animals; and private land conservation. The Scheme applies to local development that is likely to significantly affect threatened species or which triggers the Biodiversity Offsets Scheme threshold. Also subject to the Scheme are State Significant Development and State Significant Infrastructure, unless the project is considered by the government to be unlikely to have a significant impact, and other public authority activities if the proponent chooses to "opt in". Where the Scheme is found to apply, the impacts on biodiversity are assessed and the number and class of biodiversity credits required to offset the impacts are determined. For local development, development cannot proceed if the consent authority finds that it will have a "serious and irreversible impact" on biodiversity values. For development where the State government or local government is the proponent, the proponent must take those impacts into account.

Independent Hearing and Assessment Panels

As at August 2017, 15 councils across NSW had voluntarily established Independent Hearing and Assessment Panels (IHAPs), with their powers varying by council – some IHAPs were able to decide development applications, while others could only make recommendations. This changed with reforms that made IHAPs, now also known as Local Planning Panels (LPPs), mandatory for all Sydney councils and the Wollongong council. Development is referred for determination to an IHAP where there is a conflict of interest, the development is contentious or sensitive, and where there is a departure from development standards.

2017 reforms of the Environmental Planning and Assessment Act 2017

In October 2017, a Bill amending the EP&A Act was introduced into Parliament in order to return the planning system to "a clear, useable framework that meets the needs of government, industry and the community" by way of "faster, simpler processes, enhanced strategic planning, improved community confidence and participation, and more balanced and transparent decision-making". Reforms introduced include preparation of a community participation plan by every planning authority, creation of a local strategic planning statement (LSPS) by every council, provision of reasons for certain planning decisions by planning authorities, such as determinations of State Significant Development, and a change in the role of the Planning Assessment Commission (PAC), now known as the Independent Planning Commission.

Issues and ongoing reforms

Areas of the planning system subject to ongoing reform include the environmental impact assessment process and mine rehabilitation. Other reforms have been deferred – the staged implementation of the 2017 reforms and a new Low Rise Medium Density Housing Code. The new Code has featured as one part of the public debate on "overdevelopment", debate that has also covered specific locations, such as Ryde and Waterloo, and a perceived disproportionate distribution of new housing across Sydney. Building practices have also received widespread coverage, following the appearance of cracks in the Opal Tower and questions around the compliance of cladding. Building certification and regulation issues may be addressed by new legislation that is still to come into effect, and Government proposals announced in response to the *Building Confidence Report*.

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Environmental issues

Daniel Montoya and Emily Ravlich

Four issues are presented here due to their significance in public debate leading up to the election [see also **Drought**, **Murray Darling Basin**, **Planning reforms**].

Climate change

Over 97% of recently published climate scientists agree that the Earth is warming and that humans are contributing to the change in climate. Climate change is affected by rising greenhouse gas emissions (GHGs) such as carbon dioxide (CO_2), which 'trap' heat in the lower atmosphere. According to the CSRIO and Bureau of Meteorology, Australia is one of the most vulnerable developed countries to the possible impacts of climate change, which include physical and ecological impacts (such as heatwaves and floods), social and economic impacts (damage to infrastructure) and human health impacts (infectious diseases and poorer nutrition). Government bodies and the Commonwealth Parliament have called for the integration of climate change risks into regulatory and policy frameworks, including most recently the Reserve Bank of Australia.

In 2016, average temperatures in NSW were projected to increase by 0.7°C in the near future (2020-2039) and beyond this by 2.1°C (2060-2079). Some regions of the State are expected to be more affected than others. The NSW Government has endorsed the Paris Agreement and set an aspirational objective of achieving net-zero emissions by 2050. The Commonwealth Government has an emissions reduction target of 26-28% below 2005 levels by 2030. In 2016, total NSW GHG emissions were 130.3 Mt CO_2-e (megatonnes of carbon dioxide equivalent). This is down 19.5% since 2005 and 24.5% since 1990. However, emissions from energy sources and industrial

NSW annual GHG emissions (Mt CO_2-e), 1990 to 2016

Legend: Energy | Industrial Processes | Agriculture | Waste | Land Use, Land-Use Change and Forestry | TOTAL
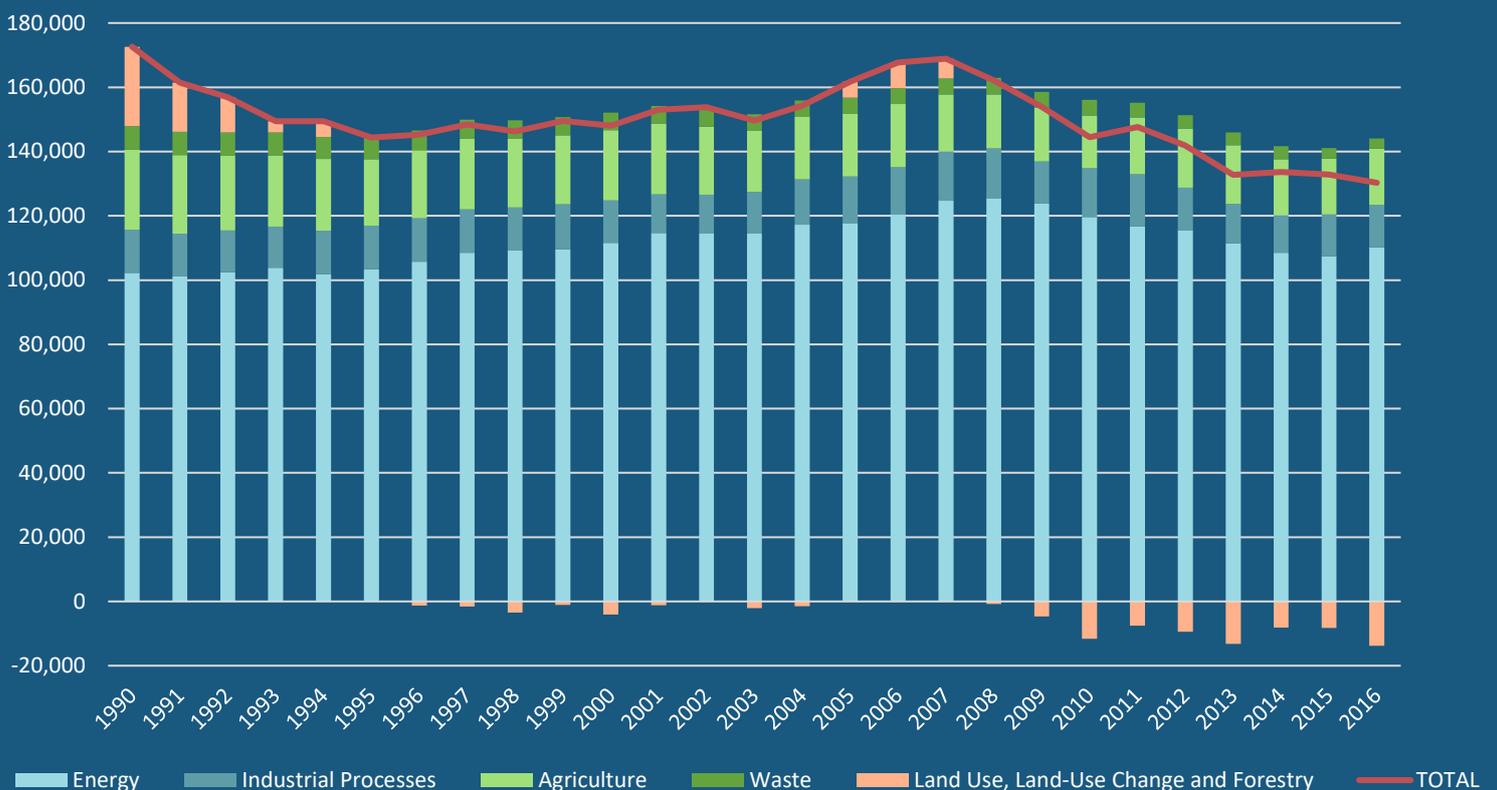
processes increased between 2015 and 2016. Note that Australian emissions, for which more recent data is available, have been trending upwards since 2013, with an annual increase of 0.9% for the year to September 2018.

Air quality

Air quality in NSW is regulated by two National Environmental Protection Measures (NEPMs) and NSW legislation and policy. The *Ambient Air Quality (AAQ) NEPM* sets standards for seven pollutants: carbon monoxide (CO); nitrogen dioxide (NO_2); sulphur dioxide (SO_2); ozone; particles smaller than 10 micrometres (PM_{10}); particles smaller than 2.5 micrometres ($PM_{2.5}$); and lead, which no longer needs to be monitored. These pollutants have been linked to adverse health impacts including heart disease, stroke and lung cancer. The NSW Office of Environment & Heritage (OEH) produces an Air Quality Index (AQI) based on the first six pollutants and visibility readings. An AQI reading of 100 (the upper limit of 'fair') is equivalent to the NEPM standard. On this measure, air quality declined across NSW between 2017 and 2018 in all regions except Sydney central-east.

In 2016, stricter $PM_{2.5}$ and PM_{10} standards that reflect the current scientific understanding of the health impacts were added to the AAQ NEPM. A 2025 goal for annual average $PM_{2.5}$ levels of 7 µg/m^3 per day was also added. In 2017, two of the 33 stations included in OEH annual air quality reports exceeded the annual average PM_{10} standard. In 2018, four additional stations also exceeded this standard. In 2017, seven stations exceeded the annual average $PM_{2.5}$ standard. In 2018, 16 of 34 stations exceeded this standard (Parramatta North was added in 2018). The 2025 $PM_{2.5}$ goal was exceeded by 25 stations and equalled by three (shown in chart).

Air quality issues in Sydney and the Hunter have been highlighted in recent studies by the NSW Chief Scientist & Engineer, the Australian Conservation Foundation (ACF), Doctors for the Environment Australia, and Environmental Justice Australia. A 2018

AQI categories as percentage of time by region, 2017 to 2018
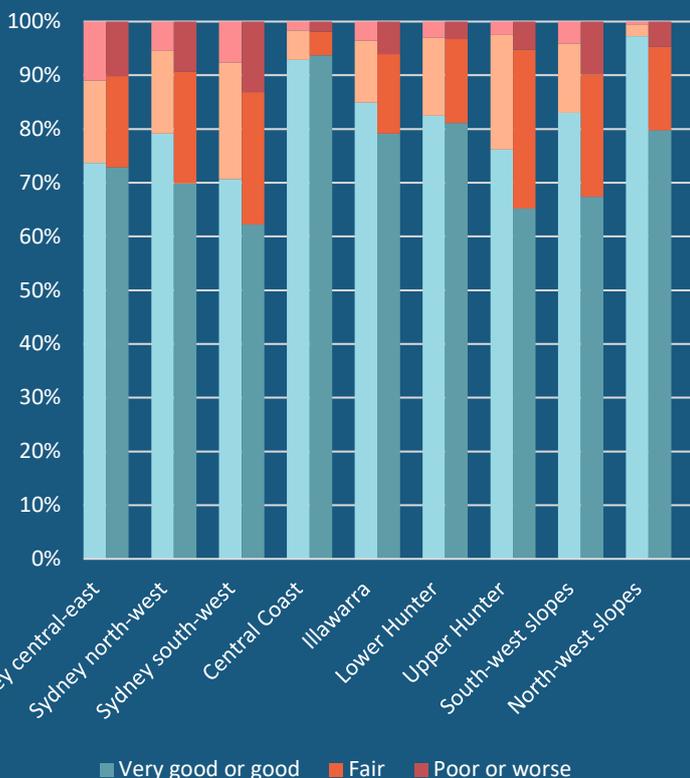

Annual average PM$_{2.5}$ (µg/m^3), 2017 to 2018
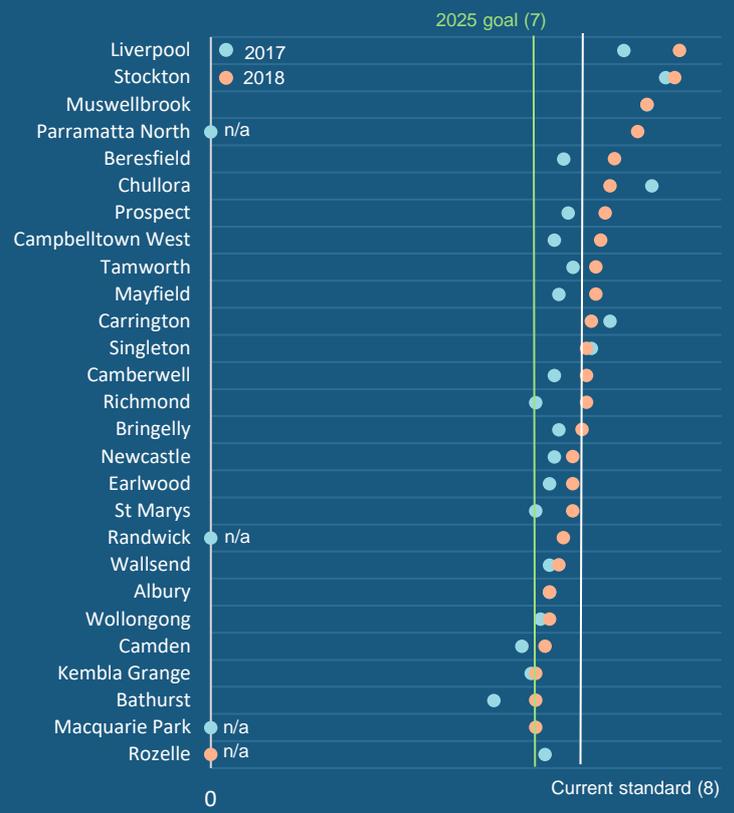
Legislative Council inquiry into WestConnex made several recommendations on this topic, including that the NSW Government should publish real time air quality data for WestConnex; and that the NSW Government should install filtration systems on all current and future motorway tunnels.

## Waste management and resource recovery

According to the _National Waste Report 2018_, core waste generation (from municipal, construction & demolition (C&D) and core construction & industrial (C&I) sectors) in NSW has generally trended upwards since 2006-07, reaching 18.1Mt in 2016-17. Resource recovery (recycling and energy recovery) rates have remained relatively stable, at 62.0% in 2006-07 and 62.3% in 2016-17. Non-core C&I waste is generally managed on-site or generated upstream in the production process, and includes primary production, mining and electricity production waste. No NSW-specific non-core C&I waste data is available. At the Australian level, in 2016-17 core waste totalled 54 Mt and non-core waste totalled 59.1 Mt.

Recent Legislative Council and Senate inquiries made several key relevant recommendations. Both inquiries recommended that State and Territory Governments direct more landfill levy funding towards waste and recycling initiatives; improve waste data collection; and that all governments move towards establishing a circular economy, where materials are used, collected, recovered, and re-used within Australia. The Legislative Council inquiry made three 'urgent' recommendations to the NSW Government: consider 'attaching' the waste levy to the waste generator, instead of requiring payment at the landfill site; improve waste management infrastructure planning, including by nominating a lead agency; and investigate, identify and implement solutions to the implications of the China National Sword Policy, which restricted imports of Australian solid waste into China for recycling. The 'crisis' this has caused appears likely to continue in the near future. China had been the largest export

Waste disposal, recovery and recycling in NSW

Legend: Landfill, Recycling, Energy recovery, Resource recovery rate (%)
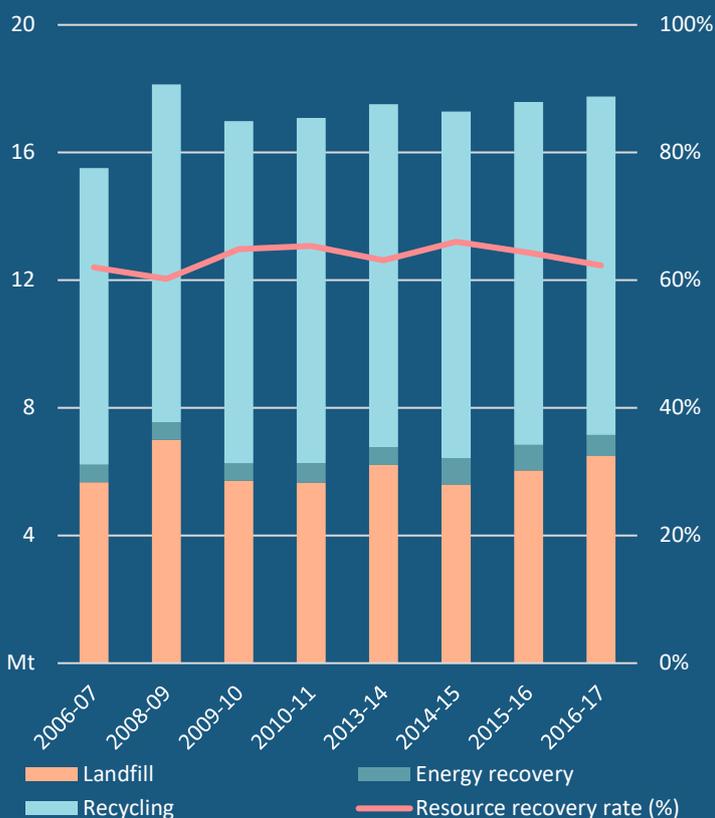
Waste exports, Australia

Legend: Metals, Paper, card, Exports to China (%), Plastics, Other
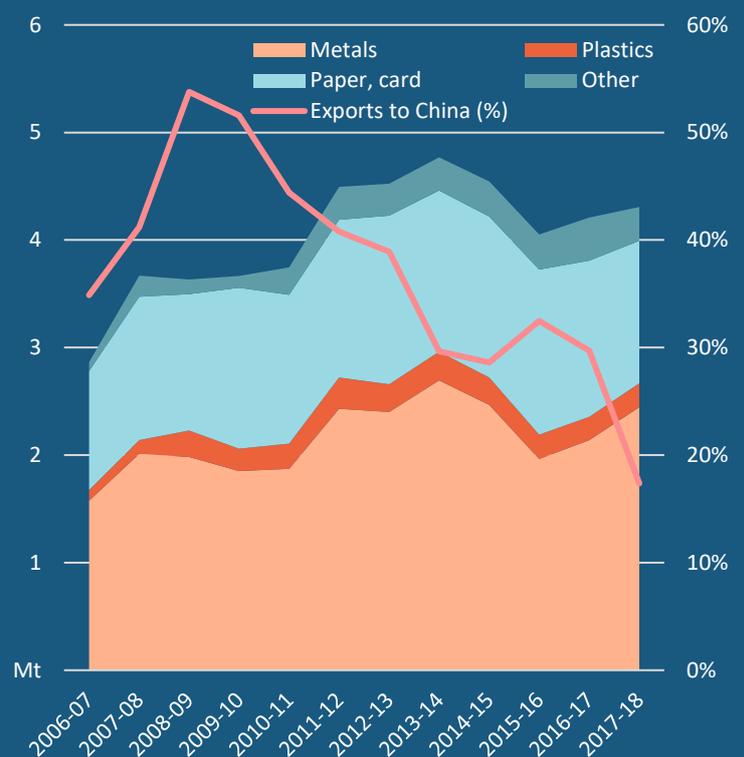
market for Australia. [Now third largest](#) as of December 2018, it has been joined by Vietnam (1st), Indonesia (2nd) and Malaysia (5th) in tightening import controls. On [1 March 2019](#), India (4th) banned the import of solid plastic waste. No data is available on the export of waste generated in NSW. At the Australian level, export tonnage increased between 2015-16 and 2017-18 to reach 4.3 Mt.

## Land management and biodiversity conservation

Biodiversity may be conserved in [marine](#) and [terrestrial](#) protected areas, with terrestrial areas found on both [public and private land](#). [Native vegetation management](#) on private land has been a controversial issue in NSW since the 1980s. While the NSW Government attempted to resolve the issue with land management and biodiversity conservation [reforms](#) in 2016 [see **Planning reforms**], the issue remains contentious. Some stakeholders hold that land clearing laws are akin to '[statutory theft](#)', while others believe that the reforms [weakened environmental protections](#). Political party positions [vary considerably](#).

The NSW Government [reports](#) on the regulation and protection of native vegetation. Native vegetation may be conserved in private conservation areas, under instruments such as conservation covenants and BioBanking agreements, or public reserve systems. Land may be revegetated or restored in areas such as wildlife refuges or [Property Vegetation Plan](#) (PVP) offset areas. New management arrangements for native vegetation include management of invasive native scrub, thinning for vegetation quality improvement, and private native forestry. Native vegetation clearing is [permitted](#) under PVPs or legislation. NSW Government [data](#) shows that rates of native vegetation conservation fell after 2010-11. The area of native vegetation cleared in 2015-16 was more than double that of any year since 2006-07. It should be noted that no data is available after 2016. The NSW Audit Office is [due to report](#) on this topic in mid-2019.

Areas of native vegetation that were conserved, restored or managed (ha) from 2006-07 to 2015-16
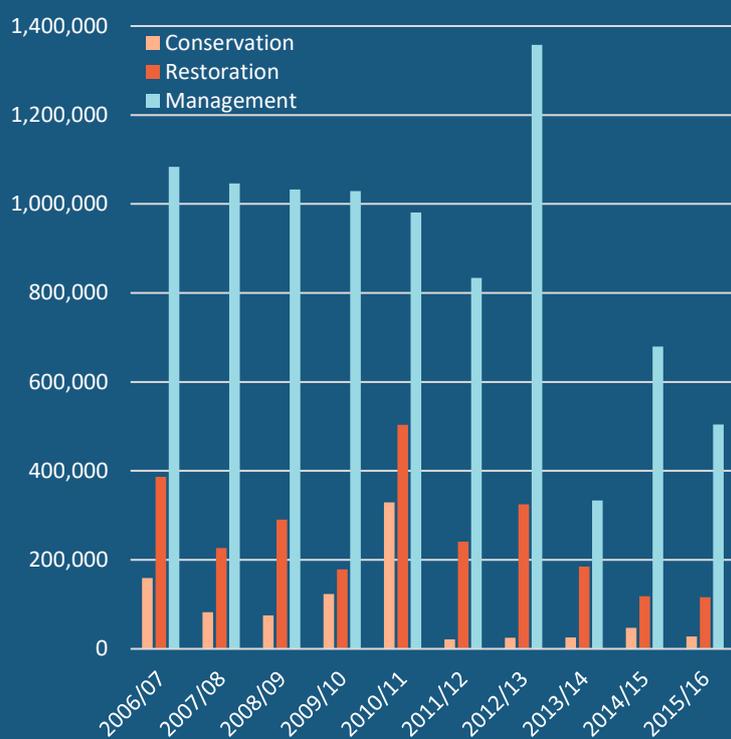
Area of native vegetation approved for clearing (ha) from 2006-07 to 2015-16
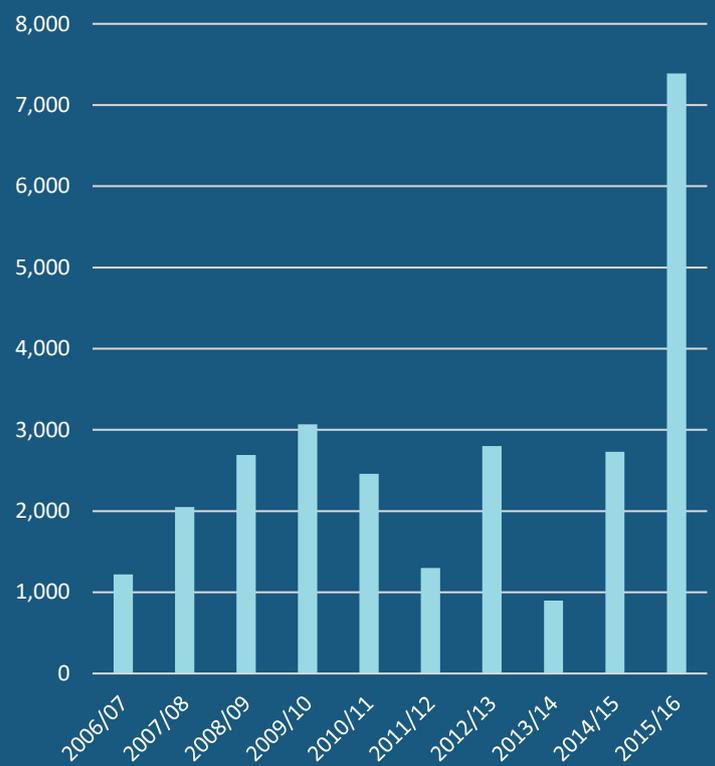
Drought

Talina Drabsch

Australia is the driest of the inhabited continents and has one of the most variable rainfall patterns. Drought is different in nature to other climatic risks (floods, hail, and extreme winds) as it "can affect a much greater proportion of farms at any one time… usually has a slow onset, can last for several years, and its end can be highly uncertain" (Productivity Commission: 51). Australia is particularly susceptible to the socio-economic impact of drought due to its large agricultural sector.

Definitions of drought

Bureau of Meteorology: "A prolonged, abnormally dry period when the amount of available water is insufficient to meet our normal use. Drought is not simply low rainfall".

Four types of drought – Productivity Commission:

i. meteorological (a period of low rainfall);

ii. agricultural (short-term dryness in the surface soil layers at a critical time in the growing season);

iii. hydrological (prolonged moisture deficits that affects surface or subsurface water supply); and

iv. socio-economic (effect of drought on supply and demand of economic goods and human wellbeing).

The current situation

The Combined Drought Indicator map for NSW (refer final page) considers rainfall, soil water, plant growth and rainfall trends. An area classified as drought affected is considered to be experiencing a drought event. As the map shows, 99.8% of NSW was experiencing either intense drought (26.3%), drought (52.2%) or was drought affected (21.3%) in February 2019. At this time, only 0.2% of NSW was classified as either non drought or recovering.

Socio-economic impact on rural and regional communities

The potential ramifications of drought on rural and regional communities are large in scope and will differ according to the severity of a drought and the type of agriculture in the particular region. It may include:

- the reduction of livestock and destruction of crops;
- environmental consequences such as soil erosion and loss;
- mental health issues including anxiety, depression and suicidal behaviour;
- impact on local community including those outside the agricultural sector;
- impact on farm workers as hours are reduced or number of workers are cut;
- unemployment;
- population decline in rural communities;
- disruption to local services – some services may be unable to continue due to reduced income and/or decreasing populations;
- loss of income for small business in small towns;
- fluctuations in domestic food prices; and
- a reduction in agricultural output and associated impact on export earnings.

NSW policy

A $300 million NSW drought strategy was launched in 2015 to focus on preparedness, improved decision making and targeted support for rural communities. It was boosted by a further $284 million in the 2018 Budget. The drought strategy views drought as a business risk and "encourages primary producers to plan ahead in normal conditions to prepare and build flexibility to deal with adverse conditions".

As part of the strategy, the NSW Drought Framework encompassed six key areas:

- Finance – farm innovation fund, drought assistance fund, rural financial counselling service, farm debt mediation.
- Skills and training.
- Animal welfare assistance.
- Information.
- Research and development.
- Health and wellbeing.

Almost $1.5 billion is currently provided under the Drought Assistance Package in NSW, with the $500 million Emergency Drought Relief Package (EDRP) announced on 30 July 2018. An extra $350 million was added on 13 February 2019. The EDRP has three major elements which boost funding for the drought framework:

- Drought Transport Subsidies ($190 million) - $20,000 per eligible farm business per year;
- Waiver of fees and charges to reduce the cost of farming ($100 million) (eg Local Land Services rates, fixed water charges, class one agricultural vehicle registration costs); and
- Farm Innovation Fund infrastructure program ($150 million). Another $350 million was added to this Fund in February 2019).

The NSW Drought Interagency Working Group is comprised of representatives from various agencies involved in the implementation of the NSW Drought Framework. The group has been designed to ensure that NSW responds to the challenges of drought in a holistic manner.

The National Farmers' Federation has set up FarmHub as a central location for information on drought assistance provided by the Commonwealth Government as well as the various states and territories and non-profit organisations.

National Drought Summit: October 2018

A National Drought Summit was held on 26 October 2018, with representatives from all three levels of government, the farming and agribusiness sector, banking and finance services, community and charitable organisations and other relevant experts. It sought to identify immediate action to support those in drought affected regions as well as identify frameworks for long term preparedness and resilience. The National Drought Summit Statement outlined a number of principles for drought reform. A $3.9 billion future drought fund set to grow to $5 billion was announced at the Drought Summit as was an extension of the Drought Communities Program. The *Future*

Drought Fund Bill 2018 was subsequently introduced in the House of Representatives on 28 November 2018.

National Drought Agreement

The Council of Australian Governments signed a new *National Drought Agreement* (NDA) on 12 December 2018. It replaces the 2013 *Intergovernmental Agreement on National Drought Program Reform* and sets out a joint approach to drought preparedness, responses and recovery with a concern for accountability and transparency. Its focus is on bolstering risk management practices. It also seeks to enhance long-term preparedness and resilience to support farming businesses and communities as they manage and prepare for climate change and variability. The specific roles and responsibilities of the Commonwealth and the states and territories are set out, as well as those that are to be shared by them. The role of the states and territories is established in clause 10:

a. encouraging the delivery and uptake of capability-building programs to improve farming businesses' skills and decision-making that are flexible and tailored to farming businesses' needs.

b. ensuring animal welfare and land management issues are managed during drought.

PROTOTYPE PRODUCT

Combined Drought Indicator:
12 months to
31 January 2019
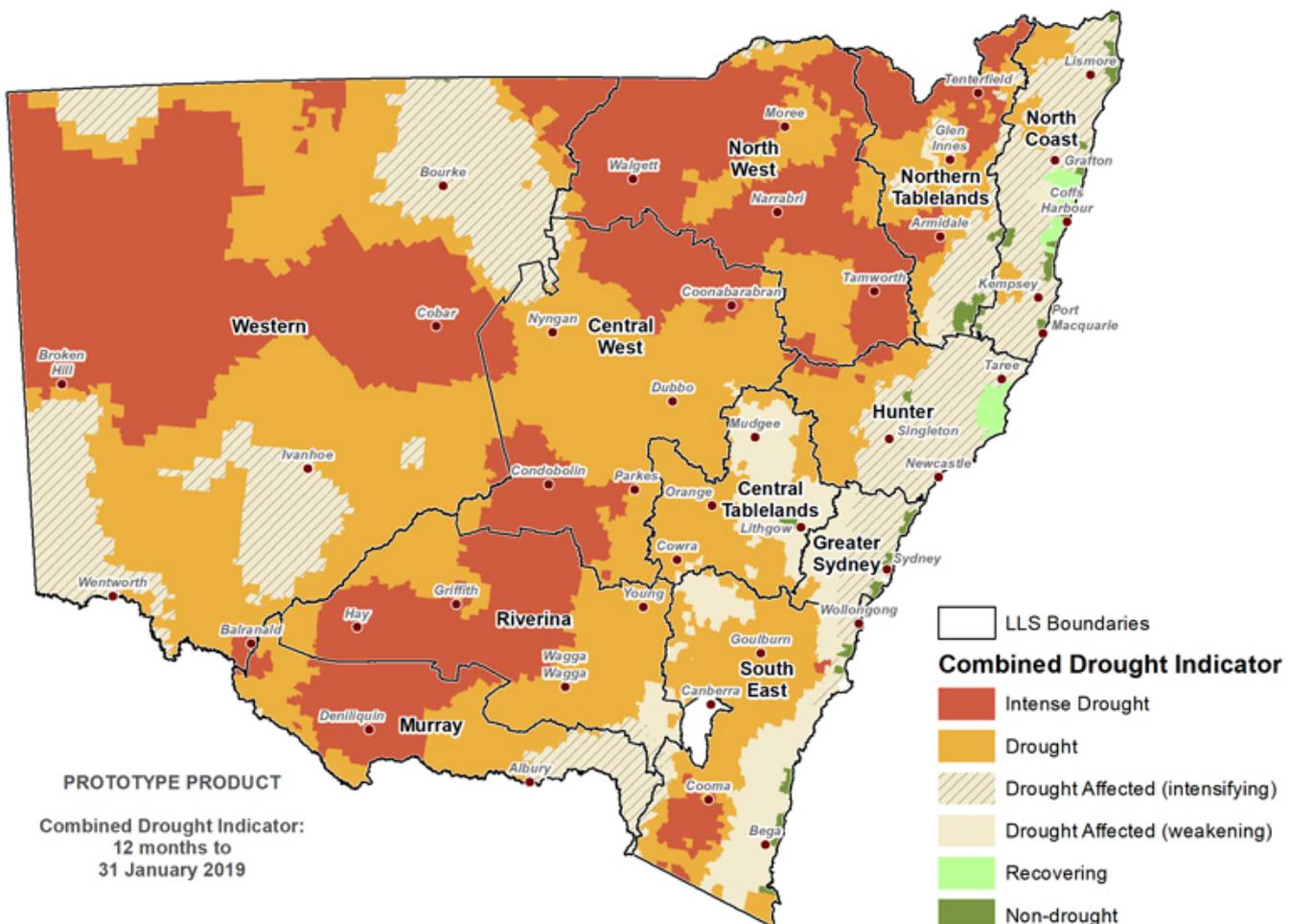
The Murray Darling Basin

Daniel Montoya and Emily Ravlich

The Murray Darling Basin (MDB) is the largest, most complex river system in Australia, covering one million km² across NSW, the ACT, Queensland, South Australia and Victoria. It is home to 16 internationally significant wetlands, more than 2.6 million people, 46 Aboriginal Nations, and agricultural industries worth $24 billion annually.

Like the rest of Australia, the MDB is subject to the climatic extremes of floods and droughts. During the Millennium Drought (1996 to 2010), significant reforms were made to the management of the MDB. The Basin States referred legislative powers to the Commonwealth Government in accordance with an Intergovernmental Agreement, establishing the Murray Darling Basin Authority (MDBA) and Commonwealth Environmental Water Holder (CEWH) under the *Water Act 2007* (Cth). NSW retained an active role in managing water in the MDB, and natural resource management issues more broadly, under NSW legislation.

Water statistics

As of 6 March 2019, water storages in the NSW part of the MDB were at 29.1% capacity. As at March 2019, three water sources were in critical drought: Barwon-Darling; Lower Darling; and Lower Namoi. For 2019-20, forecast environmental water availability varies across the Basin, with conditions in the driest catchments expected to be so poor that environmental water will be used to avoid irretrievable loss of species and habitat. As of 4 April 2019, 4,400,000 ML of temporary water had been traded in 2018-19 at an average value of $339/ML; 871,000 ML of permanent water had been sold at an average value of $1,607/ML.

Water storage levels in the MDB
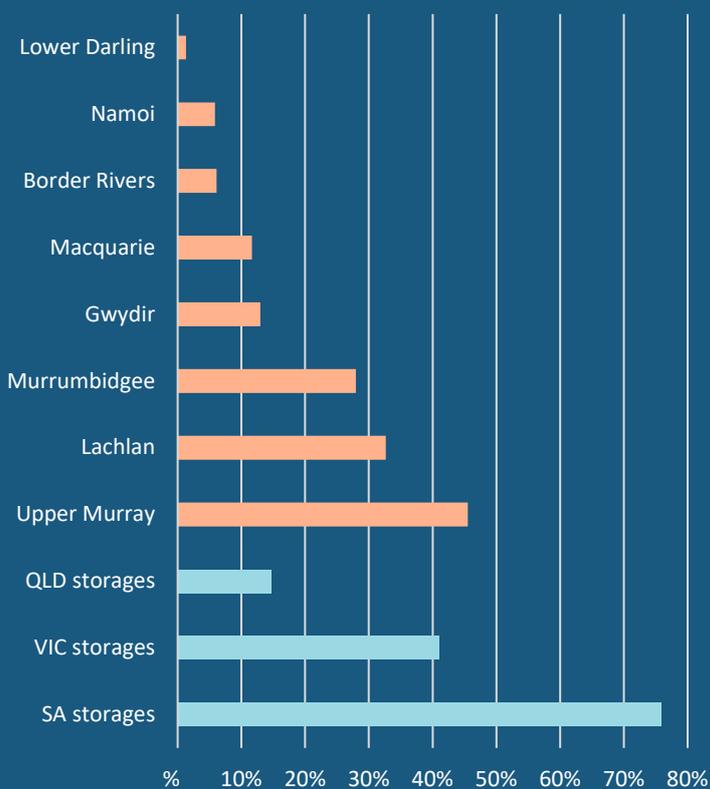
Temporary water trade in the MDB, volume and price
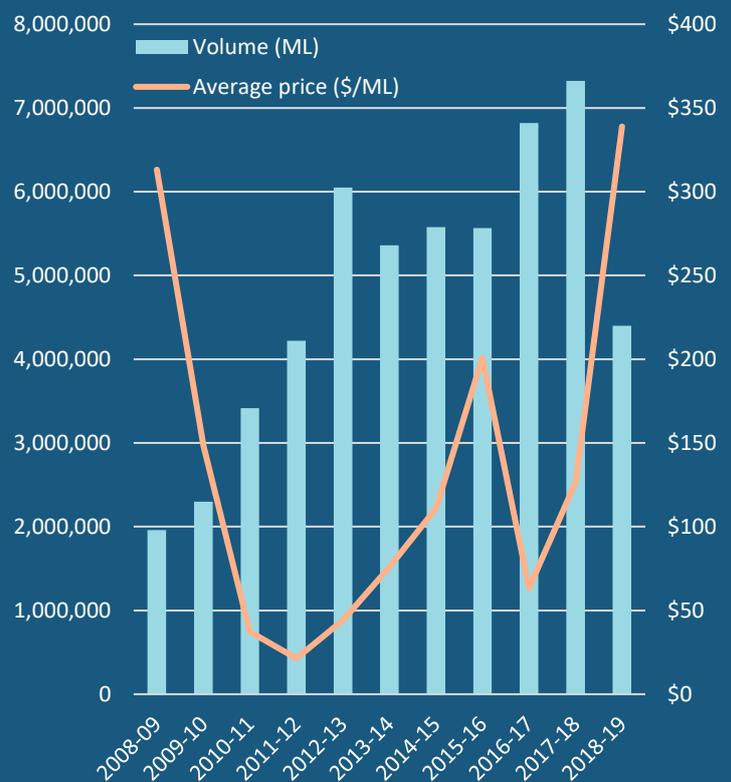
Murray–Darling Basin Boundary —
Water Act 2007

capital city   Murray-Darling Basin
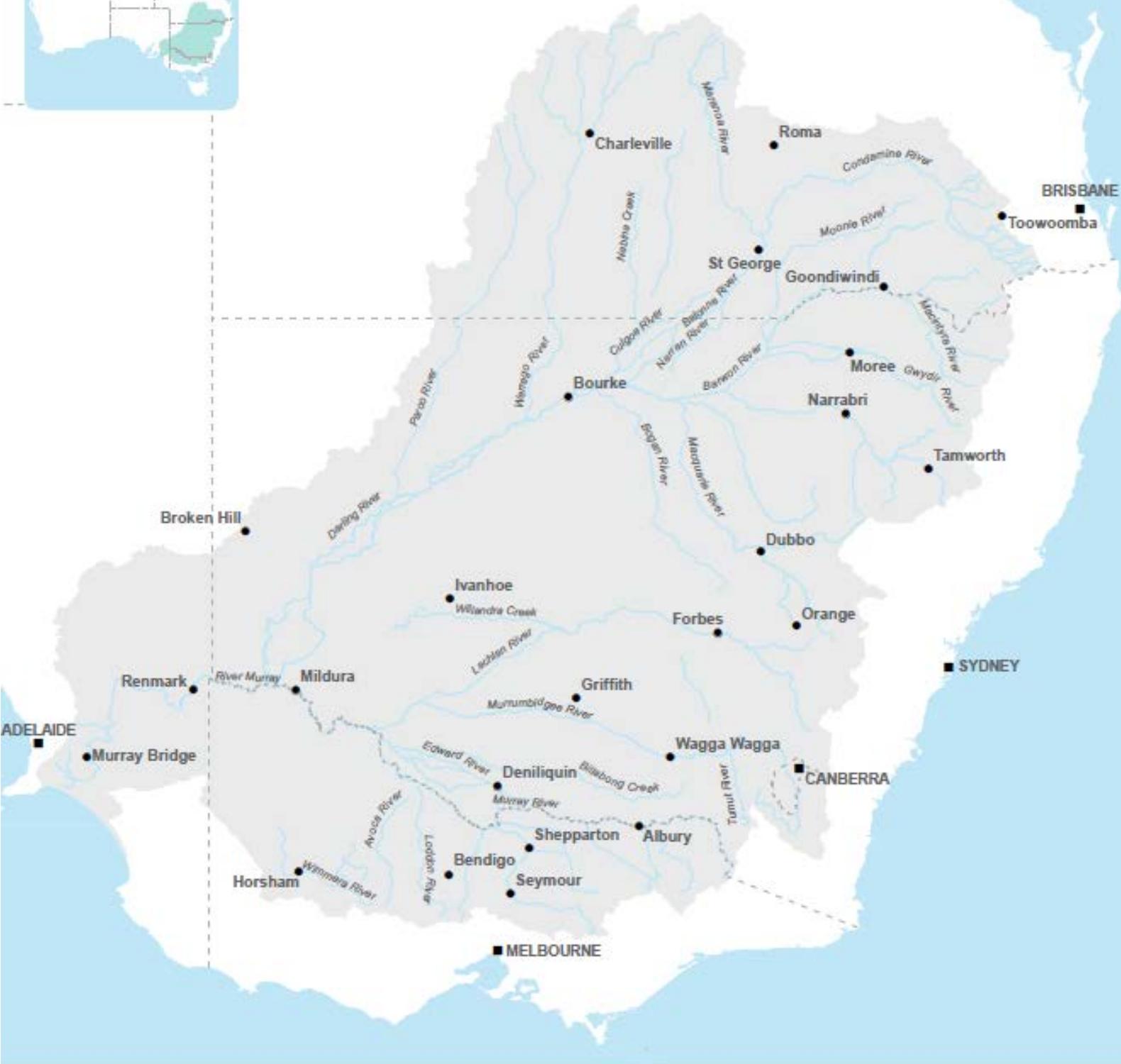
main town

state border

main rivers

0   100   200 km
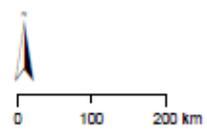
Sources: Geoscience Australia © Topo 250K data (Series 3), Geoscience Australia © Topo 2.5 million data (2003),
Murray-Darling Basin Authority © Murray-Darling Basin boundary. Map amended:2018.

Governance

Seven key NSW and Commonwealth Government agencies are responsible for water management in the MDB. Statutory bodies with smaller roles include the Bureau of Meteorology and the Australian Competition and Consumer Commission.

The Murray-Darling Basin Plan and Water Resource Plans

The Murray-Darling Basin Plan (the Basin Plan) is a requirement of the *Water Act 2007* (Cth). While the Basin Plan is a bipartisan agreement, it has attracted criticism from a range of stakeholders since being signed into law on 22 November 2012. Some stakeholders argue that it does not do enough to restore and protect the environment, while others contend that it has caused substantial damage to communities across the Basin.

The Basin Plan manages water quality and allocation in the MDB. It also establishes water trading rules, provides for infrastructure planning, operation and maintenance, and monitors compliance and the effectiveness of water management. It shares surface and groundwater between human and environmental needs in accordance with Sustainable Diversion Limits (SDLs). An adjustment mechanism (SDLAM) provides for flexibility in the application of SDLs in the Southern Basin. Water Resource Plans (WRPs) are an integral

Public sector administration of the MDB, April 2019

NSW agencies

Department of Primary Industries – Water (DPI - Water)
- Surface and groundwater planning, policy and regulation including development and implementation of WRPs
- Inter- and intra-governmental collaboration
- Stakeholder engagement
- Planning and infrastructure funding for local water utilities

WaterNSW
- Water supply
- System operator
- Infrastructure planning, delivery and operation
- Licensing and work approvals for rural landholders and industries

Natural Resource Access Regulator (NRAR)
- Compliance education
- Monitoring, investigating and enforcing compliance
- Compliance hotline
- Licensing and work approvals for a range of stakeholders including government agencies, irrigation corporations and mining projects

NSW Office of Environment and Heritage (OEH)
- Manages the NSW Government's water portfolio
- Environmental water planning

Commonwealth agencies

Murray Darling Basin Authority (MDBA)
- Prepare, implement and review the Basin Plan
- Water delivery and River Murray operation
- Monitoring and measurement
- Research and investigation
- Assess and monitor NSW WRPs and SDLs
- Education
- Compliance and enforcement

Commonwealth Environmental Water Holder (CEWH)
- Manages the Commonwealth Government's water portfolio
- Monitoring and measurement

Department of Agriculture and Water Resources (DAWR)
- Water recovery to meet SDLs
- Monitoring and evaluation
- Fund and implement water programs and projects
- Advise Minister on accreditation of NSW Water Plans

part of implementing the Basin Plan. The NSW Government is developing 20 WRPs for surface and groundwater areas. Each WRP incorporates six elements including compliance with its SDL and water trade rules, protection of water for the environment, Aboriginal values and uses, and arrangements for extreme events. WRPs will be assessed by MDB Indigenous Nations and the MDBA before being accredited by the Commonwealth Water Minister.

Compliance and enforcement

On 24 July 2017, an ABC story by Four Corners on MDB water management made allegations of widespread non-compliance with NSW water legislation, particularly in

the Barwon-Darling. The allegations included misappropriation, maladministration and misconduct in the NSW Government, illegal pumping, appropriation of environmental water by some irrigators, and meter tampering. Additional allegations emerged in the following months.

Compliance and enforcement in the MDB is a longstanding issue – By June 2016, the NSW Ombudsman had commenced their fourth investigation into water compliance and enforcement since 2007, with an interim report released in November 2017. In March 2018, the Ombudsman found that some of the enforcement outcomes data provided to it by WaterNSW were "incorrect to a significant degree". The final report was released in August 2018. A Legislative Council Committee was also conducting an inquiry into water management at the time the Four Corners story went to air. The inquiry made three key recommendations relevant to the MDB, one of which called upon the NSW Government to support a federal Royal Commission into its administration. In November 2018, the Government responded by stating that a federal Royal Commission was not necessary.

NSW developments

The NSW Government appointed Ken Matthews AO to conduct an independent investigation, and the Opposition referred former water minister Kevin Humphries and a senior NSW water bureaucrat to the Independent Commission Against Corruption (ICAC). Ken Matthews' interim report urged initiation of a compliance improvement package. The Government's *Water Reform Action Plan* set out a broad suite of reforms that included establishment of the Natural Resources Access Regulator (NRAR). It also included measures to increase transparency such as creation of a single public register of water information, quarterly progress reports, and an annual independent review. As of March 2019, some reforms such as the single public register are yet to be implemented.

Commonwealth developments

Investigations at the Commonwealth level include an MDBA Basin-wide compliance review, an Australian National Audit Office assurance review, and a Senate inquiry into the integrity of the MDB water market. Related developments include the Productivity Commission's five-yearly Basin Plan assessment and a Senate inquiry into the management and use of Commonwealth environmental water. A key outcome of these investigations was the Basin Plan commitments package that included a Compliance Compact between the Commonwealth Government and Basin States. A key recommendation was that, due to "major shortcomings in the current institutional and governance arrangements", the MDBA should be split into a Murray-Darling Basin Agency (an agent of the Basin Governments); and a Basin Plan Regulator (an independent Commonwealth statutory authority).

South Australian Murray-Darling Basin Royal Commission

Two key findings of the South Australian MDB Royal Commission were that the Basin Plan was unlawful on a number of counts, including by the reduction of the amount of water recovered for the environment in the Northern Basin, and that NSW commitments to improving the protection of environmental water, metering and real-time monitoring of water extractions and account balances appear to have stalled.

Recommendations made to improve transparency include establishment of an independent body responsible for auditing the implementation of the Basin Plan.

Fish kills

Fish kills occur "reasonably frequently" in the MDB. Over 1,600 fish kills of all sizes have been reported in NSW since the 1980s, with many additional small kills likely to be unnoticed or unreported. Three large fish kills occurred in the 2018-19 summer on the same 45km stretch of the Darling River, between Menindee Main Weir and Weir 32. These kills were unusual in the combination of their size, severity, impact on large Murray cod, and association with low flows. On 25 January, the NSW Department of Primary Industries – Water released an interim investigation report on the first two fish kills. On 18 February, the Australian Academy of Science (AAS) published a report commissioned by the federal opposition. The Commonwealth Government appointed its own independent panel to investigate, which released an interim report (Vertessy report) on 20 February.

All three reports found that the immediate cause of the fish kills was stratification and then mixing of oxygen-depleted bottom water with oxygenated surface water. Low-flows and high temperatures caused the water layers to separate, and stimulated blue-green algae growth, before storm activity mixed the water layers. The AAS and Vertessy investigations identified factors behind the immediate causes: drought exacerbated by climate change; and water diversions. The interim Vertessy report argued that not enough data was available to determine the relative contribution of each factor. In contrast, the AAS report found that excess water diversions are the "root cause" of the fish kills, which suggests "serious deficiencies in governance and management" of the MDB.

The recommendations of the Vertessy and AAS reports may be divided into three groups. The first consists of a set of short- and long-term measures to protect fish, including directly oxygenating the water, increasing water quantity and quality in the Darling River, removing physical barriers to fish migration, and developing warning systems and crisis intervention plans. The second is a request for improved management arrangements, to be developed through meaningful engagement with communities and Indigenous peoples. The last group of recommendations call for research and development investment to fill high-priority knowledge gaps and increased water monitoring.

Election policies

Labor released a plan that proposed establishing a special committee of inquiry, banning water pumping from the Darling River in droughts or periods of low rainfall, and increasing compliance checks. The Coalition outlined plans to invest in water security and water infrastructure projects, and fast-track regional water strategies. The Greens proposed completing an audit into taxpayer funding for water recovery projects and producing a Basin Plan that returns 4,000GL of water to the environment. The Shooters, Fishers and Farmers released a 10-point strategy, with two key proposed measures: a five-year pause of the Basin Plan; and a federal royal commission.

Energy statistics

Tom Gotsis

Coal production and consumption

In 2000-01, NSW coal production (110,240 kilo tonnes (kts)) exceeded coal consumption (30,602 kts) by 79,638 kts.

In 2016-17, NSW coal production (198,161 kts) exceeded coal consumption (26,761 kts) by 171,400 kts.

Gas production and consumption

In 2000-01, NSW gas consumption (3,811 million cubic metres (mcms)) exceeded gas production (220 mcms) by 3,591 mcms.

In 2016-17 NSW gas consumption (3,718.6 mcms) exceeded gas production (125.6 mcms) by 3,593 mcms.

NSW manufacturers are calling for more local gas supply and are opposing NSW Labor's pledge to block Santos's $3 billion Narrabri gas project due to water quality risks.

Electricity generation and consumption

In 2008-09 NSW electricity consumption (78,342 Gigawatt hours (GWh)) exceeded electricity generation (74,382.7 GWh) by 3,959.3 GWh.

In 2016-17 NSW electricity consumption (75,380 GWh) exceeded electricity generation (71,000.7 GWh) by 4,379.3 GWh.

The Climate Council of Australia reports that, of NSW's five operating coal powered stations:

> The Liddell coal power station is 47years old and scheduled to close by 2022 … Three other power stations … are also due to close within the next 15 years.

NSW coal consumption and production (kts)
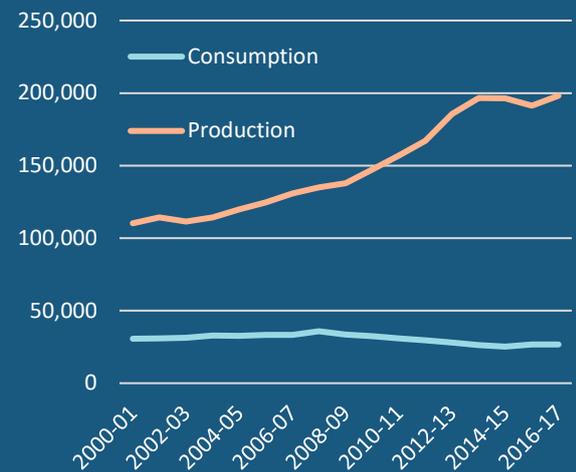
NSW gas consumption and production (mcms)
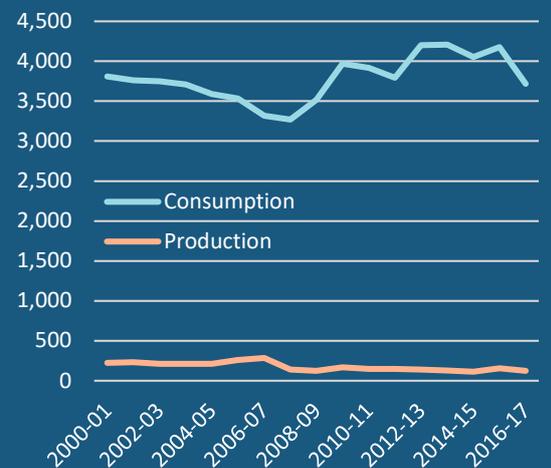
NSW electricity generation and consumption (GWh)
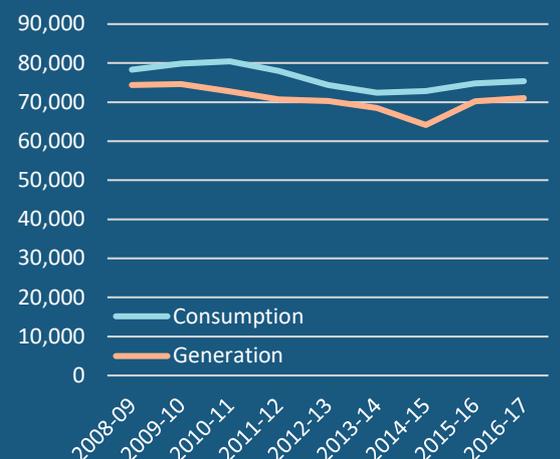
China Energy Engineering Corporation has proposed building 2,000 Megawatts (MW) of new coal-fired electricity generation in the Hunter Valley.

The NSW Government's *Renewable Energy Action Plan* and *Pumped Hydro Roadmap* aim to secure energy supply by growing the NSW renewable energy sector. NSW Labour has pledged to establish a state-owned renewable energy company and the Greens have announced plans for a Renewable Energy Fund.

In 2017-18, NSW generated 11,253.5 GWh of electricity using renewable energy. This was down from 11,388.3 GWh in 2016-17, up from 9,997.6 GWh in 2015-16 and up from 3,926 GWh in 2008-09.

In 2017-18, 79.5% of NSW's electricity was generated using coal. In 2017-18, 15.7% of NSW's electricity was generated from renewable energy (down from 16% in 2016-17, up from 14.2% in 2015-16, and up from 5.3% in 2008-09). This was below the national average (16.9%) and below South Australia (46.6%) and Tasmania (91.3%).

Key documents

Commonwealth Government, *Australian Energy Update 2018*. Note: The 2017-18 figures are the latest available preliminary estimates. These are subject to change in the full release of the 2017-18 Australian Energy Statistics.

Australian electricity generation, by fuel type, GWh, 2017-18

	NSW	Vic	Qld	WA	SA	TAS	NT	Aus
Non-renewable fuels								
Black coal	57,151.5		53,480.2	10,960.9				121,592.6
Brown coal		36,067						36,067
Natural gas	3,039.5	3,899.4	11,112.1	24,687.9	7,703.5	976.8	2,420.2	53,839.4
Oil products	415.5	164.8	1,001.9	2,540.9	137.5	33	969	5,262.6
Total non-renewable	**60,606.5**	**40,131.2**	**65,594.2**	**38,189.7**	**7,841**	**1,009.8**	**3,389.2**	**216,761.6**
Renewable fuels								
Biomass	1,164.4	661.8	1,434.1	153	89.1	24.6	7.1	3,534.1
Wind	2,448.7	4,224.2	28.5	1,593	5,572.9	1,122.2		14,989.4
Hydro	4,844.6	785.3	657.3	217.9	6.4	9,327.4		15,838.8
Large-scale solar PV	700	39.4	171.5	45.6	20	0.6	30.5	1,007.6
Small-scale solar PV	2,095.8	1,481.2	2,760.9	1,196.4	1,163.4	138.9	85.8	8,922.4
Geothermal								
Total renewable	**11,253.5**	**7,191.9**	**5,052.1**	**3,205.9**	**6,851.7**	**10,613.7**	**123.4**	**44,292.3**
Total	71,860	47,323.1	70,646.3	41,395.6	14,692.7	11,623.5	3,512.6	261,053.9
% renewable	15.7	15.2	7.2	7.7	46.6	91.3	3.5	16.9

Electric vehicles

Tom Gotsis

Electric Vehicles (EV) comprise an emerging set of technologies (see text box) that offer a range of environmental and economic benefits, including:

- zero air pollution (or, in the case of PHVs and HEVs, reduced air pollution);
- zero greenhouse gas emissions (or, in the case of PHVs and HEVs, reduced emissions);
- reduced road traffic noise;
- reduced fuel and maintenance costs;
- improved national fuel security; and
- potential for increased employment and economic growth.

What is an electric vehicle (EV)?

There are three main types of EV:

1. Battery-Electric Vehicles (BEVs), which are charged from the electricity network.
2. Plug-in Hybrid Vehicles (PHVs), which are charged from the electricity network or a petrol engine.
3. Hydrogen Fuel Cell Vehicles (HFCVs), which are charged from a hydrogen fuel cell.

In contrast to EVs, Hybrid Electric Vehicles (HEVs) use a petrol engine to charge their electric motors. They are already price competitive and charging infrastructure concerns do not apply to HEVs.

Sales and uptake

In 2017 over 1 million EVs were sold globally and the EV fleet exceeded 3 million vehicles. EV market share was greatest in Norway (39.2%), Iceland (11.7%) and Sweden (6.3%). Australia's EV market share was about 0.2%. As at September 2018, of the 2.95 million light passenger vehicles in NSW, 1,700 were BEVs.

Key concerns about EVs

Coal-fired power stations emit air pollution and greenhouse gases. Consequently, EVs can indirectly emit air pollution and greenhouse gases if they are not charged with renewable energy (or, in the case of HFCVs, by hydrogen fuel produced with renewable energy). EV consumers in Australia also face higher purchase costs, limited model availability (especially at mid to low price points) and limited charging infrastructure.

Commonwealth policy developments

On 25 February 2019 the Commonwealth Government announced a $3.5 billion Climate Solutions Package, which includes developing a *National Electric Vehicle Strategy* to "ensure a planned and managed transition to new vehicle technology and infrastructure so all Australians can reap the benefits".

The Development of a National EV strategy was recommended by the January 2019 *Senate Committee Report on Electric Vehicles (2019)*. Other recommendations included consideration of national EV targets for light passenger vehicles, buses and government fleet vehicles; co-ordinated development of national charging infrastructure; and stricter vehicle emissions standards.

NSW policy developments

In January 2019 the NSW Government released its _NSW Electric and Hybrid Vehicle Plan_ (the Plan), which focuses on availability, charging points and customer information. The Plan states:

> There are currently around 800 public charging locations available in Australia. This is a charging station density of one per 31,635 people. In comparison, there are around 14,000 public charge points across the UK, a density of one charge-point per 4,717 people. … About 28 per cent of Australian households do not have access to a garage or parking-space power point, and would need to rely on access to public charging.

In light of this infrastructure deficit, on 21 January 2019 the NSW Government announced $3 million for charging points on major roads and $2 million for charging points in commuter car parks.

While the Plan does not provide any financial incentives for consumers, it states:

> The total cost of ownership (TCO) of an EV is predicted to reach total-cost parity with conventional vehicles about 2020/21 and purchase-price parity between 2025 and 2027.

> These tipping points are expected to accelerate EVs' share of Australian new passenger vehicle sales from their current level of 0.2 per cent to 1 per cent by 2020. This share is forecast to rise to 6 per cent by 2025, 28 per cent by 2030, and 60 per cent by 2040.

NSW Electric and Hybrid Vehicle Plan

New actions to increase availability include:

- From 2020-21, 10% of new vehicles purchased or leased by NSW Government agencies to be electric or hybrid vehicles
- From July 2019, trial an electric bus in a regular bus route service
- Assess whether bus depots can move to partial or full electric operations

New actions for more charging points include:

- Co-invest in fast chargers in regional NSW
- Co-invest in charging points in commuter car parks
- Adopt preferred charging standards
- Develop guidelines for charging points in roadside service centres
- Support EV charging through strategic land use planning
- Commission charging infrastructure mapping

New actions to improve customer information:

- Invest in a digital platform to provide convenient and accessible vehicle and charging information
- Develop roadside wayfinding signage to guide motorists to charging stations

The Plan includes forecasts of NSW EV market share reaching 73% by 2040. The Electric Vehicle Council and NSW Greens MP Cate Faehrmann have expressed concerns that NSW Labor's proposed luxury car tax would increase EV price and reduce EV uptake.

Projected uptake of EV passenger vehicles and tipping points
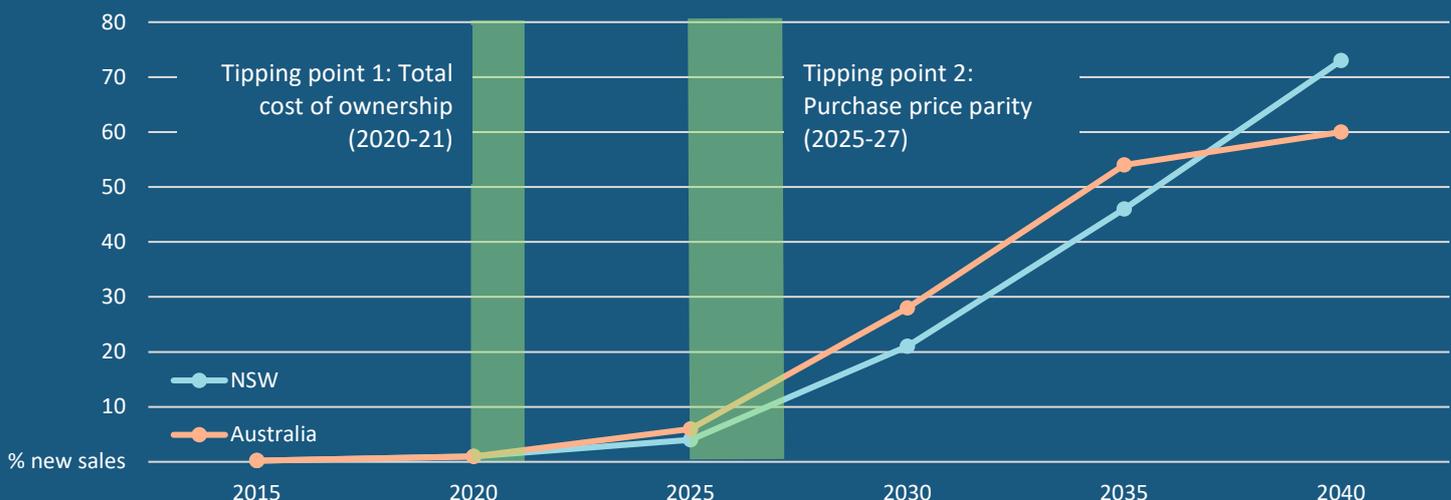
Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Visualising NSW

Daniel Montoya and Matthew Dobson

Using data from the Australian Bureau of Statistics (ABS), this section presents three maps of NSW that illustrate different key issues affecting the State in 2019 [For further information see also **Underemployment**, **Homelessness**, **NSW population growth**].

The first map (see below) is drawn from the current February 2019 edition of the *Regional labour force trends and NSW electorates*. This publication uses interactive maps and charts to enable the presentation of labour force indicators and trends across different NSW geographical regions, including electorates.

The second map presents estimates of the number of homeless people across all 93 NSW electorates (see overleaf and top).

The third map illustrates population growth for all 93 NSW electorates (see overleaf and bottom).
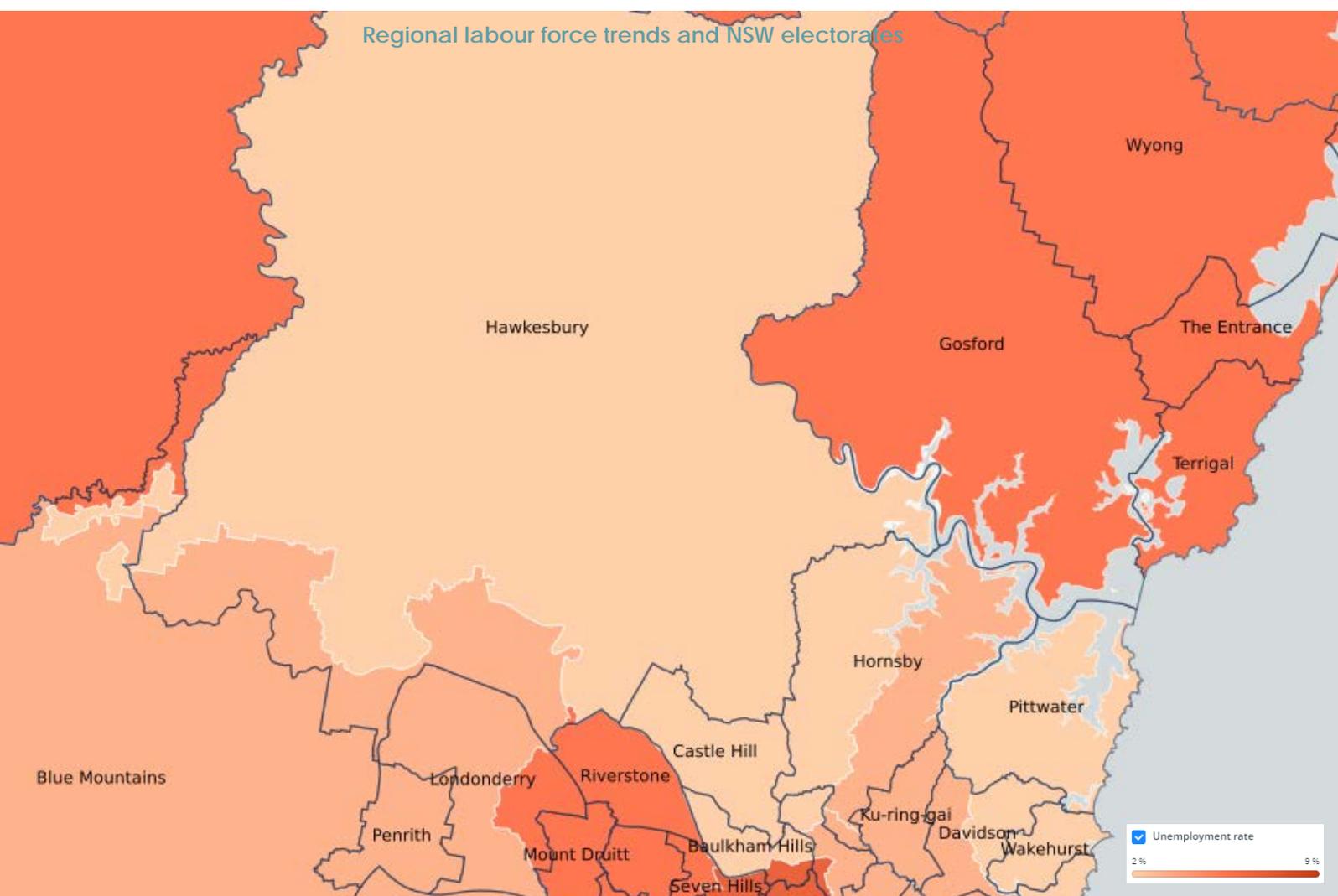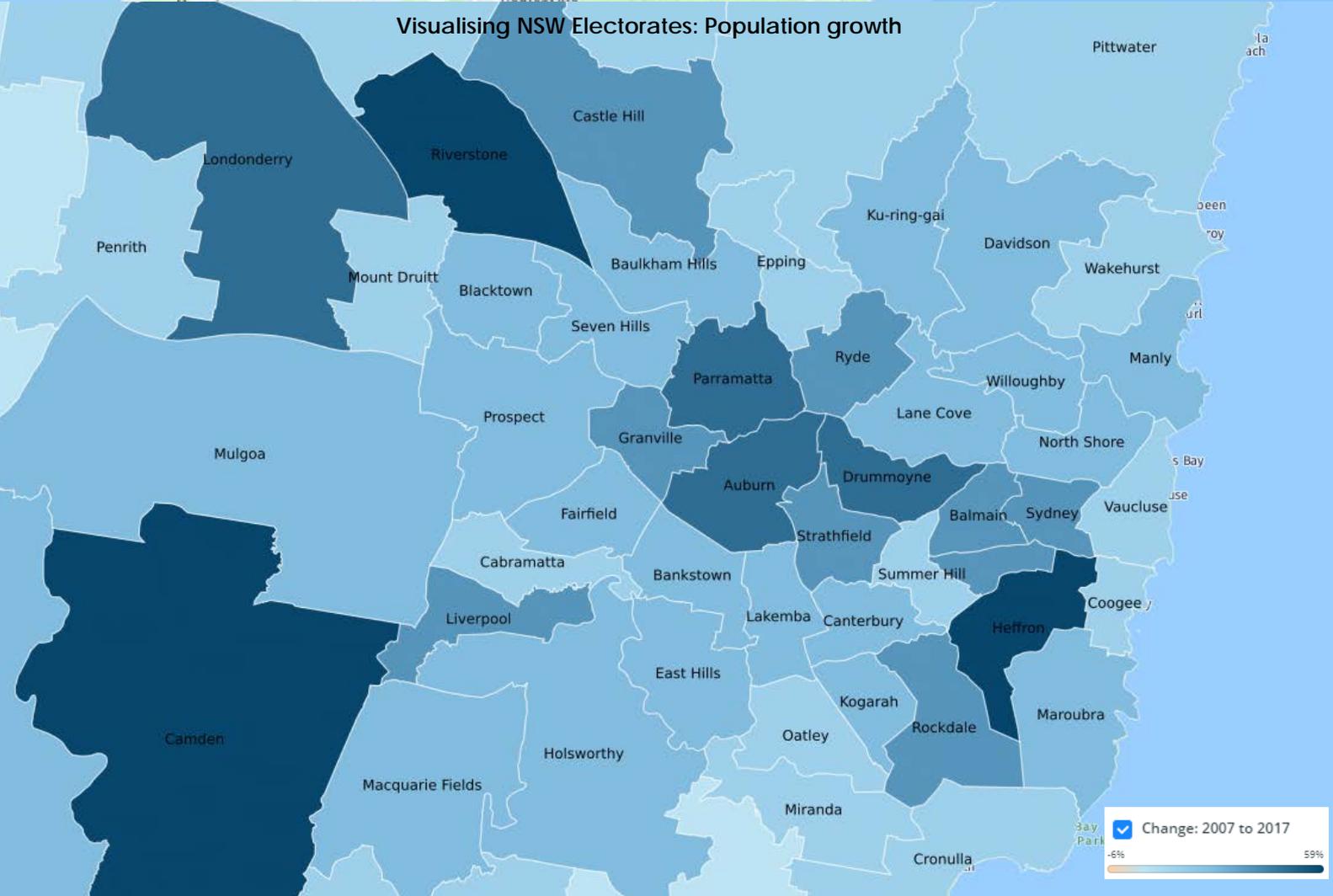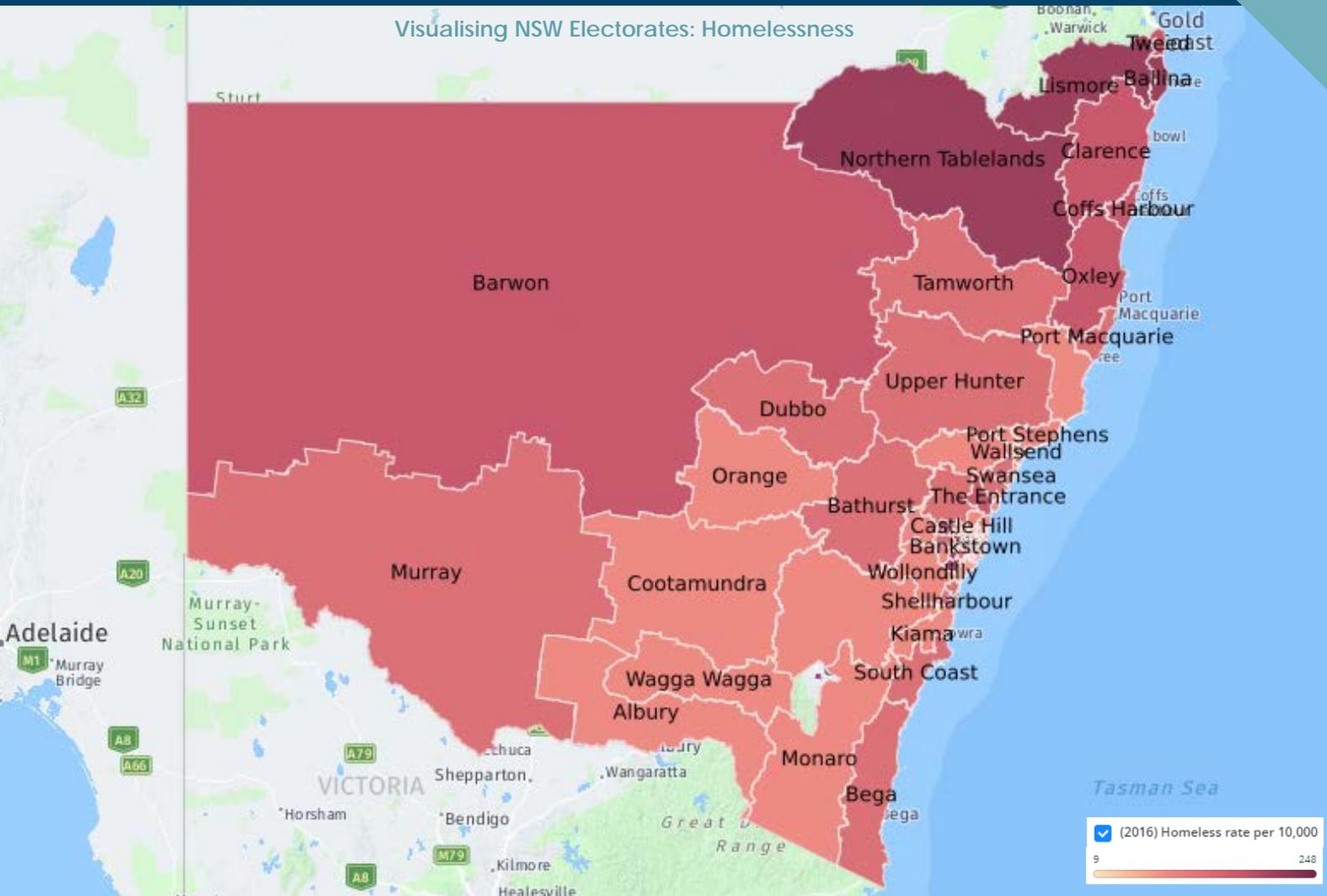
Regional labour force trends and NSW electorates

Visualising NSW Electorates: Homelessness

(2016) Homeless rate per 10,000
9   248

Visualising NSW Electorates: Population growth

Change: 2007 to 2017
-6%   59%

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Early childhood education

Emily Ravlich

In Australia, Early Childhood Education (ECE) is generally delivered through preschool programs. A preschool program is defined by the Productivity Commission as a "structured, play-based learning program, delivered by a qualified teacher, aimed at children in the year or two before they commence full time schooling". Preschool programs help children develop the social, cognitive, physical, emotional, and communication skills they need to transition to full-time school. These benefits carry through to primary school, with children who attended a quality preschool program in the year before school outperforming their peers in Year 3 NAPLAN scores.

In NSW, there were 90,327 children enrolled in a preschool program in the year before full-time schooling in 2017. Of these, 58,547 were enrolled in preschool programs based in long day cares, 22,342 were in non-government preschools, and 4,123 were in government preschools (some children received a preschool program at both a preschool and long day care centre).

Universal accessibility

In 2018, the Federal Government recommitted to the National Partnership Agreement on Universal Access to Early Childhood Education, which aims to ensure that all children have access to preschool for at least 600 hours in the year before full-time school. Under the National Partnership, plans to increase accessibility focus on children who are disadvantaged, vulnerable, or of Indigenous background.

The proportion of children from Indigenous and remote backgrounds that attended preschool programs in the year before full-time schooling was representative of their presence in communities in 2017. However, children who are from non-English speaking backgrounds, live with a disability, or are disadvantaged were under-represented. Only 18% of children enrolled in an Australian preschool program in 2018 were from the most disadvantaged Socio-Economic Indexes for Areas (SEIFA) quintile.

In NSW, only 16.5% of Federal Government Child Care Benefit (CCB) approved ECE services offered non-standard opening hours (before 7 am or 6.30pm) in 2018. Few services are available after 6:30pm on weekdays (1.2%) or on weekends (1.3%), making it difficult for some carers to stay in the workforce and balance child care responsibilities.

Quality of services

A review of ECE programs by the Centre for Education Statistics and Evaluation found that their positive effects are "contingent upon, and proportionate to, their quality" (p. 3). Disadvantaged children tend to gain the most from high quality ECE services.

The Federal Government committed to improving the quality of Early Childhood Education and Care (ECEC) services when signing the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care,

which uses the National Quality Framework (NQF) to regulate ECEC services. The aims of the NQF include supporting children's learning through approved frameworks and improving the ratio of children to each qualified educator. In NSW, the NQF is administered by the Early Childhood Education Directorate. Services are rated according to the National Quality Standard (NQS).

Currently, 95% of NSW's services have a NQS rating. As illustrated below, NSW has the third highest proportion of services 'Working Towards NQS', and falls behind five other States and Territories in the proportion of ECEC services 'Exceeding NQS'. Additionally, while NQF standards require services to have qualified and consistent educators, low pay is creating high staff turnover in NSW's ECEC workforce. Industrial action in the 18 months preceding September 2018 drawing attention to pay issues in the industry.

Affordability

To improve the affordability of preschool for children in the year before school, the NSW Government invested $115 million as part of its *Start Strong* policy in 2016. In 2017-18, they invested an additional $217 million to extend Start Strong to 2021. The policy requires 75% of funding to be passed on by service providers to families, and has seen a 25% reduction in average daily fees and a 40% increase in enrolments.

The NSW Government also committed $197.8 million over four years to subsidise the enrolment of 3 year old children in community preschools. This funding fails to subsidise 82.5% of 3 year olds who access their preschool programs through LDCs. If successful at the 2019 election, NSW Labor has promised to extend this funding to LDCs as part of a $500 million package.

In NSW, for four to five year old children, the 2017 median hourly cost of a preschool program after subsidies was $3.53 in major cities, $1.78 in regional areas, and $0.36 in remote areas. In Western Australia, South Australia, Tasmania and the Northern Territory, government preschool services are free. The NSW Government also offers scholarships to ECE educators in rural and remote areas, ECEC educators training to service children with additional needs, and Aboriginal students who are studying for a bachelor degree in early childhood education.

Proportion of ECEC services 'Working Towards', 'Meeting' or 'Exceeding' NQS Standards, by State and Territory
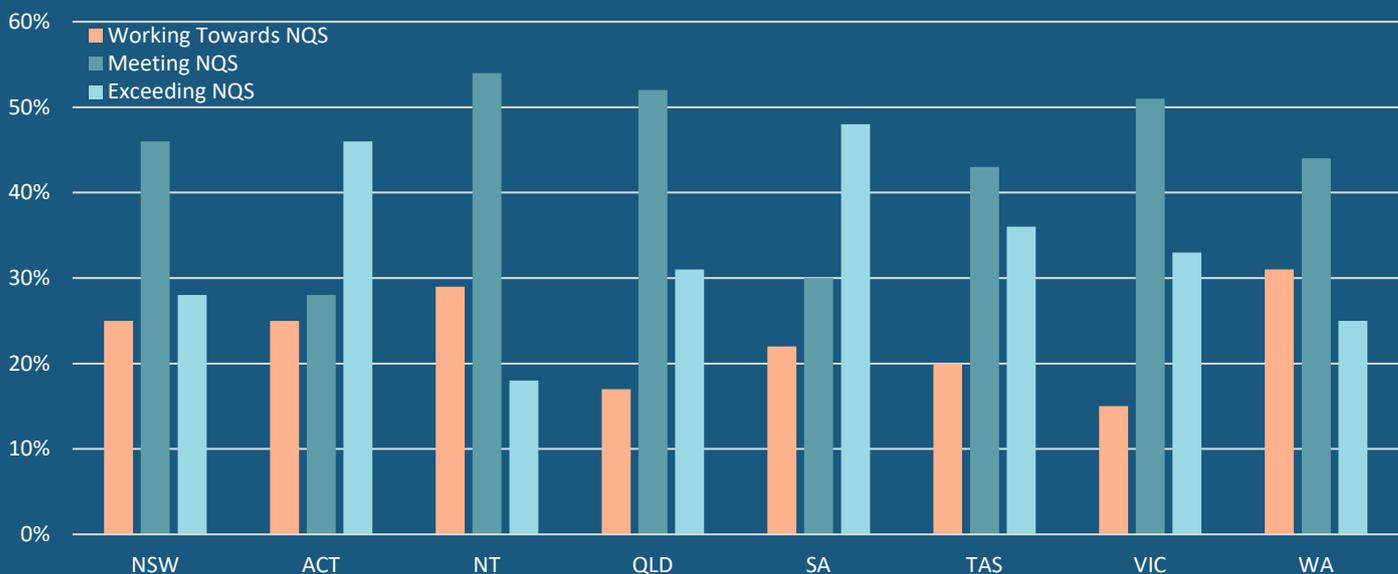
NSW school curriculum review

Talina Drabsch

A review of the NSW school curriculum was announced on 13 May 2018, amidst a growing sense of the need to assess whether schools in NSW adequately prepare students for life in the 21st century. The last comprehensive review of the NSW curriculum occurred in 1989.

> "What we're doing is focusing on the long term, the big picture. It's not about going in and fixing parts of the existing syllabuses, it's how might the whole curriculum look and work".
>
> Professor Geoff Masters

The NSW Curriculum Review is being led by Professor Geoff Masters, CEO of the Australian Council for Educational Research. Consultation on the review closed on 30 November 2018. Fourteen public consultations and over 50 key stakeholder meetings were held and more than 2100 submissions received. A draft report is due in the second quarter of 2019; with a final report to be completed by the end of 2019.

Terms of reference

The Review's terms of reference address areas such as:

- The purposes of the curriculum.
- The knowledge, skills and attributes considered essential having regard to:
  - how they are acquired through disciplinary knowledge;
  - overcrowding of the curriculum; and
  - scope for school choice about content.
- Potential redesign of the curriculum, including the appropriate level of detail, breadth and depth of study and enhancing pathways to further education and work.
- Implications for: assessment and reporting; pedagogical practices and teacher workload; teacher preparation and ongoing professional learning; school organisation and regulation.

National policy developments and reports

The NSW Curriculum Review will consider a number of national policy developments and reports, including the findings of the national review chaired by David Gonksi, *Through Growth to Achievement: Report of the Review to Achieve Educational Excellence in Australian Schools* (2018 Gonski Report). The 2018 Gonski Report recommended ways Australia could improve student outcomes, return to being one of the top education systems in the world, and ensure students were prepared for an ever changing world. It argued that the current model of school education in Australia needed to update and change. A number of areas for reform were identified: learning progressions rather than yearly targets to be introduced so that each child achieves a year's growth in learning every year; the prioritisation of teaching skills of the future; and a review of secondary schooling for potential reform.

Purpose of schooling

According to the 2008 *Melbourne Declaration on Educational Goals for Young Australians*, Australian schooling promotes equity and excellence and all young Australians are to become successful learners, confident and creative individuals, and active and informed citizens.

The purpose of the NSW Department of Education, according to its *Strategic Plan 2018-2022*, is "To prepare young people for rewarding lives as engaged citizens in a complex and dynamic society". The Department's goals include:

- All young people have a strong foundation in literacy and numeracy; deep content knowledge; and confidence in their ability to learn, adapt and be responsible citizens.
- All young people finish school well prepared for higher education, training and work.

An effective education system

Lamb et al conducted an evidence-based review of key skills for the 21st century. They found critical thinking, creativity, metacognition, problem solving, collaboration, motivation, self-efficacy, conscientiousness, and grit or perseverance to be the 21st century skills receiving the most attention from policy makers, researchers and practitioners. Their review examines how various education systems have incorporated the teaching of these.

There are current debates over whether the NSW curriculum is overcrowded and what, if anything, should be done to declutter it. Others view the curriculum as overly prescriptive and limiting innovation in teaching. Some believe lifting teacher status and tightening entry into teaching is key.

The NSW Education Standards Authority published conversation cards to guide thinking around the review:

- What will be different in 10, 20 and 30 years' time? How do you think schools will be different?
- What knowledge, skills and personal attributes should every student develop at school?
- What should be the purpose of schooling?
- Technology is constantly changing and requiring new knowledge and skills. How do we ensure that schools can pick up what's new, without crowding out what's important?
- We hear a lot about employers seeking skills like creativity, problem solving and collaboration. What skills do you think are a priority for the future?
- How should we prepare NSW students to be successful in a connected, global world?

There are concerns about the impact of artificial intelligence (AI) on education. The Future Frontiers Analytical Report *Preparing for the best and worst of times* focuses on the challenges AI is creating for school education and the implications of this for the qualities students need to have when they leave school

School performance

Tom Gotsis

An international perspective

School performance contributes to personal and societal prosperity and wellbeing. An international measure of school performance in science, reading and mathematics is provided by the OECD's triennial Program for International Student Assessment (PISA). The latest available results relate to PISA 2015; which examined 540,000 15 year old students in 72 countries, including 14,530 Australian students and 3,373 NSW students. PISA 2018 results will be released on 3 December 2019.

Australia's, NSW's and the OECD's average PISA scores all show a general decline. NSW's decline is larger than the Australian and OECD declines for all three test scores. This suggests declining international competitiveness in Science, Technology Engineering and Maths (STEM) education.

A national perspective

A national measure of school performance is provided by the National Assessment Program — Literacy and Numeracy (NAPLAN), which students in Years 3, 5, 7 and 9 have sat since 2008. Based on the latest available data (2017), NSW performed better than the national average in reading and numeracy for all tested year groups.

A NSW perspective

NAPLAN also provides an intrastate measure of school performance. In order to improve school performance and educational outcomes in NSW, it is a Premier's priority to increase by 8% (to 35.2%) the proportion of students in the top two NAPLAN bands for reading and/or numeracy by 2019. Commenting on recent progress towards attaining this target, the NSW Government states:

> Preliminary data indicates that in 2018, 34.4 per cent of students achieved results in the top two NAPLAN bands in reading and/or numeracy. There are now an additional 20,000 more students achieving results

PISA Science Scores
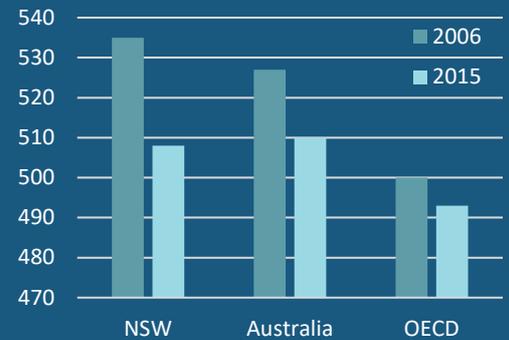
PISA Reading Scores

PISA Mathematical Literacy Scores
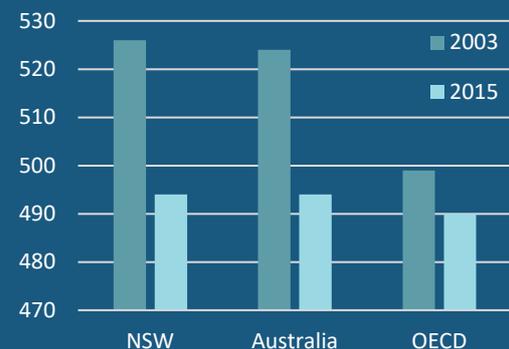
NAPLAN Scores (2017)

	Reading		Numeracy	
	NSW	AUS	NSW	AUS
Year 3	435.4	431.3	414.9	409.4
Year 5	508.0	505.7	498.3	493.8
Year 7	547.6	544.7	558.4	553.9
Year 9	587.5	580.9	600.0	591.9

in the top two NAPLAN bands. We remain on track to achieve the Premier's Priority target in 2019.

NSW school performance is influenced by socio-economic factors, such as Indigenous status, geographic location and parental occupation. A 2019 report found:

> In New South Wales in 2017, the proportion of Higher School Certificate (HSC) Distinguished Achievers (DAs) in the highest level of advantage (Index of Community Socio-Economic Advantage or ICSEA) schools was 19%, whereas in the lowest ICSEA schools it was 1%.

NSW Government policy

Great Teaching Inspired Learning aims to increase school performance by improving teacher quality. Reforms include improved teacher training; higher entry requirements into teaching; professional development; and mentoring. Connected Communities aims to improve educational and social outcomes in 15 schools in 11 rural and regional communities. The schools act as community hubs and deliver services from birth, through school and beyond. The *Rural and Remote Education Blueprint for Action* aims to improve rural and remote school performance by attracting and retaining quality teachers; offering co-ordinated health and wellbeing services; and establishing a virtual selective high school to expand curriculum opportunities. The *Literacy and Numeracy Strategy 2017–2020* provides additional support for schools; including guidance on explicit teaching and effective diagnostic assessments, and improved teacher training. Bump It Up uses NAPLAN data to provide support to schools with the greatest capacity to improve literacy and numeracy performance.

NSW NAPLAN Scores (2017)

	Reading		Numeracy	
	Indigenous	Non-Ind.	Indigenous	Non-Ind.
Year 3	371.2	439.2	357.5	418.3
Year 5	446.4	511.6	442.1	501.7
Year 7	490.7	550.9	495.2	562.1
Year 9	533.5	590.5	542.2	603.3
	Very remote	Major cities	Very remote	Major cities
Year 3	368.5	443.2	355.1	422
Year 5	439.5	514.7	436.7	505.8
Year 7	463.5	553.6	471.1	566.7
Year 9	501.8	592.7	510.6	607.9
	Parents not in paid work	Parents Group 1 work*	Parents not in paid work	Parents Group 1 work*
Year 3	378.3	474.7	363.4	448.5
Year 5	453.8	546.7	451.1	530.4
Year 7	495.9	581.3	503.3	592.6
Year 9	539.3	620.6	554	633

* Group 1: Senior management and qualified professionals

Funding

In 2017, the NSW Auditor General reported:

> Over the next 15 years, the student population in NSW Government and non-government schools is projected to grow by 21 per cent to nearly 1.5 million students. Over 80 per cent of this is expected to be in the Sydney metropolitan area. … Research shows that well designed and maintained facilities improve student learning outcomes.

Over the next four years the NSW Government will spend $6 billion on school infrastructure, $1.3 billion on school maintenance and $500 million on school air conditioning. Private and Catholic schools will receive $500 million for additional infrastructure. In 2018-19 $71.8 million will be spent on the Literacy and Numeracy Strategy. Additional funding has also been announced for more school counsellors and student support officers ($88 million), and more disability support services ($205 million), in NSW public schools. In 2017, NSW parents paid $75.4 million in public school contributions.

School funding

Talina Drabsch

School education is the constitutional responsibility of NSW. However, the funding of education is shared with the Commonwealth Government. Commonwealth financial assistance to the States and Territories for schools is conditional under the _Australian Education Act 2013_ (Cth). The NSW Government is the majority funder of government schools and the minority public funder of non-government schools in NSW.

According to the ABS, there were more than 1.2 million students in NSW in 2018, attending 3,101 schools. Almost two-thirds of students attended a government school.

NSW	Schools	% of schools	Students	% of students
Government	2,149	69.3%	798,777	65.5%
Catholic	598	19.3%	254,952	20.9%
Independent	354	11.4%	165,843	13.6%
Total	3,101	100.0%	1,219,572	100.0%

In 2018-19, $18.1 billion was allocated to the education policy area by the NSW Government (23% of all expenses). Education receives the second highest share of recurrent expenditure by policy area by the NSW Government, second only to health.

The NSW Department of Education's Resource Allocation Model ensures the "fair, efficient and transparent allocation of the state public education budget for every school". It comprises:

1. Targeted (individual student) funding.

2. Equity loadings – socio-economic background; Aboriginal background; English language proficiency; and low level adjustment for disability.

3. Base school allocation – location; operational funding; and staffing.

Both the NSW Labor and NSW Liberals/Nationals election campaigns have included promises of at least 4,500 more teachers for NSW over the next four years should they win government.

2011 Review of Funding for Schools (Gonski Review)

The Gonski Review argued for a new approach to school funding, along with a significant increase in funding across all sectors, particularly in government schools. It recommended that all recurrent school funding be based on a Schooling Resource Standard (SRS) to recognise that schools with similar student populations require the same level of resources regardless of whether they are in the public or private sector. These funding arrangements would ensure that "differences in educational outcomes are not the result of differences in wealth, income, power or possessions".

Australian Education Act 2013 (Cth)

The _Australian Education Act 2013_ (Cth) was the first step in implementing the Commonwealth Government's response to the Gonski Review. Amendments were made in June 2017 to give effect to the Quality Schools Package, implementing what became known as the Gonski 2.0 reforms. The Act provides a Commonwealth needs-based funding model for school education that includes a base amount of funding for

every student. It is calculated by reference to the SRS plus six loadings for students and schools requiring extra support (disability, Aboriginal and Torres Strait Islander, socio-educational disadvantage, low English proficiency, location and size). SRS funding amounts for primary and secondary students differ. In non-government schools, base funding is discounted according to the parents' capacity to contribute. Students with higher needs in non-government schools receive more funding irrespective of parents' capacity to contribute.

Under section 22A of the Act, States must equal or exceed their determined contribution amount for schools as a condition of receiving Commonwealth financial assistance. Under section 35A, the Commonwealth share of the funding for a government school is 20% and 80% for a non-government school. The minimum funding requirements for NSW are contained in the bilateral agreement on quality schools reform (see below).

National School Reform Agreement

The Commonwealth, States and Territories governments agreed to the National School Reform Agreement (NSRA) at the end of 2018. It sets out the long term national goals for school education in Australia, with eight reforms to be implemented over the next five years. It seeks to lift student outcomes across schools in Australia and is to operate from 2019 to 2023. The Agreement implements the quality schools reforms and the States and Territories were required to sign the Agreement as a condition of receiving school funding from the Commonwealth Government, in accordance with the legislative requirements.

Bilateral agreement on quality schools reform

In addition to the NSRA, States and Territories are required to sign a bilateral agreement with the Commonwealth that sets out minimum state and territory funding requirements as well as state-specific actions to improve student outcomes. NSW signed a bilateral agreement on quality schools reform with the Commonwealth on 7 November 2018.

The table shows the agreed funding contributions by the NSW Government for the government and non-government sectors, expressed as a percentage of the SRS defined in Part 3 of the *Australian Education Act* (Cth). The NSW contribution for government schools will be at least 75% of the SRS by 2027 and at least 20% for non-government schools by 2029.

As a result, the proposed contribution levels for government schools only reach 95% of the target level by 2027 (20% federal funding and 75% from the States) whilst those in the private sector reach 100% (80% federal and 20% from the States). NSW Labor has committed to an extra $2.7 billion for public schools should it win

NSW Government funding contributions to government and non-government schools, 2018 to 2023

	Government	Non-government
2018	70.73%	25.29%
2019	70.84%	24.70%
2020	71.05%	24.23%
2021	71.37%	23.76%
2022	71.80%	23.29%
2023	72.22%	22.82%

government to bring NSW public schools to 100% of the SRS by 2027.

Goss has highlighted how the NSRA allows state governments to claim depreciation, transport and part of their expenditure on regulatory authorities as up to 4% of their contribution to school funding for government schools. The effect of this is to reduce funding for government schools by $2 billion per year by 2027.

School Equity Program

The Commonwealth Government announced a $4.6 billion funding package for the non-government school sector in September 2018. The package included a $1.2 billion Choice and Affordability Fund. The Fund is to provide "a flexible means of driving government priorities" for the non-government sector. It commences in 2020 and is to supplement Commonwealth recurrent funding. Whilst the National Catholic Education Commission and the Independent Schools Council of Australia welcomed the package, critics referred to it as a 'slush fund'.

The NSW Education Minister, Rob Stokes, objected to the lack of additional funding for the public sector and argued that the Commonwealth Government should provide extra funds for government schools to maintain the equitable basis of the Gonski reforms. Following unsuccessful negotiations, the NSW Government announced a $712 million NSW School Equity Program from its own budget to ensure the maintenance of equity between the sectors. It will also mean that NSW achieves the 75% minimum contribution for public schools by the end of 2023 rather than 2027 as in the bilateral agreement. As a result of the bilateral agreement, the NSW Government will fund an additional $6.4 billion for public schools in NSW from 2019 to 2027. NSW's total investment in government and non-government schools will be $148 billion.

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Hospital funding

Tom Gotsis

National hospital funding

On 9 February 2018, the NSW Government signed the Heads of Agreement for public hospital funding and health reform at a Council of Australian Governments meeting. This forms the basis of a new National Health Agreement (NHA) for the period 1 July 2020 to 30 June 2025.

The *NSW Budget Statement 2018-19* states that, under the new NHA:

> New South Wales will receive funding from the Commonwealth for 45 per cent of the growth of activity based services, subject to an annual growth cap of 6.5 per cent. New South Wales will also receive funding of $36.6 million in 2018-19 from the Commonwealth for a Health Innovation Fund to conduct trials that support health prevention and the better use of health data.

The Commonwealth Government's Department of Health states that, under the new NHA, NSW will receive an estimated $39,474.1 million in funding between 2020-21 to 2024-25. This represents an increase of $8,939.1 million (29.3%) over the 2015-16 to 2019-20 period ($30,535 million).

NSW hospital funding

The *NSW Budget Statement 2018-19* shows that health recurrent expenditure for 2018-19 is expected to be $22.8 billion or 28.6% of total expenses. Health capital expenditure is expected to be $2.2 billion or 12.5% of total 2018-19 General Government Sector capital expenditure. In terms of health funding, the Budget

NSW National Health Reform Agreement Funding, $m

Current agreement
$30,535 million

Next agreement
$39,474.1 million

9,000 — 8,500 — 8,000 — 7,500 — 7,000 — 6,500 — 6,000 — 5,500 — $m

2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24 2024-25
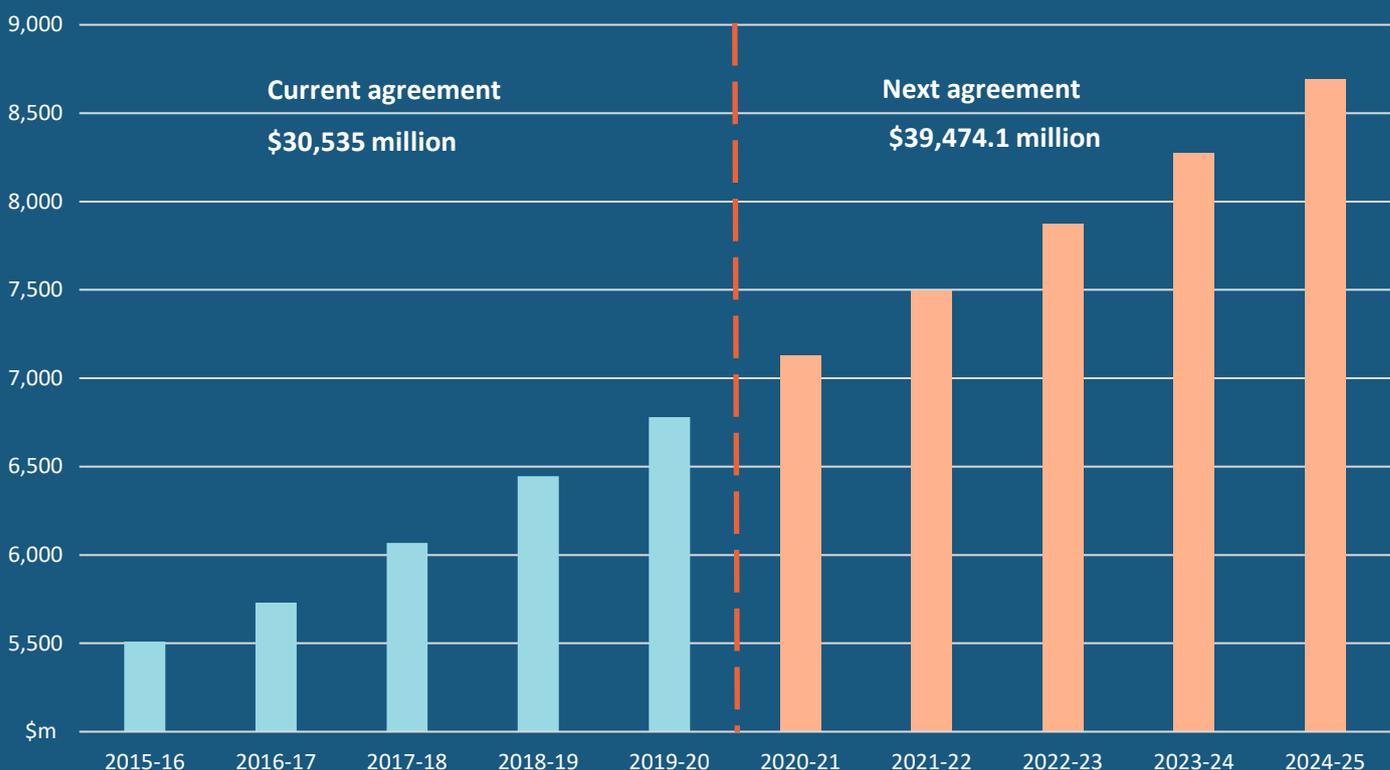
Estimates 2018-19 shows that 83% of recurrent expenditure and 95% of capital expenditure will be directed towards improved hospital services.

Northern Beaches Hospital

NSW's new Northern Beaches Hospital opened on 30 October 2018.

Developed under a Public Private Partnership model, the hospital is operated by Healthscope under a 20 year contract with the NSW Government worth $2.14 billion.

Under the contract, Healthscope is required to provide free care to public patients.

The new Northern Beaches Hospital has 488 beds (60% public and 40% private). It provides surgical, medical, paediatric, obstetric and inpatient mental health services. It also has a 50 space emergency department.

Capital funding

The *NSW Budget Estimates Paper 2018-19* states that, over 4 years, $8 billion will be spent on new, upgraded or redeveloped health facilities. This includes:

- New capital works at Liverpool Hospital, Griffith Base Hospital, Dubbo Cancer Centre, Bankstown-Lidcombe Hospital (emergency department), St George Hospital and Rouse Hill health service.
- Investing $700 million in mental health infrastructure across the State.
- Upgrading rural health infrastructure at Tenterfield, Dungog, Scone and Gloucester Health Facilities.
- Enhancing existing hospital building works at Grafton, Inverell, Manning, Coffs Harbour, Cooma and Bowral.

- Planning for future infrastructure development at John Hunter, Nepean Stage 2, Sydney Children's Hospital, Westmead Stage 2, Albury Hospital, Canterbury, Bankstown, Shoalhaven (Nowra), Hornsby and Goulburn ambulatory care.

Recurrent funding

In 2018-19, NSW Health estimates that it will fund an additional 1,370 staff, including 950 nurses and midwives, 300 doctors and 120 allied health workers. The NSW Government will invest $35.3 million for a Parents Package in 2018-19 (156.5 million over four years), which includes:

- the baby bundle (essential care items for newborns);
- an expansion of the newborn bloodspot screening program to screen for Congenital Adrenal Hyperplasia;
- investment in staff and technology to advance paediatric precision medicine; and
- investment in specialist perinatal mental health services.

The Budget Estimates 2018-19 notes that:

> This year, the Government will also deliver on its 2015 election commitment to employ 360 new specialised nursing, midwifery and support positions, and provide extra training positions for medical, allied and oral health. This will include $8.1 million to recruit 50 specialist nurses and 30 clinical support officers.

In 2018-19, an additional 51.3 million will be invested in ambulance services, including $23.7 million to employ an additional 200 paramedics.

Hospital performance

Matthew Dobson

The August 2011 National Health Reform Agreement sets out the shared intention of the Commonwealth and State and Territory governments to work in partnership to improve health outcomes for all Australians and ensure the sustainability of the Australian health system. State governments are primarily responsible for the management and administration of public hospitals. In NSW, there are 222 public hospitals which provide free health care services to Australian citizens (Productivity Commission 2016/17 figures). NSW Health defines these services as emergency care, elective and emergency surgery, medical treatment, maternity services, and rehabilitation programs.

Commonwealth funding conditions require that State governments operate public hospitals in line with national health performance indicators. These indicators are reflected in the *NSW State Health Plan: Towards 2021* and the *NSW Health Performance Framework*. The measurement of health service performance is designed to ensure that the services delivered in Australia are effective. The Australian Institute of Health and Welfare (AIHW) publishes national and local hospital performance data using a number of health care quality and performance indicators. This includes publishing individual hospital performance data on the MyHospitals website. In NSW, the Bureau of Health Information (NSW BHI) publishes independent reports about the performance of the NSW public healthcare system including at the local hospital level.

This section reviews the latest AIHW and NSW BHI statistics on the performance of NSW public hospitals as measured by two indicators: Emergency department and elective surgery waiting times.

Median time (minutes) to treatment - NSW Emergency Departments, October - December, 2014 to 2018

- Emergency
- Urgent
- Semi-urgent
- Non-urgent
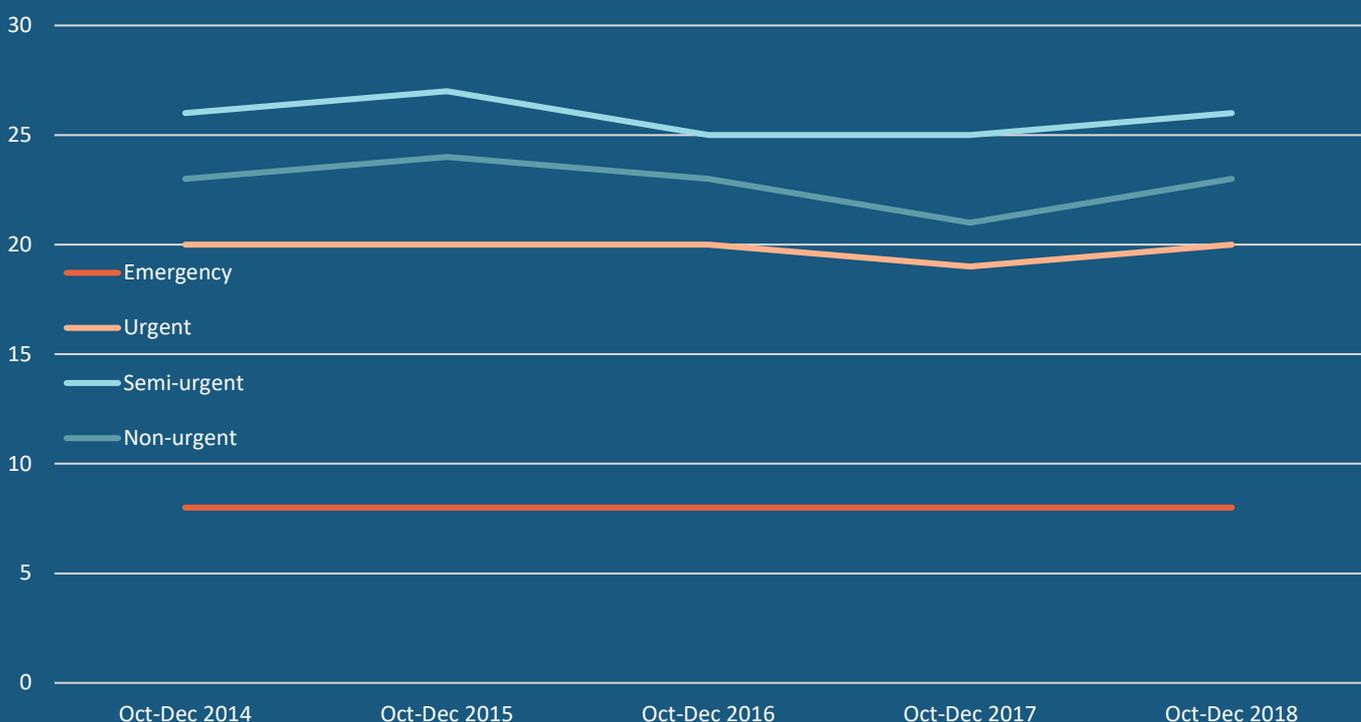
Emergency Department waiting times

The latest NSW BHI data reports 749,504 Emergency Department (ED) presentations in the October to December 2018 quarter. This was 3.4% higher than for the same 2017 quarter. In terms of triage categories, emergency and urgent presentations experienced the largest changes — up by 9.6% (8,316) to 95,202 presentations and 7.2% (16,924) to 253,257 presentations respectively.

Median emergency presentation waiting time (minutes),
States and Territories, 2013-14 to 2017-18
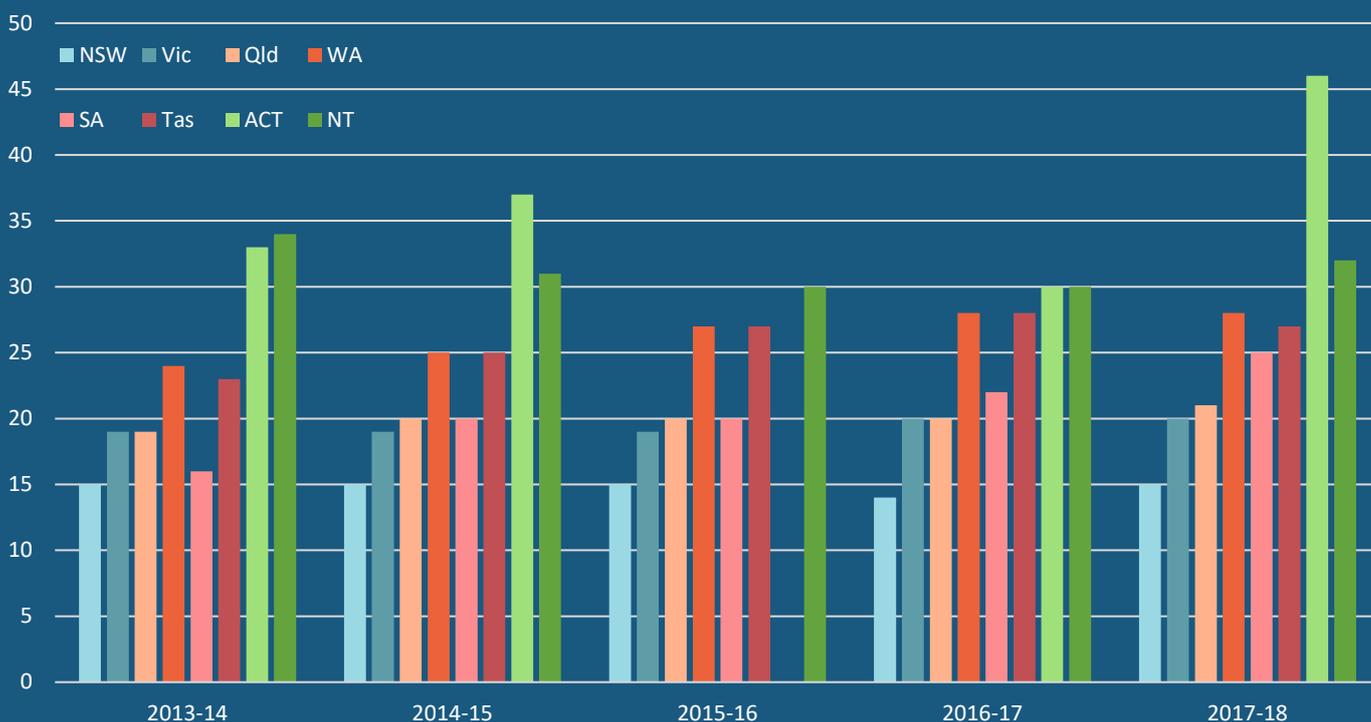
Proportion of emergency presentations with a length of stay < 4 hours,
States and Territories, 2013-14 to 2017-18
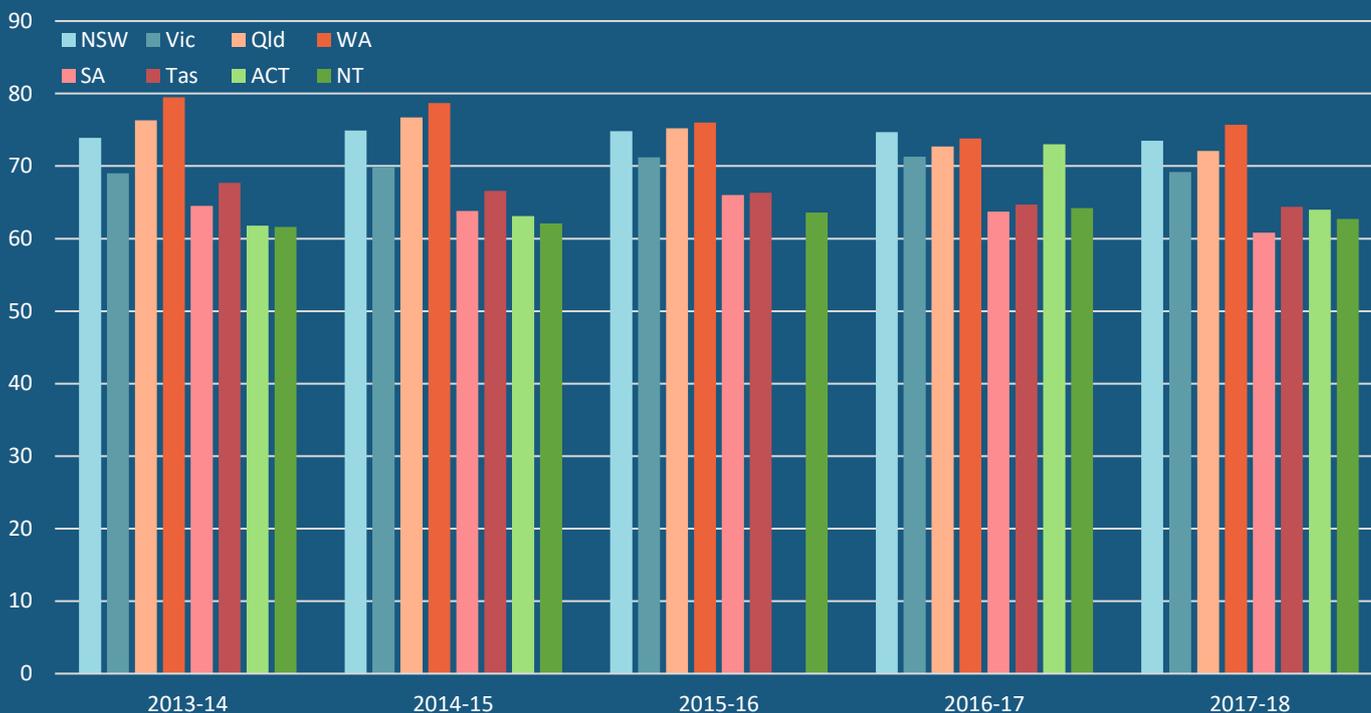
Over the past 5 years, ED presentations have increased from 452,330 in the October to December 2013 quarter to 749,504 for the same period in 2018.

For the October to December 2018 quarter, the NSW BHI data shows that 73.9% of ED patients were treated within the clinically recommended timeframes. This performance level was 2.5% lower in comparison to the same 2017 quarter. According to the NSW BHI, the percentage of patients starting treatment on time was lower across all triage categories. Over the last 5 years, there has been little variation in the median time to treatment across all triage categories for the October to December 2018 period.

Australian Institute of Health and Welfare (AIHW) data shows that from 2013–14 to 2017–18, the median waiting time for emergency presentations in NSW remained stable around the 15 minute mark. The median waiting time data captures 'the time within which 50% of all patients commenced clinical care. Half of the patients waited a shorter time, and half waited longer' (AIHW 2018, p.42).

AIHW figures show that for the last 5 years, NSW has maintained a consistent level of performance in the proportion of emergency presentations completed within 4 hours. Between 2013–14 and 2014–15, the proportion of presentations completed within 4 hours increased from 73.9% to 74.9%. It has since decreased to 73.5% in 2017–18. This level of performance remains above the national level (From 72.7% in 2013–14 to 71.1% in 2017–18).

Elective surgery waiting times

The AIHW defines elective surgery as 'planned surgery that can be booked in advance as a result of a specialist clinical assessment, resulting in placement on an elective surgery waiting list'. According to the NSW BHI, 56,268 elective surgical procedures

Number of elective surgeries in NSW, October-December, 2014 to 2018
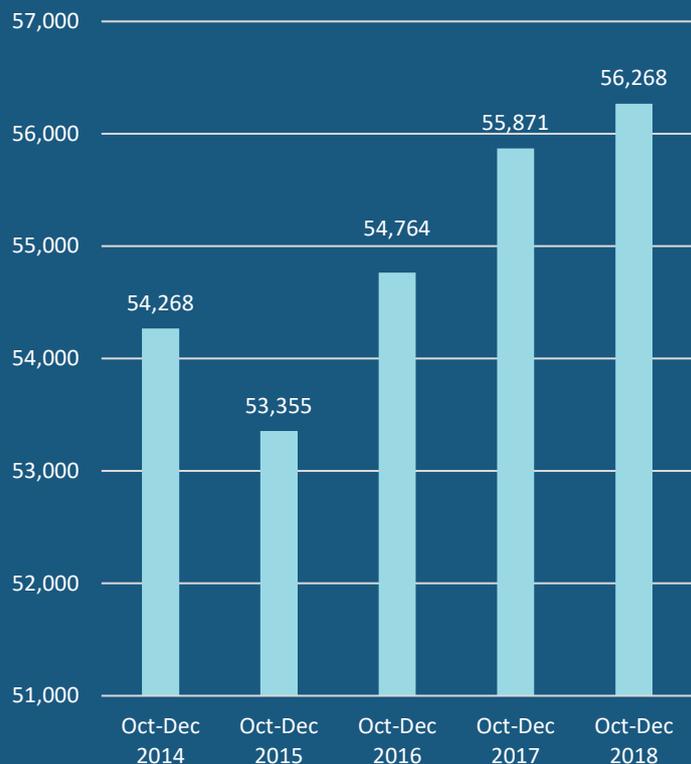
Median waiting time (days) for elective surgery, by urgency category, NSW, October-December, 2014- 2018
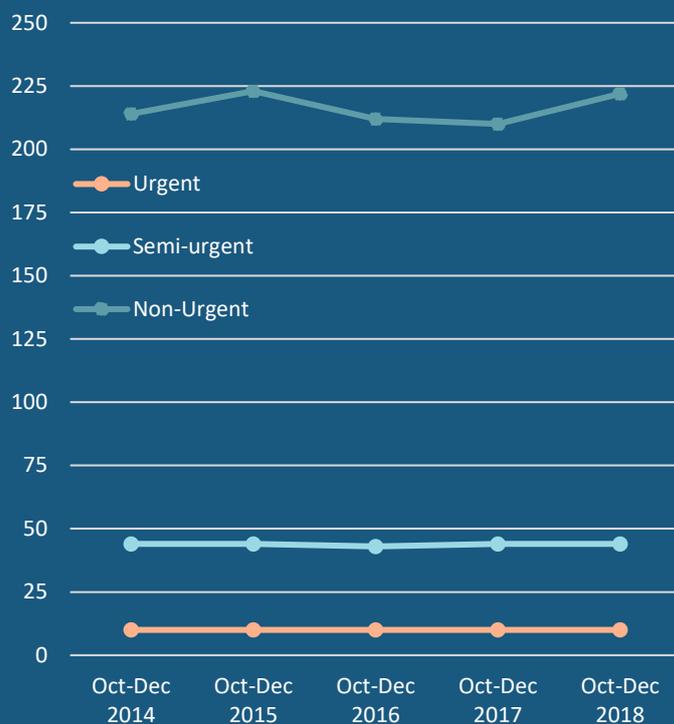
were performed in NSW public hospitals in the October to December 2018 quarter. This was a 0.7% increase over the same quarter in 2017.

During October to December 2018, 97.4% of elective surgery procedures were performed within the recommended timeframes. For surgeries categorised as urgent, 99.9% were performed on time (within the recommended timeframe of 30 days).

In the October to December 2018 quarter, the median waiting times for elective surgery in NSW were 10 days for urgent, 44 days for semi-urgent and 222 days for non-urgent procedures. Data over the last five years show that the median waiting times for urgent and semi-urgent elective surgeries remain consistent from year to year. In comparison, the non-urgent category displayed some minor fluctuation, increasing from 214 days in 2014 to the current figure of 222 days.

Between 2013–14 and 2017–18, the AIHW found that the median waiting time increased for all public hospital peer groups. While the median waiting time for elective surgery decreased in Victoria (from 35 to 29 days) and the Northern Territory (from 36 to 23 days), it *increased* in NSW from 49 to 55 days. In 2017-18, NSW had the highest median (50th percentile) waiting time of all States and recorded a 90th percentile waiting time of 327 days. This figure measures the amount of time within which 90% of patients were admitted for the surgical procedure. NSW was second to Canberra (344 days) and was well above the national figure of 268 days.

Median waiting time (days) for admissions from public hospital elective surgery waiting lists, States and Territories, 2013-14 to 2017-18
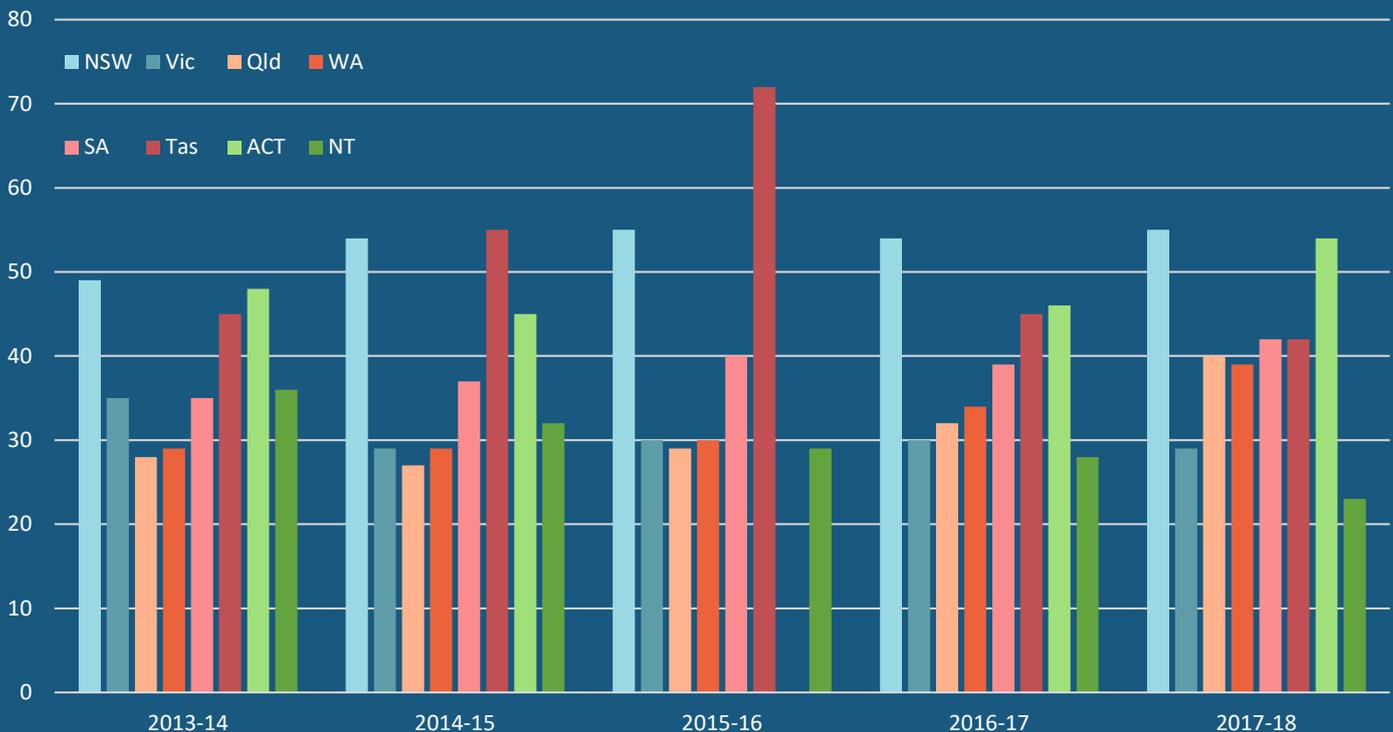
Rural health

Talina Drabsch

Rural NSW is diverse, consisting of major regional centres, coastal cities, small towns and remote communities. More than one-quarter of the population of NSW lives outside the metropolitan areas of Sydney, Newcastle and Wollongong. Seven of the 15 Local Health Districts (LHD) in NSW are considered to comprise rural areas, each with their own distinct health needs and challenges. About 60% of Aboriginal or Torres Strait Islander (ATSI) peoples in NSW reside in a rural local health district. The table compares the various rural LHDs by area, population, and the proportion of the population with ATSI heritage.

Rural Local Health Districts

Local Health District	Area (km²)	Pop.	% ATSI heritage
Far West	194,949	30,740	12.4
Hunter New England	131,785	920,370	5.9
Mid North Coast	11,335	212,193	2.7
Murrumbidgee	123,223	242,840	4.8
Northern NSW	20,732	290,000	4.5
Southern NSW	44,500	200,176	3.5
Western NSW	247,000	279,673	11.5

Determinants of health

According to the Australian Medical Association NSW (AMA NSW), people in rural areas are subject to poorer dental health as well as higher:

- road injury and fatality rates;
- high blood pressure, diabetes and obesity rates;
- death rates from chronic disease;
- prevalence of mental health problems; and
- rates of alcohol abuse and smoking.

Further, ATSI peoples represent a larger proportion of the population in outer regional and remote areas. As a population group, they have a lower life expectancy and higher rates of cardiovascular disease and chronic disease.

HealthStats NSW data illustrate how rates of risky alcohol consumption, smoking status and overweight and obesity mostly increase with remoteness, particularly amongst males (refer graphs overleaf).

According to an Australian Institute of Health and Welfare (AIHW) report on rural and remote health, poorer health outcomes in these areas may be due to disadvantage related to education, employment opportunities, income, access to health services and exposure to more occupational and physical risk. Nonetheless, people in small towns and non-urban areas report higher levels of life satisfaction.

Access to healthcare services

Distance from the nearest health service and small population size can make it difficult for people in rural and remote communities to access healthcare services. They may

have to travel long distances to larger regional centres, face lengthy waiting lists, experience lost productivity and incur the financial costs of travel and accommodation. According to the annual 2017/18 Royal Flying Doctor Service (RFDS) report, remote and rural Australians see doctors at half the rate, medical specialists and dentists at one-third the rate, and mental health practitioners at one-fifth the rate of their metropolitan counterparts.

The Isolated Patients Travel and Accommodation Assistance Scheme provides a travel and accommodation subsidy for people who have to travel for treatment at least 100km one way or 200 km in a week by making multiple trips to and from treatment. Subsidies for patient accommodation start at $43 per night.

Telehealth

Telehealth is the "use of telecommunications techniques for the purpose of providing telemedicine, medical education, and health education over a distance". The NSW Health Telehealth Framework and Implementation Strategy: 2016-2021 values telehealth as an important initiative for health service delivery in rural, remote and regional areas. The use of telehealth services reduces travel time, costs and inconveniences and improves timely access to specialists and advice. It also facilitates continuing education and professional development for clinicians.

Telehealth can involve remote telemonitoring of patients in their home and the secure use of apps on personal devices such as mobile phones and tablets. Quality of services may improve as a result of greater integration and continuity of care.

Whilst telehealth models of care have existed in NSW since the 1990s, barriers to its uptake in rural areas include the need for adequate and appropriate technology, including bandwidth, to support quality and reliable communication, and financial disincentives for clinicians. All LHDs use telehealth but the extent of uptake and breadth of usage varies significantly.

Alcohol consumption at levels posing long-term risk to health, persons aged 16+, NSW 2017: HealthStats NSW
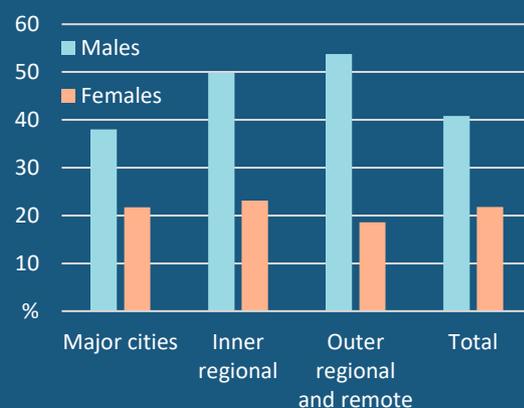
Adults who are overweight or obese, NSW, 2017: HealthStats NSW
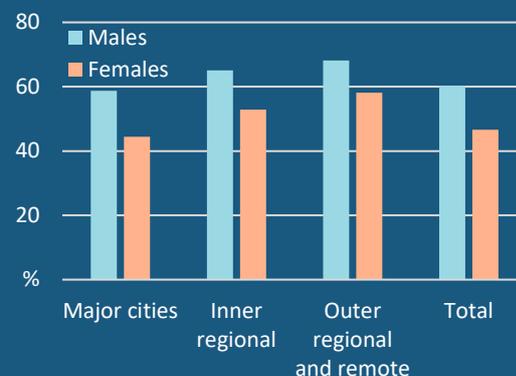
Adults who smoke daily, NSW, 2016-17: HealthStats NSW
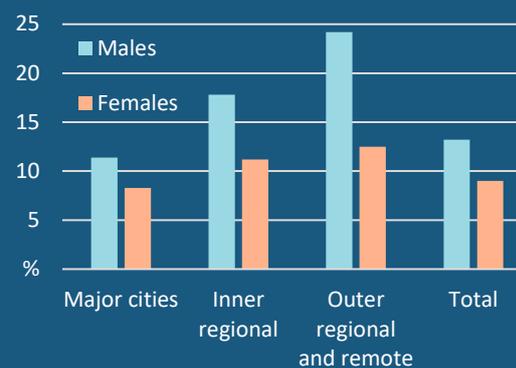
Suicide rate per 100,000 population by remoteness, NSW, 2016: HealthStats NSW
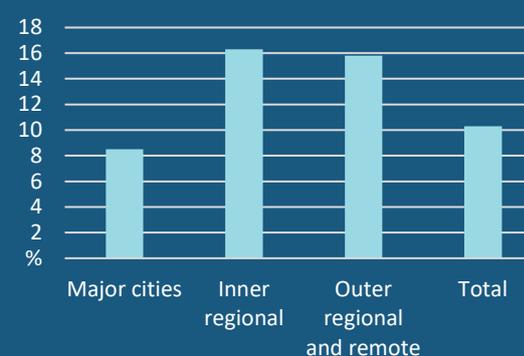
Mental health

While the prevalence of mental illness is similar across Australia, Hazell et al have highlighted that, "the impact of mental illness on the lives of rural residents is greater due to differences in access to, and uptake of, effective treatments and services". They highlight the shortage of resident medical and allied health specialists such as psychiatrists, psychologists and mental health nurses outside large regional centres. Diagnosis, treatment and management of mental health conditions is likely to occur at a later stage, making hospitalisation more likely.

In NSW, the suicide rate almost doubles between the major cities and inner regional areas, from 8.5 per 100,000 people to 16.3 per 100,000. According to HealthStats NSW, suicide rates were highest in the Southern NSW and Murrumbidgee LHDs in 2016 (19.9 per 100,000 and 19.8 per 100,000 respectively).

A Senate Community Affairs References Committee report argued that the stigma associated with mental health is still pervasive in rural and remote communities and plays a major role in the low rate at which mental health services are accessed. There may also be concerns about confidentiality and privacy in a small town.

The Rural Adversity Mental Health Program is a project of the Centre for Rural and Remote Mental Health in NSW. The program provides 14 coordinators across regional, rural and remote areas who inform, educate and connect individuals, communities and workplaces with appropriate mental health services and resources.

Workforce supply

According to the AIHW's *Australia's Health 2018*, with the exception of general practitioners, there is a marked reduction in the supply of most types of health care professionals as remoteness increases across Australia. Severe workforce shortages, especially nurses and allied health workers, has an impact on the poorer health outcomes of Australians in rural and remote areas. The *NSW Rural Health Plan: Towards 2021* acknowledges that attracting and retaining a strong health workforce is a major challenge in rural NSW. Strategy one of the plan focuses on enhancing the rural health workforce in NSW by supporting initiatives that attract health professionals to rural and remote areas. This includes exposure to rural practice through education programs, locating educational institutions in rural areas (The Senate Community Affairs References Committee report concluded that medical practitioners who are either trained in or are from a non-metropolitan area are more likely to stay in those areas), financial incentives and career development. It also seeks to ensure that Aboriginal employees comprise a minimum of 2.6% of the NSW Health workforce.

NSW has introduced Rural Generalist programs to provide a training pathway for junior doctors who wish to pursue a career as a rural general practitioner. They are trained to provide primary care in a community general practice as well as advanced services and procedural skills within a rural hospital.

The Rural Generalist Nurse Program incorporates five learning pathways considered most relevant and challenging to rural nurses including: comprehensive assessment; palliative care; aged care; paediatric care; and mental health.

In February 2019, NSW Nationals announced that they would recruit an additional 8300 health and allied health workers in NSW over the next four years should they win government. Of these, 3700 would be recruited to country towns and regional cities. NSW Labor has committed to introduce nurse-to-patient ratios throughout NSW. Under this plan, Labor will hire more than 5,500 nurses over four years.

Rural health strategies

The Ministerial Advisory Committee for Rural Health 2018-20 was first established in 2013 to support the health needs of people in rural and remote NSW. Their priority areas for 2018 were: workforce (Aboriginal and Rural Generalist); Mental Health; Integrated Health Care; Aboriginal Health; and eHealth.

The *NSW Rural Health Plan: Towards 2021* is comprised of the following directions and strategies:

- *Direction one: Healthy rural communities* – Strengthen health promotion, disease prevention and community health services to ensure people in rural communities are healthy.

- *Direction two: Access to high quality care for rural populations* – Improve access to health services as close to home as possible and enable the provision of high quality care in local rural health services.

- *Direction three: Integrated rural health services* – Ensure services and networks work together, are patient-centred and planned in partnership with local communities and health service providers, and provide better continuity of care.

- *Strategy one: Enhance the rural health workforce* – Continue to build the health workforce in rural areas through enhanced recruitment, training, career development and support.

- *Strategy two: Strengthen rural health infrastructure, research and innovation* – Invest in facilities, models of care and research and innovation to ensure the provision of high quality health services in rural communities.

- *Strategy three: Improve rural eHealth* – Implement eHealth solutions and strategies to transform connections between and access to health services in rural NSW.

A National Rural Health Commissioner was appointed on 11 November 2017.

Mental health

Matthew Dobson and Lenny Roth

Mental illness is common in Australia. One in five Australians meet the diagnostic criteria for a mental illness in a given year and it is estimated that 45% will experience a mental illness in their lifetime (ABS 2008). Depression, anxiety and substance use disorder are the most prevalent illnesses. For those suffering associated comorbidities such as chronic physical ill-health or substance abuse, there is also the increased risk of premature mortality (RANZCP 2016). According to the latest Australian Institute of Health and Welfare (AIHW) research mental and substance use disorders are the third largest contributor (after cancer and cardiovascular diseases) to the burden of disease and injury in Australia. The AIHW reported that *mental and behavioural disorders* accounted for 23.6% of the non-fatal burden of disease in Australia.

Prevalence of mental health conditions: Key statistics

The Australian Bureau of Statistics (ABS) *2017-18 National Health Survey* found that 19.1% of people in NSW reported a mental or behavioural condition, an increase from 17.8% in 2014-15. Nationally, 20.1% of Australians reported a mental or behavioural condition (up from 17.5% in 2014-15). Overall, the 2017-18 survey results indicate that there were higher levels of mental and behavioural conditions among women (22.3%) than men (17.9%).

In NSW, the latest 2017 Health Statistics NSW data showed:

- 15.1% of NSW adults reported high or very high levels of psychological distress;
- 14% of NSW secondary school students aged 12-17 years reported experiencing high levels of psychological distress; Female students (18.2%) were more likely than male students (9.7%) to report experiencing high psychological distress in the last 6 months; and
- In 2016-17 the hospitalisation rate for self-harm incidents in young women (15-24 years) was 541.7 per 100,000 population compared to 194.8 in young men.

NSW levels of high or very high psychological distress by gender, 2005-2017
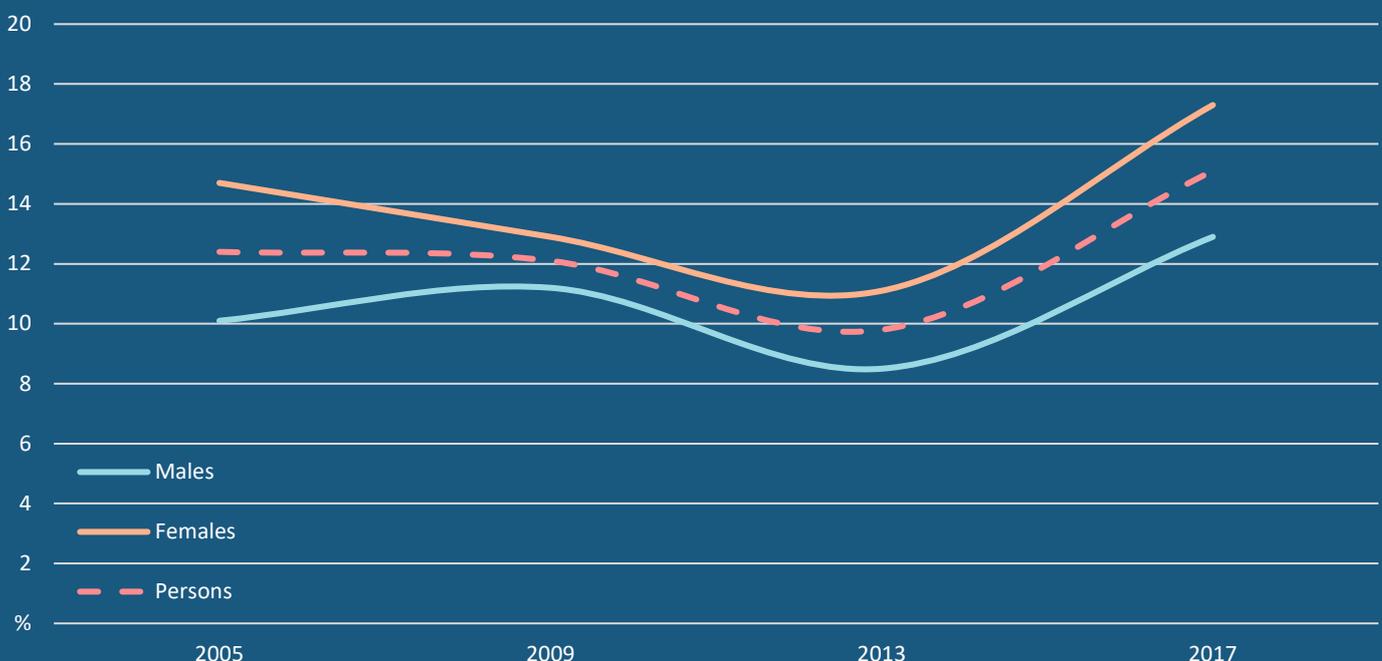
Mental health funding

The AIHW reports that $9.0 billion was spent on mental health-related services (recurrent expenditure only). This equates to $227 per person. The AIHW estimates that spending on state and territory specialised mental health services increased by an average 2.3% per year (inflation adjusted) over the 5 years to 2015–16.

NSW expenditure

In the 2018-19 Budget, the NSW Government will invest $2.1 billion in mental health funding. Key initiatives include:

- $100 million per annum over four years to strengthen early intervention and specialist community mental health teams, enhance psychosocial supports, and transition long-stay patients into the community;
- $39.4 million to deliver an additional 1,400 mental health admissions in addition to the 37,500 currently provided; and
- $42 million for additional community-based mental health services and supports.

NSW policy

In December 2014, the NSW Mental Health Commission launched *Living Well: A Strategic Plan for Mental Health in NSW 2014 - 2024*. The plan called for:

1. Stronger local decision making and greater accountability
2. Stronger partnerships with Aboriginal communities
3. Consumer and carer participation at all levels
4. Improved prevention and early intervention for children and young people
5. Complete de-institutionalisation
6. A revitalised community-based mental health system
7. Better integration of care
8. Co-ordinated responses across human services
9. Better use of technology
10. Promotion of innovation, learning and leadership

The NSW Government committed to the plan and announced a package of reforms, which focused on five key areas:

1. Prevention and early intervention
2. A greater focus on community-based care
3. Developing a more responsive system
4. Working together to deliver person-centred care
5. Building a better system

The mental health reform projects are summarised in a series of fact sheets.

A NSW Mental Health Commission report outlined progress in the first year of the *Living Well* strategy (see also this fact sheet). No other progress reports have been published. The Mental Health Commission is currently undertaking a mid-term review of the strategy, and will report to government in November 2019. In 2018, NSW Health

released the *NSW Strategic Framework and Workforce Plan for Mental Health 2018–2022: A Framework and Workforce Plan for NSW Health Services.* This document aims to support NSW Health organisations to plan and deliver priority programs tailored to the health needs of their target population.

National policy

In November 2015, the Commonwealth Government released its response to the National Mental Health Commission's review of mental health programs and services. The government outlined a system-level change in its role in funding and reform. In August 2017, the COAG Health Council endorsed the *Fifth National Mental Health and Suicide Prevention Plan* and its *Implementation Plan*. Its eight priority areas are:

1. Achieving integrated regional planning and service delivery
2. Effective suicide prevention
3. Coordinating treatment and supports for people with severe and complex mental illness
4. Improving Aboriginal and Torres Strait Islander mental health and suicide prevention
5. Improving the physical health of people living with mental illness and reducing early mortality
6. Reducing stigma and discrimination
7. Making safety and quality central to mental health service delivery
8. Ensuring that the enablers of effective system performance and system improvement are in place.

In October 2018, the National Mental Health Commission published a progress report on the implementation of the *Fifth Plan.*

Recent developments

Two national inquiries are noteworthy:

- In December 2018, the Senate Community Affairs References Committee published a report *Accessibility and quality of mental health services in rural and remote Australia.*
- In November 2018, the Productivity Commission released the terms of reference for an inquiry into the role of improving mental health to support economic participation and enhance productivity and economic growth. The Commission has released an issues paper. Submissions close in April 2019.

Key documents

Cook L, *Mental health in Australia: a quick guide*, Commonwealth Parliamentary Library, 14 February 2019

Suicide

Lenny Roth

Every day, two people die by suicide in NSW. The number of suicides is more than double the number of road fatalities. A person's suicide may be due to a complex interaction of social, economic, personal and situational variables, which may or may not include mental illness. Therefore, suicide prevention is not the same thing as the treatment of mental illness. The NSW Government and Commonwealth Government both have suicide prevention policies.

Key statistics

- In 2017, there were 880 suicides in NSW, comprising 683 males (78%) and 197 females (22%).
- The NSW suicide rate has increased over the last decade, from 8.8 to 10.9 per 100,000 population (see chart below).
- The NSW suicide rate is lower than the national suicide rate (12.6 per 100,000); and lower than the rate in all other States except Victoria (9.6 per 100,000).
- In NSW, the suicide rate in regional areas (16.1 per 100,000) was almost double the rate in Greater Sydney (8.3 per 100,000).
- In 2016, the suicide rate for Indigenous people in NSW (21.3 per 100,000) was more than double the rate for all people (10.3 per 100,000).

NSW policy

In October 2018, the NSW Government launched the *Strategic Framework for Suicide Prevention in NSW 2018–2023*. The framework recognises the systems-based approach to suicide prevention, where multiple evidence-based strategies are implemented within a localised area. The framework has five priority action areas:

1. Building individual and community resilience and wellbeing
2. Strengthening the community response to suicide and suicidal behaviour
3. Supporting excellence in clinical services and care
4. Promoting a collaborative, coordinated and integrated approach
5. Innovating for a stronger evidence base

NSW suicide deaths, rate per 100,000
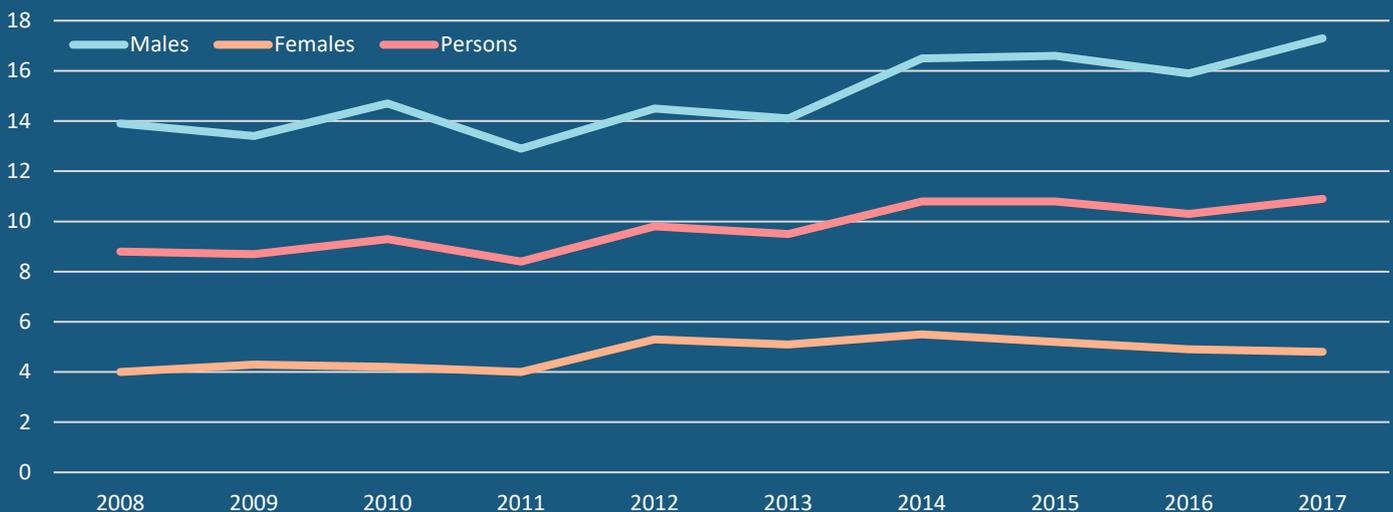
The framework will be supported by an Implementation Plan, an Evaluation Framework and a Suicide Prevention Guide for Local Communities. At the same time, the NSW Government announced funding of $90 million over three years for eight new or expanded suicide prevention initiatives. These included strengthening practices in the mental health system to eliminate suicide attempts by people in care, creating alternatives to emergency departments for people in crisis, and expanding community mental health outreach teams.

The Lifespan project is currently trialling the systems-based approach to suicide prevention at four locations in NSW (Newcastle, Illawarra Shoalhaven, Central Coast and Murrumbidgee). The Black Dog Institute is running the project in partnership with NSW Health and others. Lifespan involves implementing nine evidence-based strategies simultaneously within the local area. The project is being run over a two and a half year period (from September 2017) and its impact will be evaluated.

In October 2018, the NSW Parliament's Joint Committee on Children and Young People published the *Prevention of Youth Suicide in New South Wales* report which made 27 recommendations, including that the NSW Government develop a youth specific suicide prevention plan. The Government's response supported or "supported in principle" all of the Committee's recommendations.

National policy

In August 2017, the *Fifth National Mental Health and Suicide Prevention Plan* and its *Implementation Plan* were endorsed by the COAG Health Council. The Plan commits all governments to a systems-based approach to suicide prevention, focusing on 11 key elements. The Plan's actions include:

- developing a National Suicide Prevention Implementation Strategy; and
- supporting Primary Health Networks and Local Hospital Networks to develop integrated, whole-of-community approaches to suicide prevention.

The Commonwealth Government is funding 12 suicide prevention trial sites around Australia. The trials are led by Primary Health Networks and aim to improve the current evidence of effective suicide prevention strategy at a local level for at-risk population groups. Each trial site will run for four years from 2016-17 to 2019-20 and receive funding of up to $4 million. There are two NSW sites: Western NSW and North Coast.

The Commonwealth Government also provides funding under the National Suicide Prevention Leadership and Support Program. In May 2017, the Government announced that more than $43 million would be allocated to 16 projects over a three year period to June 2019. In September 2018, the Government announced an additional $36 million funding to extend the projects to 2021.

Key documents

Roth L, *Suicide prevention*, e-brief 3/2017, July 2017

Lifeline 13 11 14

Suicide Call Back Service 1300 659 467

Kids Helpline 1800 55 180

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Housing affordability

Matthew Dobson

House prices

CoreLogic reported that Sydney's median house price was $789,339 in February 2019: a 4.1% drop in value over the quarter, and a 10.4% fall over the previous 12 months. In contrast, CoreLogic data for the years 2009 to 2016 shows that Sydney house prices almost doubled, rising by 97.5%. Sydney's house prices remain Australia's most expensive. Melbourne is the second most expensive capital city market, with a median house price of $629,457.

The Australian Bureau of Statistics (ABS) Residential Property Price Indexes show that Sydney recorded a 3.7% fall over the December 2018 quarter. In the 12 months to December 2018, the Sydney Index fell by 7.8%. Over the December 2018 quarter, Sydney's established houses index decreased by 8.4%, while the city's attached dwellings index decreased by 6.4%.

Housing affordability indicators

The Real Estate Institute of Australia's (REIA) *Housing Affordability Report* series reveals that home loan affordability remains an ongoing issue for NSW. The REIA's quarterly Home Loan Affordability Indicator (HLAI) is the ratio of median family income to average loan repayments. A low score means reduced home loan affordability.

The December 2018 quarter saw NSW receive a home loan affordability score of 27.2 which is the lowest of all States and well below the national score (32.0). Previous research by the NSW Parliamentary Research Service has shown that home loan affordability in NSW has consistently been the worst of all States since December 2009.

Median house price growth, Capital cities to February 2019
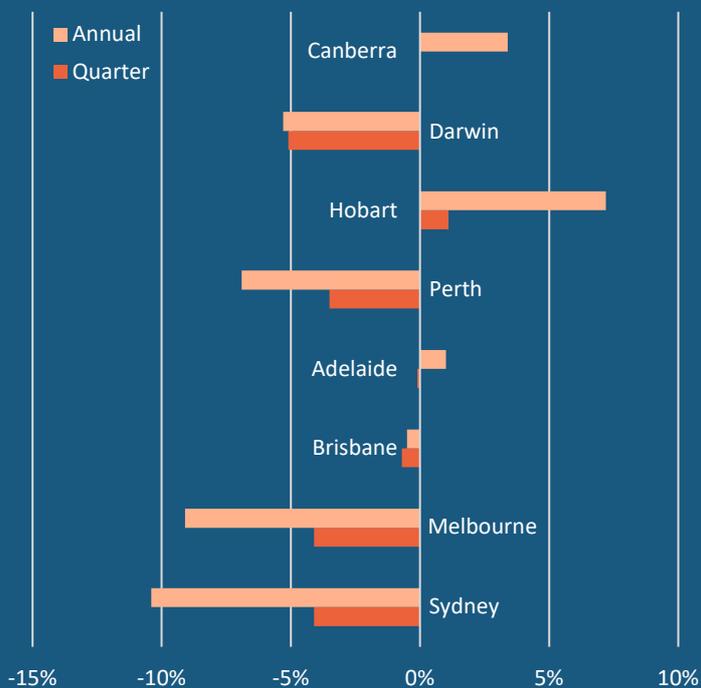
Change in ABS Residential Property Price Index, December 2018
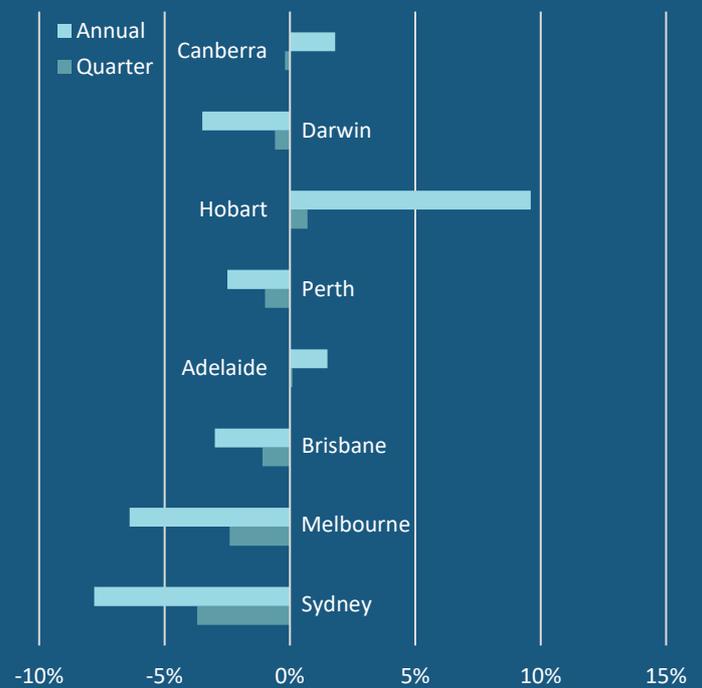
The latest REIA data shows a marginal decline in housing affordability in NSW over the December 2018 quarter. The proportion of income required to meet monthly loan repayments increased to 36.7% (up by 0.2 percentage points over the quarter). Year on year, housing affordability has improved in NSW with the proportion of income required for loan repayments decreasing by 1.1% percentage points. In NSW, rental affordability improved over the December 2018 quarter with the proportion of income required for median rent payments decreasing to 28.3% (down by 0.2 percentage points over the quarter). Compared to the December 2017 quarter this was a decrease of 1.4 percentage points.

NSW policy

In February 2017, the NSW Government announced the development of a *Housing Affordability Strategy* designed to assist first home buyers through:

• abolishing stamp duty on all homes up to $650,000

• stamp duty relief for homes up to $800,000

• providing a $10,000 grant for builders of new homes up to $750,000 and purchasers of new homes up to $600,000

• abolishing insurance duty on lenders' mortgage insurance

Proportion of family income used for loan repayments or rent, NSW and selected States, December 2018

REIA Home loan affordability indicator, States June 2015 to December 2018
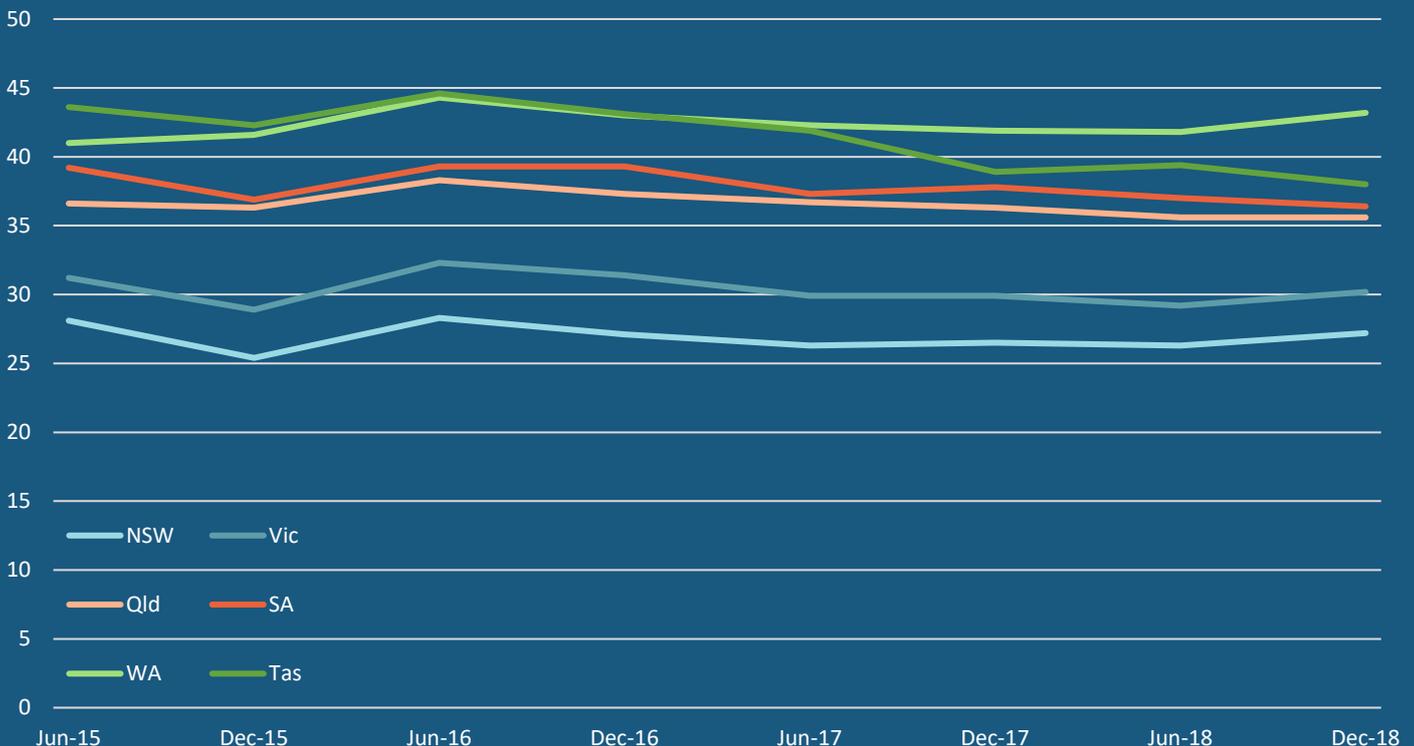
- ensuring foreign investors pay higher duties and land taxes and

- not allowing investors to defer paying stamp duty on off-the-plan purchases.

In addition to these first home buyer measures, the Government's policy aimed to increase housing supply and accelerate the delivery of infrastructure to support growing communities.

Housing affordability has been identified as one of the 12 NSW Premier's Priorities. To ensure increased housing supply, the NSW Premier has set a target of 61,000 housing completions on average per year to 2021. To support this, the Government is focussed on achieving two planning targets:

1. 90 per cent of housing approvals determined within 40 days by 2019 and

2. State-led rezoning for 10,000 additional dwellings on average per year in appropriate areas to 2021.

Based on the latest ABS data, there have been over 69,000 housing completions in NSW over the 12 months to September 2018.

National policy

As part of the 2017-18 Budget, the Commonwealth Government announced a package of measures designed to increase housing affordability. In brief, the Government's approach aimed to improve the supply of housing stock, including affordable housing, to support first home buyers and reduce demand from domestic and foreign investors. These measures included:

- Establishing a First Home Super Saver Scheme

- Allowing a special 'downsizing' contribution into superannuation and

- Stronger rules and capital gains tax measures for foreign investors.

Recent developments

- In October 2018, the Legislative Assembly Committee on Environment and Planning published a report *Land release and housing supply in New South Wales*.

- In the lead up to the 2019 NSW State Election, the Labor Party released a housing affordability policy which include measures to mandate levels of affordable housing in all new developments for rezoned government land (25%) and privately developed land (15%). The Greens NSW housing and homelessness policy is based on the principle that access to affordable housing is an individual right. Further, all levels of government are responsible for ensuring access to affordable housing to reduce social inequality in Australia.

Key documents

Daley J, Coates B, and Wiltshire T, *Housing affordability: re-imagining the Australian dream*, Grattan Institute, March 2018

Social housing

Madeleine Dowd

Social housing is housing provided by government or non-government organisations to people on low-incomes at below-market rent.

The Report on Government Services data shows that NSW has the largest social housing portfolio in Australia, at 152,231 dwellings in 2017, supporting 142,385 households (not including Indigenous Community Housing households). Public housing is the largest tenancy type, making up 110,221 of all dwellings.

At 30 June 2018, there were 51,163 people on the social housing waitlist.

Social housing is an overarching term that includes three main types of housing assistance:

1. **Public Housing** is owned and managed by the NSW Government, with portfolio responsibility sitting with the Department of Family and Community Services (FACS). Within FACS, the Land and Housing Corporation (LAHC) is responsible for the asset portfolio.

2. **Community Housing** is provided by organisations who vary significantly in size and scope and can offer a range of housing supports. These organisations are also responsible for the management of a number of FACS-owned properties.

3. **Aboriginal Housing** includes housing owned by the Aboriginal Housing Office (AHO), as well as housing provided or managed by Aboriginal Community Housing Organisations. FACS is responsible for the tenancy management of a number of AHO owned properties.

Who does social housing support?

The role of social housing providers has significantly changed since the system's inception. Providers now support some of the most vulnerable members of the community, who may not otherwise be able to access safe and secure accommodation. Tenants are now more likely to have a range of complex needs, and require significant assistance from government and non-government support services. This means that housing providers are expected to deliver more services, despite collecting less tenant rental income.

According to FACS data, in 1960, 85% of all tenants relied on wages as their main source of income. In 2016, over 90% of subsidised tenants were reliant on Centrelink payments as their main source of income. Two thirds of these payments were Age or Disability Support pension.

In 2018, 99.3% of all public housing tenants were classified as low-income, meaning they were in the bottom 40 per cent of equivalised gross household income (as defined by the ABS).

Tenants have increasingly complex vulnerabilities, with 55.9% of new public housing allocations in 2017/18 being classified by the Productivity Commission as being of greatest need. This means that they were either homeless, or that their previous accommodation was not suited to their needs, or put their health or safety at risk.

Tenants can be simultaneously classified as of greatest need, and with special needs, with 57.0% of new public housing allocations over the same period being people with

special needs. This means a household member with a disability, a main tenant under 24 or over 75, or an Aboriginal or Torres Strait Islander person.

How is the system funded?

Total NSW social housing expenditure in 2017/18 was $1.8 billion, which equates to $173.35 per person in the population. In 2017/18, the Federal Government provided $434.8 million, or 23.7% of the sector's overall expenditure, under the National Affordable Housing Agreement (NAHA). As of 1 July 2018, this funding will be provided under the new bilateral National Housing and Homelessness Agreement (NHHA).

In 2017/18, LAHC recorded a budget deficit of $483 million, with rental income being unable to fully offset expenses including maintenance costs, depreciation and amortizations. While the portfolio's annual market rent value was estimated at $2.5 billion in 2016, the rent collected over this period was roughly $1.1 billion. As most tenants have their rent pegged between 25-30% of their income, and almost all tenants are classified as being low-income, the rent available to be collected is limited.

In 2016, the NSW Independent Pricing and Regulatory Tribunal (IPART) undertook an inquiry into social housing rent models. IPART ultimately recommended that the Government annually fund an additional $945 million into the system to close the financing gap.

How is the system responding to these changes?

In February 2016 the NSW Government announced its major social housing policy, *Future Directions for Social Housing*. This includes the Communities Plus program, whereby FACS partners with the private sector to redevelop existing social housing sites and deliver new social, affordable and private rental properties. Major redevelopments are proposed or underway at Waterloo, Redfern, Telopea, Ivanhoe and Riverwood, amongst others.

Management transfers are another key component of this policy, with FACS aiming to transfer the management of 35% of social housing properties to the community housing sector by 2026.

The Australian Institute of Health and Welfare's 2018 National Social Housing Survey examined tenant satisfaction across the three major social housing tenancy types. In NSW, the overall social housing satisfaction rate (tenants who are 'satisfied' or 'very satisfied' with overall services provided) had risen from 66.9% in 2014 to 69.1% in 2018. However, this remains lower than the 2018 national average of 75.2%.

Of the major tenancy types in 2018, community housing had the highest satisfaction rate, at 78.7%, compared to 66.5% for public housing and 59.6% for state owned and managed Indigenous housing (SOMIH).

Key documents

Australian Housing and Urban Research Institute (AHURI), *Social Housing as Infrastructure: An Investment Pathway*, November 2018

Homelessness

Matthew Dobson

In a wealthy industrialised society, homelessness is a visible indicator of poverty, community disadvantage, and social exclusion. As access to safe and secure housing is considered a basic human right, increasing rates of homelessness in Australia show that this choice is not available to all.

What causes homelessness?

Homelessness is a complex problem that has multiple causes. A shortage of affordable and available rental housing, domestic and family violence, poverty, unemployment, mental illness, drug and alcohol abuse, financial crisis, exiting state care and/or prison and economic exclusion are all factors that contribute to the level of homelessness in Australia.

Key statistics

Based on the 2016 Census, the Australian Bureau of Statistics (ABS) estimates the number of homeless persons in Australia increased by 13.7% between 2011 and 2016, rising from 102,439 persons to 116,427 persons. The homelessness rate also rose, from 47.6 to 49.8 persons per 10,000. The ABS noted that people living in 'severely' crowded dwellings constitute the largest homeless group in each of the last four Censuses.

NSW homelessness statistics

The total number of homeless persons in NSW increased from an estimated 23,041 in 2001 to 37,715 in 2016. By 2016, NSW was home to 32% of Australia's homeless population, up from 27% in 2011. Of the States and Territories between 2011 and 2016, NSW recorded the largest increase in the number of people experiencing homelessness (9,525), and the largest percentage increase in the number of homeless (37.3%) and the homeless rate (from 40.8 to 50.4 persons per 10,000).

NSW Homelessness, Persons by ABS operational groups, 2011 to 2016
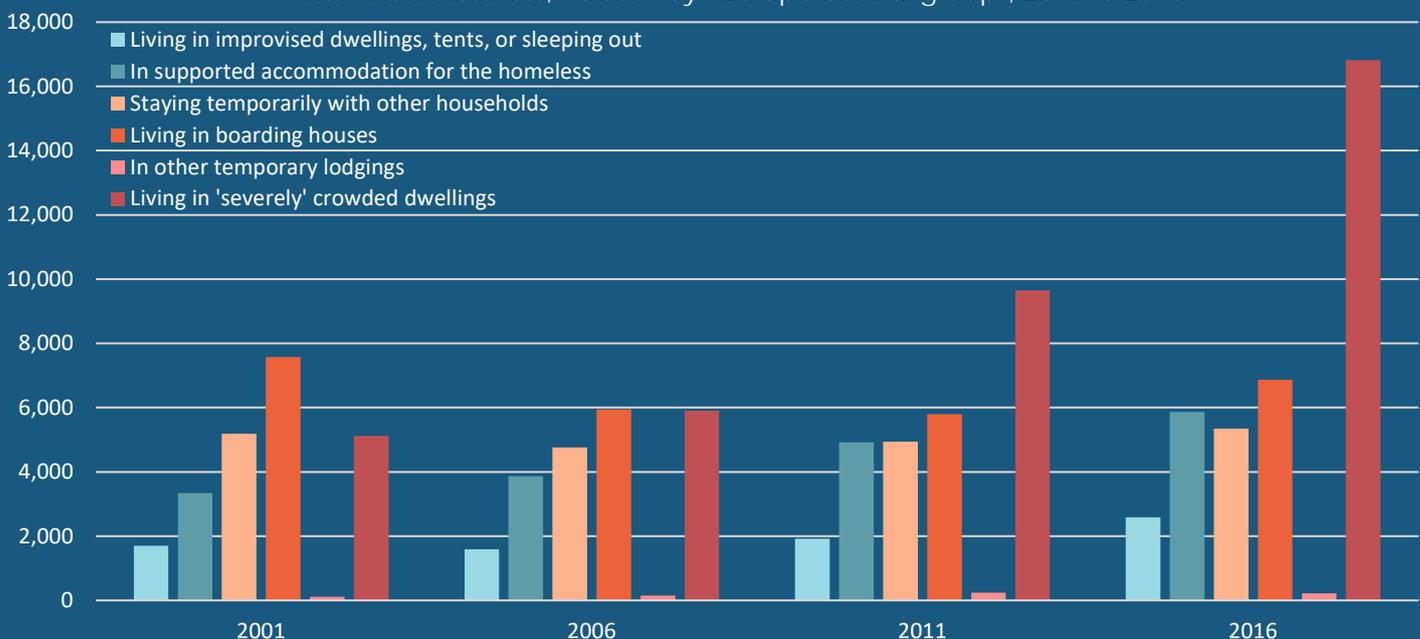
How many homeless people received assistance in NSW?

Funded by Commonwealth and State Governments, Specialist Homelessness Services (SHS) provide services for people who are experiencing homelessness or are at risk of becoming homeless. According to the latest Australian Institute of Health and Welfare (AIHW) figures, 71,628 homeless persons were assisted by SHS in NSW in 2017-18. This represents 25% of the national SHS population (288,795 total clients). In 2017–18, the top three reasons for seeking SHS assistance in NSW were:

- Housing crisis (45%; compared to a national figure of 39%);
- Financial difficulties (41%; national 39%); and
- Domestic and family violence (32%; national 39%).

In NSW, AIHW data shows that an average of 31 requests for assistance each day were not met by the available services in 2017-18.

NSW Government policy

The *NSW Homelessness Strategy 2018 – 2023* sets out the NSW Government's response to homelessness. The Strategy recognises that homelessness is driven by:

- *Structural drivers:* The structural drivers for homelessness include housing affordability, labour market forces, a reliance on income support, and intergenerational poverty.
- *Risk factors:* Individual risk factors include unemployment, financial stress, family breakdown, domestic and family violence, trauma, mental health issues, drug or alcohol dependence, and a history of contact with state institutions.
- *Protective factors:* Protective factors include employment, financial security, involvement in school or community, healthy family relationships, and access to and integration of services.

The Strategy establishes three focus areas for action:

- *Focus 1: Prevention and early intervention*
- *Focus 2: Better access to support and services*
- *Focus 3: An integrated, person-centred system*

The Strategy builds on earlier reforms such as *Future Directions for Social Housing in NSW*, which aims to increase the supply of social housing in NSW.

In February 2019, the NSW Premier announced that the Government had signed a global agreement to halve street homelessness across the State by 2025. The 'A Place to Call Home' initiative will support homelessness services in Sydney to develop strategies to reduce the number of rough sleepers and establish measureable goals to track progress.

Key documents

Dobson M and Montoya D, *Homelessness in NSW: Electorate Statistics*, Issues Backgrounder 4/2018, December 2018

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Disability and NDIS

Rowena Johns

Disability statistics

According to the Australian Bureau of Statistics' *Survey of Disability, Ageing and Carers*, almost one in five Australians (18.3% or 4.3 million people) reported living with disability in 2015. The criteria of the survey provide that a person has disability if they report they have a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities. Disability includes physical ailments such as back problems, mental conditions and behavioural disorders.

The proportion of disability was the same for NSW (18.3% or 1.37 million people). Of those, 444,200 had a severe or profound limitation in core activities, while 640,900 had a moderate or mild limitation.

Overview and rollout of NDIS

The National Disability Insurance Scheme (NDIS) allocates funding to disabled people through the National Disability Insurance Agency (NDIA), an independent statutory agency of the Australian Government. Participants receive individual funding from the NDIA and purchase support from their chosen service providers in the non-government sector, rather than being referred to services funded or provided by government.

NDIS trials began in NSW in 2013, with the rollout from July 2016. The scheme was fully operational in NSW by July 2018. To qualify for the NDIS, participants need to be an Australian citizen, permanent resident or eligible New Zealand citizen, aged under 65 years, and have a permanent and significant disability.

The NSW Audit Office reported that an estimated 142,000 people in NSW will have an individual NDIS support plan in 2018-19, with total funding of around $6.8 billion. The NDIS rollout statistics showed that 244,653 people were accessing the scheme nationally as at 31 December 2018. NSW statistics indicated that 98,858 people were accessing the scheme and 5,126 initial plans had been approved as at 31 December 2018. There was a 6% growth in the October to December 2018 quarter in the number of participants in NSW.

Two key statutes in NSW which provide transitional arrangements for the NDIS are the *National Disability Insurance Scheme (NSW Enabling) Act 2013* and the *Disability Inclusion Act 2014*.

Evaluations of NDIS

The NDIS provides quarterly reports with information on participation, providers, financial performance and stakeholders in each jurisdiction. For example, the quarterly report for October to December 2018 showed that, in the quarter, 84% of participants rated their experience of NDIS as 'very good' or 'good'.

Productivity Commission reviews

The Productivity Commission's (PC) review of NDIS costs culminated in a study report (October 2017). The report predicted that the current timetable for participant intake (an estimated 475,000 participants nationally by 2019-20) will not be met. The report suggested governments and the NDIA should start planning for a changed timetable and the financial implications. The report also found that NDIS costs are broadly on track with the NDIA's long-term modelling, but this is largely because of lower than expected utilisation rates. Early evidence suggests that many NDIS participants are receiving more disability supports than previously, and they have more choice and control. However, the report considered that the NDIA focused too much on meeting participant intake estimates and there should be greater emphasis on planning processes, participant outcomes, financial sustainability, and specialised training for planners.

In addition, the PC reviewed the National Disability Agreement (NDA) between the Commonwealth and State and Territory Governments. The NDA was originally signed in 2008 and sets out roles and responsibilities for the funding and provision of disability services. The PC's final report (February 2019) found that a new NDA is needed to facilitate cooperation, enhance accountability and clarify roles and responsibilities.

Parliamentary Committee reports on NDIS

The NSW Legislative Council's Portfolio Committee No. 2 conducted an inquiry in 2018 into the provision of disability services and implementation of the NDIS in NSW. The committee made two findings (as at December 2018): that the potential of the NDIS has not been realised for many individuals in NSW; and that there are many more people with disability in NSW beyond those eligible for the NDIS who will require access to ongoing appropriate services to meet their needs. The recommendations of the report include strengthening the planning processes, ensuring children have access to early childhood services, acknowledging carer needs in the planning process, addressing service gaps, and strengthening oversight mechanisms to ensure service providers are complying with the practice standards and the code of conduct.

The Australian Parliament's Joint Standing Committee on the NDIS issued a Progress Report in March 2019. The recommendations addressed topics including psychosocial disabilities, early childhood intervention, and services in rural and remote areas.

State of the Disability Sector Report

The latest annual *State of the Disability Sector Report 2018* released by National Disability Services found that 73% of disability service providers believe its systems and processes need urgent improvement. Other challenges include policy uncertainty, unrealistic pricing and 'red tape' driving up the cost of providing services. Specific challenges in NSW (p 35) relate to: the "interface" between NDIS and mainstream service providers; the late rollout of early childhood intervention services; and leasing arrangements for providers operating properties under licence from the NSW Government.

The report uses the Annual Market Survey, conducted by the Centre for Social Impact at the University of NSW, based on a survey of 626 disability service providers across

Australia (see methodology in the related report, *How is the Disability Sector Faring?*, Appendix 1). Some of the survey's key findings were:

- almost three in four service providers said the NDIS systems and processes are not working well;
- 63% of providers found it difficult to recruit disability support workers (up from 42% in 2017);
- 70% worry that they will not be able to provide services at NDIS prices and 54% said they would have to reduce the quality of services to meet current prices.

NDIS Commission

The NDIS Quality and Safeguards Commission is an independent agency which will provide consistency and oversight across jurisdictions, promote quality and safety of services, identify areas for improvement and resolve problems. Its functions are outlined under Chapter 6A of the *NDIS Act 2013* (Cth). The Commission commenced operating in NSW on 1 July 2018.

National Disability Strategy

The *National Disability Strategy 2010-20*, which the Commonwealth and States signed in 2010, sets out a national plan for improving life for Australians with disability, their families and carers. An independent review of the existing strategy was completed in 2018 and the findings were consistent across jurisdictions. The review found that, while the overall principles and goals remained relevant, implementation and monitoring could be strengthened. Specific suggestions included: improving governance arrangements (as no single agency has responsibility for implementation of the strategy); more effective collaboration between levels of government, community organisations, business and services, through greater involvement of people with disability and their representative organisations; more frequent reporting of progress; and promoting public awareness of the strategy. The next stage in renewing the strategy beyond 2020 is public consultation in April and May 2019.

NSW Ombudsman and Law Reform Commission reports

The NSW Ombudsman issued a report in November 2018 highlighting the need for an effective response to the abuse and neglect of both vulnerable adults with disability and older people. The Ombudsman called on the NSW Government to implement the recommendations of the NSW Law Reform Commission's *Review of the Guardianship Act 1987* to establish an independent statutory Public Advocate with investigative functions. In December 2018, the NSW Premier announced that an Ageing and Disability Commissioner will be established in NSW: see e-brief.

Royal Commission

The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability was announced by the Prime Minister in March 2019. Draft Terms of Reference have been developed and a public consultation period provided (13-28 March 2019) to assist in finalising the terms of reference.

Child protection

Emily Ravlich

Key statistics

In NSW, the Department of Family and Community Services (FACS) provides services in three key areas: prevention and early intervention; child protection, and out-of-home care (OOHC). Key statistics include:

- From 1 October 2017 to 30 September 2018, 95,869 children were at risk of significant harm; 26,464 of these (28%) were seen by a caseworker.
- In 2017-18, there were 2,147 caseworkers, and the caseworker vacancy rate was 3% (down from 10% in 2013-14).
- At 30 June 2018, there were 17,387 children in OOHC (down from 18,192 in 2013-14); 6,766 children of these (39%) were Aboriginal and Torres Strait Islander.
- In 2017-18, Aboriginal and Torres Strait Islander children were overrepresented in OOHC by 7.2 times (up from 6.6 in 2013-14).

The Tune Report

In November 2015, the NSW Government commissioned David Tune - to review OOHC in NSW. The final report was handed to government in late 2016, but was only made public 18 months later in June 2018. The report identified four problems with NSW's "ineffective and unsustainable" OOHC system:

- Money is being dedicated to programs that are not client centred;

Number of children (0-17) in OOHC in NSW, by year and Indigenous status
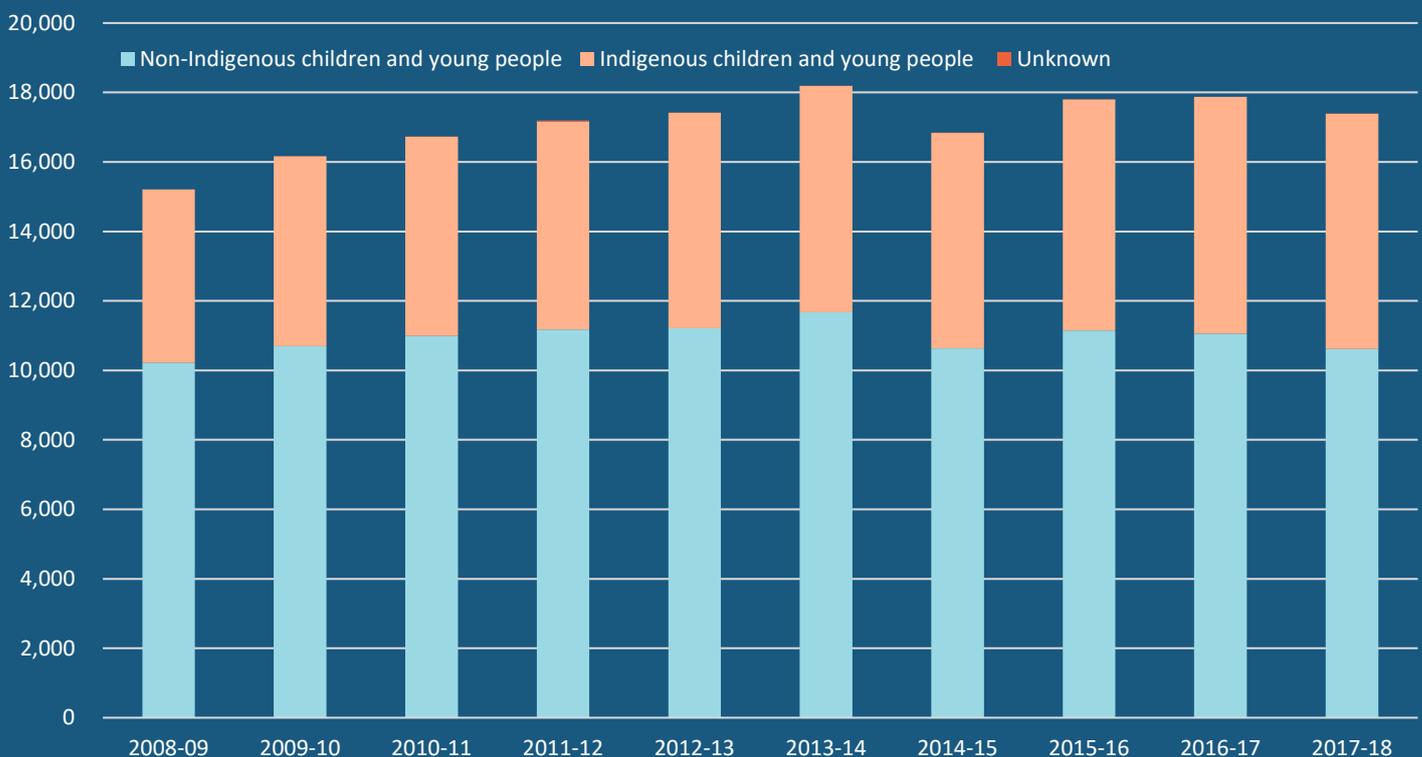
- The system fails to address the complexity of some families' problems which cross multiple government portfolios;
- FACS is accountable for vulnerable families but is not the agency accountable for addressing the driving issues creating the need for OOHC; and
- Expenditure is crisis-driven and focuses on the delivery of OOHC rather than on early intervention and family preservation and restoration.

The report recommended reforms for the Government to consider, including:

- Personalised support packages that help fund access to services that achieve positive outcomes for children and families;
- An investment and commissioning approach, to be implemented by a NSW Family Investment Commission;
- Extension of *Keep Them Safe* by three years from 2017-18, with funding allocated through a NSW Family Investment Commission; and
- Review of allowances for carers of children in the category 'supported care with an order' from the Family Court of Australia.

In September 2016, the NSW Government announced an independent review of the OOHC system focused on Aboriginal children and young people. The final report will be handed to the Government on 31 July 2019.

Their Futures Matter reforms

Following release of the interim Tune Report in early 2016, the NSW Government established Their Futures Matter – a whole-of-Government reform package to which the 2016-17 Budget committed $190 million over four years. Their Futures Matter moves away from a crisis-driven system to a system based on evidence, achieving long-term outcomes, and cross-agency collaboration. It places the needs of children and families first by focusing on early intervention and permanency, establishing family preservation and restoration programs, trauma treatment services, and considering cultural needs when interacting with Indigenous children and families.

Under Their Futures Matter, the Government committed $90 million over 4 years, to implement two evidence-based models that aim to reduce the number of children entering OOHC, and increase the amount of children who leave: Multisystemic Therapy for Child Abuse and Neglect; and Functional Family Therapy – Child Welfare. In June 2018, it was reported that fewer children were entering care, or were currently in care, than predicted by Tune had his recommendations been adopted.

Early intervention reforms

In 2016-17, the NSW Government started redesigning its early intervention service system. Allocated $134 million in 2017-18, the resultant Targeted Earlier Intervention (TEI) program reform focusses services on the early lives and needs of children, young people, and their families. TEI consolidates six existing early intervention programs: the Aboriginal Child, Youth and Family Strategy; Child, Youth and Family Support; Community Builders; Families NSW; Getting it Together; and Triple P (Positive Parenting Program). The reforms are expected to be complete in 2020.

Legislative Council Committee Report

On 16 May 2017, the final report of a Legislative Council Committee inquiry into child protection was tabled, containing 28 recommendations for improvement across the child protection system. These included:

- Additional funding of early intervention services directed by a new cross-sector body;
- An independent review of screening and assessment tools and processes used by FACS;
- Improving leaving care planning and supports, including by developing three-year transition plans for young people from ages 18 to 21; and
- Working with Aboriginal communities to provide a far greater degree of self-determination in relation to child protection.

A progress report was released in August 2018 by the NSW Government, highlighting key initiatives to address the committee's recommendations.

Changes to the *Care Act* and the *Adoption Act*

In November 2018, the *Children and Young Person (Care and Protection) Act 1998* and the *Adoption Act 2000* were amended to encourage long term permanency outcomes by introducing shorter term court orders of no more than 24 months, streamlining Children's Court and adoption processes to be simpler and more efficient, and providing OOHC services in a way that facilitates restoration more quickly. A joint letter signed by AbSec – NSW Child, Family and Community Peak Aboriginal Corporation and almost 80 other organisations criticised these reforms, arguing that the Government was "returning to the failed policy of forced adoptions".

Royal Commission into Institutional Responses to Child Sexual Abuse

On 15 December 2017, the Royal Commission into institutional responses to Child Sexual Abuse (the Commission) published its final report . The Commission made 409 recommendations (including those in interim reports).

The NSW Government published its response to the recommendations in June 2018. In December 2018, the *NSW Annual Report on Progress* was published and outlined current investments and key reforms that have been made to date. Key reforms include civil litigation law reforms and criminal law reforms. NSW has also opted-in to the National Redress Scheme. In October 2018, the NSW Government announced a $127 million package that targets the 189 recommendations presented in the Commission's final report.

A recommendation that has received considerable media attention concerns the requirement that priests report child sexual abuse disclosed in confessionals. The NSW Government's response noted that this issue has been referred to the Council of Attorneys-General for national consideration.

Abortion and safe access zones

Rowena Johns

Abortion law and policy

Legal status and availability

NSW and South Australia have not decriminalised abortion. In NSW, unlawfully procuring a miscarriage is punishable by up to 10 years imprisonment under ss 82 and 83 of the *Crimes Act 1900*. However, prosecutions are rare. According to the NSW Bureau of Crime Statistics and Research, there was only one conviction in the Local Court between January 2013 and December 2017 (CCS17, Table 5).

In the absence of a statutory definition of "unlawful", the standard of whether an abortion is unlawful is a matter which the courts have decided on a case-by-case basis. Abortion is lawfully available if a medical practitioner forms an honest belief based on reasonable grounds of a medical, social or economic nature, that an abortion is necessary to preserve the woman from serious danger to her life or physical or mental health: *CES v Superclinics (Australia) Pty Ltd* (1995) 38 NSWLR 47 at 59-60, 80; applying *R v Wald* (1971) 3 DCR (NSW) 25 at 29.

Policy directive

The NSW Health Policy Directive, *Pregnancy – Framework for Terminations in New South Wales Public Health Organisations* (2014) provides information about the appropriate level of medical oversight for terminations in a range of circumstances. The directive is due to be revised in July 2019.

Decriminalisation debate

In 2016, a bill to decriminalise abortion, the *Abortion Law Reform (Miscellaneous Acts Amendment) Bill 2016* was introduced in the Legislative Council but was defeated (25 votes to 14) at the conclusion of the Second Reading debate. The bill would have repealed the offences under the *Crimes Act 1900* and required medical practitioners to disclose any conscientious objection to abortion when advising a person seeking an abortion or information about pregnancy options, and to refer the person elsewhere. The bill also proposed safe access zones, which were later separately introduced.

In the Second Reading Speech, Dr Mehreen Faruqi MLC expressed her "intent, in this bill, for Parliament to signal that abortion ought not to be criminalised, but rather left up to the policies and decision-making of patients and their health practitioners, as occurs with other medical procedures." A conscience vote was granted and a few members who voted against the bill explained their reasons. However, those who spoke raised concerns about the impact of removing the provisions and how abortion would be legally monitored.

The decriminalisation debate was reignited in March 2019 when the Federal Opposition announced a plan, if elected, to reform funding arrangements to facilitate the availability of termination services in public hospitals throughout Australia. In

response, the NSW Premier and Opposition leader both underlined that MPs would be given a conscience vote if a bill is introduced in the next State Parliament. Independent MP, Alex Greenwich, indicated that he is planning a government-backed or multi-partisan private member's bill.

Safe access zones

Legislative protection

Safe access to clinics which provide terminations was protected by the *Public Health Amendment (Safe Access to Reproductive Health Clinics) Act 2018*, inserting Part 6A into the *Public Health Act 2010*. The definition of a "safe access zone" includes the area within 150 metres of the reproductive health clinic (s 98A). In the safe access zone it is an offence to interfere with a person's access to a clinic (s 98C(2)) and to obstruct or block, without reasonable excuse, a footpath or road leading to a clinic (s 98C(3)). It is also an offence in the safe access zone to communicate in a manner that is reasonably likely to cause distress or anxiety to a person accessing the clinic (s 98D), or to intentionally capture visual data of a person or publish or distribute a recording of a person without their consent (s 98E). Each of the offences carries a maximum penalty of a $5,500 fine and/or imprisonment for 6 months for a first offence. A second or subsequent offence carries a maximum penalty of an $11,000 fine and/or 12 months imprisonment.

Exemptions are permitted under s 98F. In the Second Reading Speech, Penny Sharpe MLC clarified that these exemptions were intended "to ensure that the right to protest or campaign on the issue of abortion is not curtailed". Consequently, the laws do not apply to prohibit conduct outside NSW Parliament House, or in a church or other building used for religious worship. Nor do the laws prohibit the carrying out of surveys and opinion polls, or the distribution of leaflets during the course of any election, referendum or plebiscite.

High Court challenge

A challenge in the High Court to similar safe access laws in Victoria (*Clubb v Edwards*) and Tasmania (*Preston v Avery*) was heard in October 2018. The basis of the challenge is that the laws violate the implied freedom of political communication in the Constitution. The court had not handed down its decision at the time of writing. The outcome of these cases can be expected to have implications for the safe access laws in NSW.

Key documents

Gotsis T and Ismay L, *Abortion law: a national perspective*, Briefing Paper 2/2017, May 2017

Euthanasia

Matthew Dobson

Euthanasia is a controversial issue that generates extensive debate whenever it is raised. Throughout these debates, terms such as 'euthanasia', 'voluntary assisted dying' and 'assisted suicide' are often used interchangeably; however, from a legislative perspective, they have different meanings (see box). Euthanasia and/or assisted suicide has been legalised in several jurisdictions in Canada, the United States and Europe. However, there are concerns that access to euthanasia in some countries has gone too far. In Australia, there have been numerous failed attempts to legalise euthanasia or assisted suicide at the State level. Victoria is the only State that has legalised assisted suicide.

Euthanasia is defined by the Australian Medical Association (AMA) as: "The act of deliberately ending the life of a patient for the purpose of ending intolerable pain and/or suffering". Various sub-categories are referred to in the literature.

Voluntary euthanasia is generally defined as: ending the life of a competent, informed patient at their request.

Passive euthanasia is generally defined as: not initiating or no longer continuing life-sustaining treatment that results in death as a direct consequence of the underlying disease.

A related term is **physician assisted suicide**, applied by the AMA to "where the assistance of the doctor is intentionally directed at enabling an individual to end his or her own life". This has also been referred to as **assisted suicide** or **voluntary assisted dying**.

New South Wales

On 21 September 2017, the _Voluntary Assisted Dying Bill 2017_ was introduced into the NSW Legislative Council. This Private Members Bill was co-sponsored by three MLCs, Trevor Khan (The Nationals), Lynda Voltz (Labor) and Mehreen Faruqi (The Greens). The Bill had been developed by a cross-party working group of NSW MPs which also included Lee Evans (Liberal) and Alex Greenwich (Independent). On 16 November 2017 the Bill failed to pass in the NSW Upper House by 20 votes to 19.

Victoria

On 29 November 2017, Victoria became the first State in Australia to legalise voluntary assisted dying (VAD). Under the _Voluntary Assisted Dying Act 2017_ VAD will be legal in Victoria from 19 June 2019. The Act defines VAD as 'the administration of a voluntary assisted dying substance and includes steps reasonably related to such administration'. Access to VAD is regulated through eligibility criteria (refer box). The Act establishes the Voluntary Assisted Dying Review Board and includes 68 safeguards following the recommendations of the Ministerial Advisory Panel on Voluntary Assisted Dying. These include the introduction of new criminal offences to protect vulnerable people from abuse and coercion. A systematic comparison of the NSW and Victorian Voluntary Assisted Dying Bills has been published by the NSW Parliamentary Research Service.

South Australia

In October 2016, the _Death with Dignity Bill 2016_ was introduced by Dr McFetridge (Liberal) into the South Australian House of Assembly. The Bill would have legalised

a right to request voluntary euthanasia in circumstances where a person is suffering from a terminal illness and in intolerable pain. The Bill was eventually defeated on the casting vote of the Speaker, Michael Atkinson (ALP) following a six hour debate that ended in a tied vote. The defeat of this Bill was the fifteenth attempt to legalise voluntary euthanasia in South Australia.

Access to Voluntary Assisted Dying in Victoria

Eligibility criteria. Person must:

- be aged 18 or over;
- be an Australian citizen or permanent resident, ordinarily resident in Victoria, and, at the time of making a first request for VAD, have been resident in Victoria for at least 12 months;
- have decision-making capacity; and
- be diagnosed with a disease, illness or medical condition that is:
  - incurable;
  - advanced, progressive and will cause death;
  - is expected to cause death within six months (12 months in the case of a neurodegenerative disease, illness or condition); and
  - is causing suffering to the person that cannot be relieved in a manner that the person finds tolerable.

Western Australia

In November 2018, following the recommendation of a Joint Select Committee on End of Life Choices, the Western Australia Government announced plans to introduce a voluntary assisted dying bill. An expert panel, chaired by former WA governor Malcolm McCusker, would help guide the development of the legislation. The Health Minister Roger Cook noted that the Bill will provide "those individuals who are experiencing grievous and irremediable suffering associated with advanced and progressive terminal conditions with an additional choice". The Government plans to introduce legislation into Parliament in the second half of 2019.

Queensland

On 14 November 2018, the Queensland Premier Annastacia Palaszczuk launched a parliamentary inquiry into aged care, end-of-life and palliative care. The inquiry will consider the views of the Queensland community and relevant health practitioners on the desirability of supporting voluntary assisted dying, including provisions for it being legislated in Queensland and any necessary safeguards to protect vulnerable people. The inquiry is due to report by 30 November 2019.

Northern Territory

In 1995, the Northern Territory became the first Australian jurisdiction to legalise euthanasia. However, this was overturned two years later when the federal government passed the *Euthanasia Laws Act 1997* that banned the ACT and NT from legalising euthanasia or assisted suicide. In August 2018, Senator David Leyonhjelm (Liberal Democrats) introduced a bill to repeal the *Euthanasia Laws Act 1997* and allow territories to enact their own euthanasia laws. Media reports indicated that the chief ministers of both territories supported the bill. The *Restoring Territory Rights (Assisted Suicide Legislation) Bill 2015* was defeated in the Senate by 36 votes to 34.

Illegal drug use

Lenny Roth and Tom Gotsis

Drug policy is an ongoing topic of debate in Australia and overseas. One part of this debate concerns the effectiveness of the criminalisation of drug use as a means of minimising drug-related harms. Drug-related deaths at music festivals is a topic of recent concern in NSW. Media reports have also highlighted the harms associated with people using the drug "ice".

Prevalence

Due to the illegality of the behaviour, illegal drug use cannot be measured definitively. Prevalence can, however, be estimated using the Australian Institute of Health and Welfare's (AIHW) National Drug Strategy Household Survey and the Australian Criminal Intelligence Commission's National Wastewater Drug Monitoring Program. The AIHW results are best understood as an underestimate of actual drug use. This is due to the potential for under-reporting, the exclusion from the survey of homeless persons and persons living in non-private dwellings or institutional settings, and the difficulty reaching otherwise marginalised persons.

Results from the 2016 AIHW survey are set out below. Those results reveal that in NSW, from 2010 to 2016, there was an increase in the use of cocaine and "any" illicit drug use; while the use of cannabis remained stable and the use of ecstasy and meth/amphetamine declined.

Ice users: Of the respondents in NSW who recently used meth/amphetamines, the percentage who used the crystalline form (ice) increased from 14.7% in 2010 to 55.3% in 2016.

Percentage of people aged 14 years and over in NSW who recently (within the last 12 months) illicitly used drugs

	2010	2013	2016
Cannabis	9.3	9.5	9.3
Ecstasy	2.9	2.4	1.9
Meth/amphetamines (including "ice")	1.6	1.4	0.7
Cocaine	2.7	2.7	3.4
Any illicit drug use (excluding pharmaceuticals)	11.4	11.4	11.7
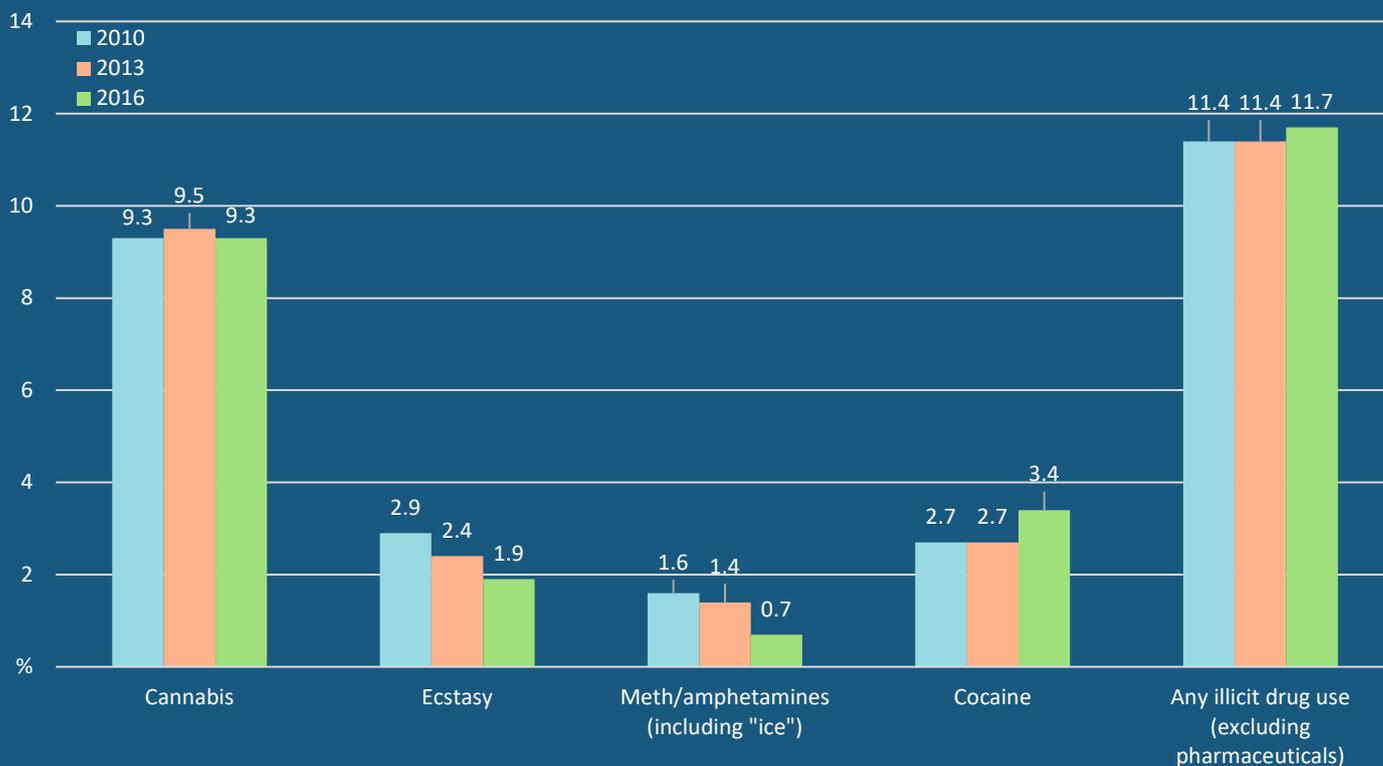
The December 2018 National Wastewater Drug Monitoring Program report found that NSW has the highest average cocaine consumption in both capital city and regional sites in Australia, and the highest regional MDMA (ecstasy) and heroin consumption in Australia. The report also found that an estimated 9.6 tonnes of Methylamphetamine, 4 tonnes of cocaine, 1.1 tonnes of MDMA and 700 kilograms of heroin, worth approximately $9.3 billion, is consumed in Australia annually.

Harms

The AIHW points out that legal and illegal drug use is associated with adverse health, social and economic impacts:

- Health impacts relate to fatal and non-fatal overdoses, drug addiction, chronic disease (including mental health issues), premature death and injuries.
- Social impacts relate to criminal activity, including property crime, drug driving, domestic violence and other violence offences.
- Economic impacts relate to increased household expenditure, decreased productivity and increased healthcare and law enforcement costs.

Policy

The *National Drug Strategy 2017-2026*, which applies to legal and illegal drugs, adopts the overarching goal of harm minimisation. It seeks to achieve this goal through three pillars:

- *Demand reduction:* Prevent uptake & delay first use; reduce harmful use; support people to recover.
- *Supply reduction:* Control legal drug and precursor availability, reduce illegal drug availability and accessibility.
- *Harm reduction:* Reduce risk behaviours; safer settings.

There are also a number of sub-strategies, including the *National Ice Action Strategy 2015*.

Decriminalisation

Decriminalisation is the removal of criminal penalties for an offence; civil penalties may still apply (e.g. a fine). Around 30 jurisdictions have adopted formal decriminalisation policies in relation to the personal use of illegal drugs: mainly in South America, Europe and Australia. In 2018, Canada legalised the use of cannabis.

Music festivals

Five persons have died at music festivals from suspected drug overdoses since September 2018. Many others have been hospitalised or required onsite treatment.

In response, the NSW Government's Expert Panel provided a series of recommendations in its report, *Keeping People Safe at Music Festivals*. The recommendations, which were accepted by the NSW Government, included: stricter regulation of music festivals; an on-the-spot fine for drug possession; and a new offence of supply causing death.

There have been widespread calls for pill testing and a trial of pill testing has been conducted in the Australian Capital Territory. The NSW Government remains opposed to pill testing on the grounds that it promotes illegal drug use and creates a false sense of safety. See: *Drug Use at Music Festivals*

In Australia, South Australia, the ACT and the Northern Territory have introduced decriminalisation in the form of civil penalty schemes, but only in relation to cannabis. All States and Territories have introduced decriminalisation in the form of police diversion programs; in two States (NSW and Queensland) these schemes only apply to cannabis, whereas in other States they apply to a range of illegal drugs.

The main arguments in the debate are set out below.

Arguments for and against decriminalisation

Arguments for prohibition	Arguments for decriminalisation
Limits legitimate opportunities for drug use, which reduces use and subsequent harms	Decriminalisation has no or small effects on rates of drug use
Raises both monetary and non-monetary costs associated with illicit drugs, making it more difficult for drug users to obtain these substances	Improves health outcomes, with more people accessing treatment services and lower risk of spreading diseases
Results in less overall harm than any other model	Improves employment and other social prospects for those detected with drugs
Frequently used policy response to inhibit other types of socially undesirable activity	Savings in law enforcement costs can be diverted to prevention and treatment

Several Australian studies have examined the correlation between cannabis decriminalisation in three jurisdictions (SA, ACT, and NT) and cannabis use. Damrongplasit et al cite research evidence of two studies that found "a positive and significant marginal effect of decriminalization on prevalence of about 2%". Separate evaluations of two South Australian decriminalisation initiatives generally found good results across a range of indicators. A 2008 study, which examined the impact of Australian police drug diversion initiatives on reoffending, reported that "on the whole, the findings were generally very positive".

There is limited evidence on the outcomes associated with drug decriminalisation policies in other countries. The research has to account for divergent and evolving social circumstances, and measure a range of distinct indicators. The experience in Portugal, which decriminalised drug use in 2001, is often cited by those who favour decriminalisation; but others contend that the evidence does not support claims that the policy has been successful.

Recent developments

- In November 2018, the NSW Government established a Special Commission of Inquiry into the Drug Ice and Other Illicit Amphetamines. The Commission is due to report by 28 October 2019.
- In December 2018, the NSW Labor Party announced that, if elected, it would hold a Drug Summit in 2019. It also said that it would open six detoxification and rehabilitation clinics for people addicted to ice.
- In March 2019, after an inquest into six accidental drug overdose deaths, the coroner made several recommendations, including that the NSW Government convene a Drug Summit and adopt a new Plan of Action.

Animal welfare

Tom Gotsis

NSW animal welfare legislation: an overview

Animals make a significant contribution to the NSW economy and play an important role in the lives of many NSW residents. Promoting the welfare of animals in NSW is the object of the *Prevention of Cruelty to Animals Act 1979* and the *Prevention of Cruelty to Animals Regulation 2012*. The Act creates a broad range of animal cruelty offences of general application. The Regulation creates specific offences relating to commercial egg production, animal trades and surgical procedures, and refers to relevant Codes of Practice. An additional generic offence of serious animal cruelty is provided by section 530 of the *Crimes Act 1900*; while law enforcement animals are specifically protected by section 531.

The *Companion Animals Act 1998* and *Companion Animals Regulation 2018* seek to promote animal welfare by providing for the identification and registration of companion animals, and by promoting responsible pet ownership. The welfare of animals used in medical or scientific research is the focus of the *Animal Research Act 1985* and the *Animal Research Regulation 2010*. Standards designed to maintain the welfare of animals in circuses, zoos and marine parks are the subject of the *Exhibited Animals Protection Act 1986* and *Exhibited Animals Protection Regulation 2010*. In 2018 the Animal Justice Party introduced the Exhibited Animals Protection Amendment (Prohibitions on Exhibition) Bill 2018 into the Legislative Council in order to prohibit the use of exotic animals in circuses.

NSW policy: a process of ongoing reform

In May 2018 the NSW Department of Primary Industries (DPI) released its Animal Welfare Action Plan, which seeks to modernise existing legislation and "deliver an animal welfare system that reflects evolving animal welfare science and community expectations." Other goals include reforming legislation and standards relating to companion animal breeding, and improving compliance and enforcement efforts.

In June 2018 the Companion Animals and Other Legislation Amendment Bill 2018 was enacted in order to improve the identification of companion animals to "allow better traceability of cats and dogs, promote responsible pet ownership and enable more effective enforcement action to be taken against people who break the law…"

In June 2018 the NSW DPI released an Animal Welfare Discussion Paper that considers whether legislative change is required to better protect animal welfare in critical and emerging situations; such as emergencies and natural disasters. The discussion paper also considers whether current penalties for animal cruelty offences are in line with community expectations and adequately deter animal cruelty offences.

Animal cruelty offences: number of cases and penalties imposed

Animal cruelty offences under the *Prevention of Cruelty to Animals Act 1979* and *Crimes Act 1900* are primarily prosecuted in the Local Court. Table 1 details the number of cases determined in the Local Court, from 1 July 2014 to 30 June 2018, in which an animal cruelty offence was the principal offence. Only the offences with the four largest number of cases are presented. Table 1 also details the most common penalty types and penalty amounts imposed by the Local Court.

Animal cruelty offences (top four), number of cases (NSW Local Court, 1 July 2014 to 30 June 2018) and penalties

Offence	Number of cases (principal offence only)	Maximum penalty (1 penalty unity equals $110)	Most common penalty type	Most common penalty amount
Prevention of Cruelty to Animals Act 1979				
Cruelty: section 5	263	Corporation: 250 penalty units ($27,500). Individual: 50 penalty units ($5,500) and/or 6 months imprisonment	Fine (42%); commit act of cruelty Fine (51%); not take reasonable care	$1,000 & $2,000 $500
Aggravated cruelty: section 6	94	Corporation: 1,000 penalty units ($1,100,000) Individual: 200 penalty units ($22,000) and/or 2 years imprisonment	Section 9 Bond (47%)	12 months
Fail to provide food, drink or shelter: section 8	90	Corporation: 250 penalty units ($27,500) Individual: 50 penalty units ($5,500) and/or 6 months imprisonment	Fine (51%)	$2,000
Crimes Act 1900				
Serious animal cruelty: section 530	13	5 years imprisonment (offence committed with intent)	Prison (54%)	24 months
	2	3 years imprisonment (offence committed recklessly)	Section 9 bond (50%) Community Service Order (50%)	24 months 50 hours

* Note: Penalty amount data has been rounded upwards. Source: *Prevention of Cruelty to Animals Act 1979*; *Prevention of Cruelty to Animals Regulation 2012*; Judicial Commission of NSW

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Domestic violence

Talina Drabsch

Domestic violence is a complex issue that cuts across numerous policy areas including, but not limited to, crime and justice, health, mental health and housing. Experiences of domestic violence differ and its impact on the community is extensive and costly. The reduction of domestic violence reoffending is a Premier's priority as the NSW Government responds to the significant rate of reoffending in NSW. Approximately 15% of people charged with domestic violence assault reoffend within 12 months. Of this group, 50% do so before the court process is finalised.

Prevalence of domestic violence

The *2016 Australian Bureau of Statistics (ABS) Personal Safety Survey* found that:

- 1.6 million women in Australia (17%) and 0.5 million men (6%) have experienced violence by a current and/or previous partner since the age of 15.
- 2.2 million women and 1.4 million men have experienced emotional abuse by a partner since the age of 15.
- More than two million people have witnessed violence towards their mother by a partner before they were 15 years old, and about 800,000 have witnessed it towards their father.

Latest data from the NSW Bureau of Crime Statistics and Research (BOCSAR) in the table below shows the number of recorded domestic violence incidents in NSW between October 2013 and September 2018.

Statistics on domestic violence should be interpreted with caution, as the extent to which domestic violence is not reported to police or a domestic violence service is unknown but may be significant. For example, a 2013 BOCSAR study found that half

Domestic violence incidents in NSW, October 2013 to September 2018

Offence group	Offence	2013/14 No.	2017/18 No.	2013/14 Rate^	2017/18 Rate	5 year trend 2013-18
Homicide	Murder *	48	28	0.6	0.4	Down 12.6%
	Attempted murder	7	3	0.1	0	nc
	Murder accessory, conspiracy	0	0	nc	nc	nc
	Manslaughter *	3	3	0	0	nc
Assault	Domestic violence related assault	29,209	29,124	388.6	376.3	Stable
Sexual offences	Sexual assault	933	1,156	12.4	14.9	Up 5.5%%
	Indecent assault, act of indecency and other sexual offences	636	830	8.5	10.7	Up 6.9%
Abduction and kidnapping		71	64	0.9	0.8	Stable
Intimidation, stalking and harassment		12,527	14,114	166.6	182.4	Up 3.0%
Malicious damage to property		9,272	9,853	123.3	127.3	Stable
Breach Apprehended Violence Order		11,777	14,603	156.7	188.7	Up 5.5%

* The counts are of recorded victims, not criminal incidents. Source: NSW Bureau of Crime Statistics and Research
^ Rate per 100,000 population
nc: indicates that the number of incidents recorded was too small for a reliable statistical trend test to be performed

of domestic violence victims who sought help from domestic violence services in NSW had chosen not to report the violence to police. Accordingly, the statistics provided above are likely to underrepresent the prevalence of domestic violence in society.

Recent policies and reforms

The *NSW Domestic and Family Violence Blueprint for Reform 2016-2021: Safer Lives for Women, Men and Children* provides a framework for the NSW government to both address and respond to the causes and symptoms of domestic and family violence. It incorporates six actions:

1. Preventing domestic and family violence.
2. Intervening early with vulnerable communities.
3. Supporting victims.
4. Holding perpetrators accountable.
5. Delivering quality services.
6. Improving the system.

The NSW Government is investing more than $390 million over four years in specialist domestic violence initiatives.

Domestic violence strangulation is viewed as a "red flag for domestic violence homicide". The *Crimes Legislation Amendment Act 2018* recently inserted section 37(1A) into the *Crimes Act 1900* to make it an offence to intentionally choke, suffocate or strangle another person without their consent, removing some of the problematic aspects of the previous offence.

Paid domestic violence leave

Pru Goward, the Minister for the Prevention of Domestic Violence and Sexual Assault, announced on 15 November 2018 that NSW public sector employees would be able

Rate per 100,000 population for incidents of domestic violence related assault in 2017 by Local Government Area

Source: *NSW Bureau of Crime Statistics and Research*
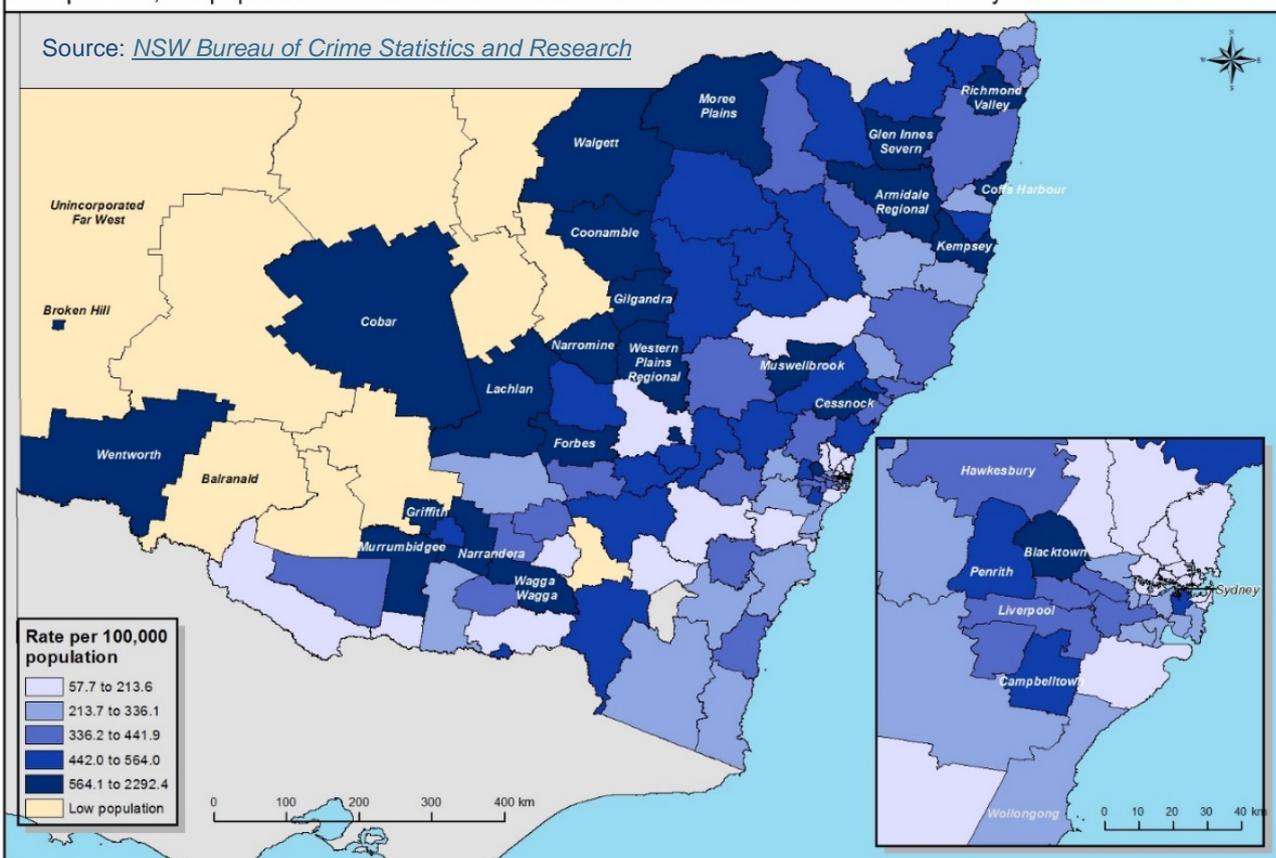
to take up to 10 days paid domestic violence leave from 2019 onwards. A Premier's Memorandum to that effect followed on 21 December 2018. This will enable people to attend court, negotiate new housing and schooling arrangements without having to first exhaust other leave entitlements.

At the federal level, the *Fair Work Act 2009* (Cth) was amended in December 2018 to include an entitlement to five days unpaid family and domestic violence leave each year as part of the National Employment Standards.

The response to the introduction of domestic violence leave has generally been positive. However, there are some concerns as well, notably around the cost to employers and the need for appropriate training of managers.

NSW rental reforms

Changes have been made to NSW residential tenancy laws to enable a tenant to end their tenancy immediately and without penalty if they or their dependent child are in circumstances of domestic violence. The *Residential Tenancies Amendment (Review) Act 2018* inserts Part 5, Division 3A into the *Residential Tenancies Act 2010* which gives a tenant the right of early termination in circumstances of domestic violence. Evidence of such circumstances may be in the form of: a certificate of conviction for the domestic violence offence; a family law injunction; a provisional, interim or final Domestic Violence Order; or a declaration made by a medical practitioner. A tenant in these circumstances is not liable for compensation or any fees for the early termination. They are also not liable for any property damage caused by the perpetrator during the commission of the domestic violence offence.

Changes to ADVOs

The *Crimes Legislation Amendment Act 2018* made a number of changes to the *Crimes (Domestic and Personal Violence) Act 2007* in response to recommendations made by the Domestic Violence Death Review Team in 2017 (to take effect in mid-2019):

- the default period of an apprehended domestic violence order (ADVO) was extended from 12 months to two years.
- indefinite ADVOs apply in cases of significant ongoing risk of death or serious physical/psychological harm to the protected person or their dependants.
- police may vary the conditions of an ADVO if there is an increased risk to the safety of the protected person that requires an urgent response.
- ADVOs are also to remain in place for two years after an adult domestic violence offender is released from prison.

Emerging issue: juvenile perpetrators

BOCSAR examined the issue of domestic and family violence (DFV) perpetrated by juveniles in NSW in a September 2018 paper. About one-third of all assaults by juveniles in 2017 were domestic related. The recorded rate of juvenile DFV increased from 154.5 per 1000,000 in 2008 to 195.7 in 2017 whilst adult offending rates remained stable. Of the 14,611 DFV assault offenders proceeded against by NSW Police in

2014, 1055 were under the age of 18. Two-thirds of these juvenile offenders were male and one-third were female (in contrast to 23.8% of adult offenders being female). Victims were more likely to be female, predominantly a parent, with the most common scenario involving a young male offender and his mother. Mental health issues experienced by the offender were noted in about one in four incidents. BOCSAR found that:

> Examination of narratives showed that assaults occurring in the victim's home often started from seemly commonplace interactions including a parent's verbal reprimand or disciplinary action, such as restricting the young person's access to phones and electronic gaming equipment, leading to confrontation and physical violence. Other incidents in the home were in response to a parent's refusal to comply with demands by the offender for money, cigarettes, transport or food. (p 6)

When parents are the victim, there is a tension in their dual role as both victim and carer of the offender which may lead to a reluctance to report juvenile DFV. BOCSAR has highlighted that more tailored approaches to prevention and response may be required to target juvenile DFV due to the differences with DFV committed by adult offenders.

Recent developments

The Commonwealth Government recently announced the investment of $328 million for prevention and frontline services through the Fourth Action Plan of the *National Plan to Reduce Violence against Women and their Children 2010-2022*.

NSW Labor has pledged $158 million for frontline domestic violence services should it win government. This includes an extra 200 beds in women's refuges in Penrith, Goulburn, North Coast, Taree, Kempsey, Bega and on the South Coast. Additional funding for 29 specialist case workers in the Women's Domestic Violence Court Advocacy Service has been promised along with an extra $1.7 million per year for the NSW Rape Crisis Centre, and funding for an additional 19 specialised case workers in Women's Health Centres.

The NSW Government is the only state or territory government that is not a member of Our Watch, an organisation that has been established to drive nationwide change in the culture, behaviours and power imbalances that lead to violence against women and their children. The *NSW Domestic Violence Death Review Team Report 2015-2017* recommended that the NSW Government consider becoming a member of Our Watch. NSW Labor pledged to join Our Watch should it win government.

Key documents

Angus C, *Domestic and family violence*, Briefing Paper 5/2015, May 2015

1800RESPECT 1800 737 732

Lifeline 131 114

Men's Referral Service 1300 766 491

Crime statistics

Tom Gotsis

Violent offences

The latest Recorded Crime Statistics from the NSW Bureau of Crime Statistics and Research reveal that, across NSW, the trend in recorded criminal incidents of violent offences was stable in the five years to December 2018. Geographic variations to this trend included:

Violent offences

As set out below, "violent offences" includes a range of offending. The number of recorded criminal incidents in the 12 months to December 2018 is:

- Murder: 69
- Assault (domestic violence related): 29,572
- Assault (non-domestic violence): 31,698
- Robbery without a weapon: 1,492
- Robbery with a firearm: 156
- Robbery with a weapon not a firearm: 837
- Sexual assault: 5,816
- Indecent assault / act of indecency / other sexual offences: 7,867

- The Far West and Orana experienced an increase (up 13%) over the 24 months to December 2018.
- The Hunter Valley (excluding Newcastle) experienced an increase (up 3.2%) in the five years to December 2018.
- The Illawarra experienced a decrease (down 3.9%) in the five years to December 2018.
- Within Greater Sydney, in the five years to December 2018, there were increases for the Central Coast (up 2.8%), North Sydney and Hornsby (up 1.6%) and Ryde (up 5.1%).

There were also some variations to this trend across offence types. Across NSW, in the five years to December 2018, the trend in recorded criminal incidents:

- decreased for murder (down 7.9%);
- increased for sexual assault (up 3.9%);
- increased for indecent assault, act of indecency and other sexual offences (up 4.5%);
- remained stable for domestic violence related assault;
- remained stable for non-domestic violence related assault;
- decreased for robbery without a weapon (down by 6.3%);
- decreased for robbery with a firearm (down by 15%); and
- decreased for robbery with a weapon not a firearm (down by 8.6%).

Property offences

Across NSW, the trend in recorded criminal incidents of property offences was stable over the two years to December 2018. The trend decreased (down 2.3%) over the five years to December 2018. Geographic variations to this trend were:

- Coffs Harbour-Grafton (up 13.6%) and the Mid North Coast (17.4%) experienced an increase over 24 months to December 2018.

- Greater Sydney (down 3.7%), the Central West (down 6.3%), Illawarra (down 2.4%) and Southern Highlands and Shoalhaven (down 6.4%) all experienced a decrease over the five years to December 2018; while Murray remained stable.

- The Mid North Coast (up 3.2%) and Newcastle and Lake Macquarie (up 2.9%) experienced an increase in the five years to December 2018.

- Over the same five year period, there was a decreased in all Greater Sydney statistical areas (by 1.6% in the Northern Beaches to 8.2% in the Inner South West), except for the Central Coast (stable), Outer West and Blue Mountains (stable), Ryde (stable) and Blacktown (up 2.1%)

This trend also exhibited some variation across offence types. For instance, across NSW, over the five years to December 2018, the trend:

- decreased for break and enter dwelling (down 6%) / non-dwelling (down 5.5%);

- decreased for motor vehicle theft (down 3.2%) / steal from motor vehicle (down 2.8%);

- increased for steal from retail store (up 4.7%);

- decreased for steal from dwelling (down 3.8%);

- decreased for steal from person (down 8.9%);

- remained stable for fraud; and

- decreased for malicious damage to property (down 3.8%).

Property offences

As set out below, "property offences" includes a range of offending. The number of recorded criminal incidents in the 12 months to December 2018 is:

- Break and enter dwelling: 26,500
- Break and enter non-dwelling: 10,207
- Motor vehicle theft: 13,061
- Steal from motor vehicle: 38,083
- Steal from retail store: 24,784
- Steal from dwelling: 19,212
- Steal from person: 4,227
- Stock theft: 422
- Fraud: 51,231
- Malicious damage to property: 58,442
- Other theft: 26,795

Drug offences

Across NSW, over the two years to December 2018, the trend in recorded criminal incidents of drug offences was stable, except for:

- possess and/or use cocaine (up 23.1%);

- possess and/or use amphetamines (up 9.7%);

- possess and/or use other drugs (up 17.5%);

- dealing/trafficking in other drugs (up 34.1%); and

- other drug offences (up 11.6%).

Across NSW, over the 12 months to December 2018, the number of recorded criminal incidents for possessing/using drugs was: 2,348 (cocaine); 1,040 (narcotics); 17,149 (cannabis); 7,129 (amphetamines), 2,845 (ecstasy) and 5,009 (other drugs).

Prison population

Matthew Dobson

The prison population is defined as the number of persons held in custody, whose confinement is the responsibility of a corrective services agency. This includes persons on remand (i.e. those refused bail and waiting for court proceedings to be finalised) and persons serving a sentence of imprisonment.

As at 30 June 2018, there were 13,740 prisoners in NSW (12,664 males; 1,072 females). Australian Bureau of Statistics (ABS) data shows that NSW had the largest prisoner population of all States and Territories, accounting for 32% of the total Australian adult prison population.

In 2018, the adult imprisonment rate in NSW was 222 prisoners per 100,000 adult population, an increase from 173.2 prisoners per 100,000 adult population in 2013. Unsentenced prisoners comprised 33.5% of the current NSW prisoner population (up from 27.9% in 2013).

The NSW Bureau of Crime Statistics and Research (BOCSAR) produces a quarterly series of NSW custody statistics. As at December 2018, their figures indicate a total of 13,165 prisoners in NSW (8,579 Sentenced; 4,586 on remand).

The BOSCAR September 2018 quarter update noted that the steady decline in the number of adult prisoners in custody had been driven by a decrease in defendants on remand (down by 6.2% since April 2018). Based on this trend, BOCSAR expected little growth in the NSW imprisonment rate over the next 12 months.

NSW Prison population, 2008-2018
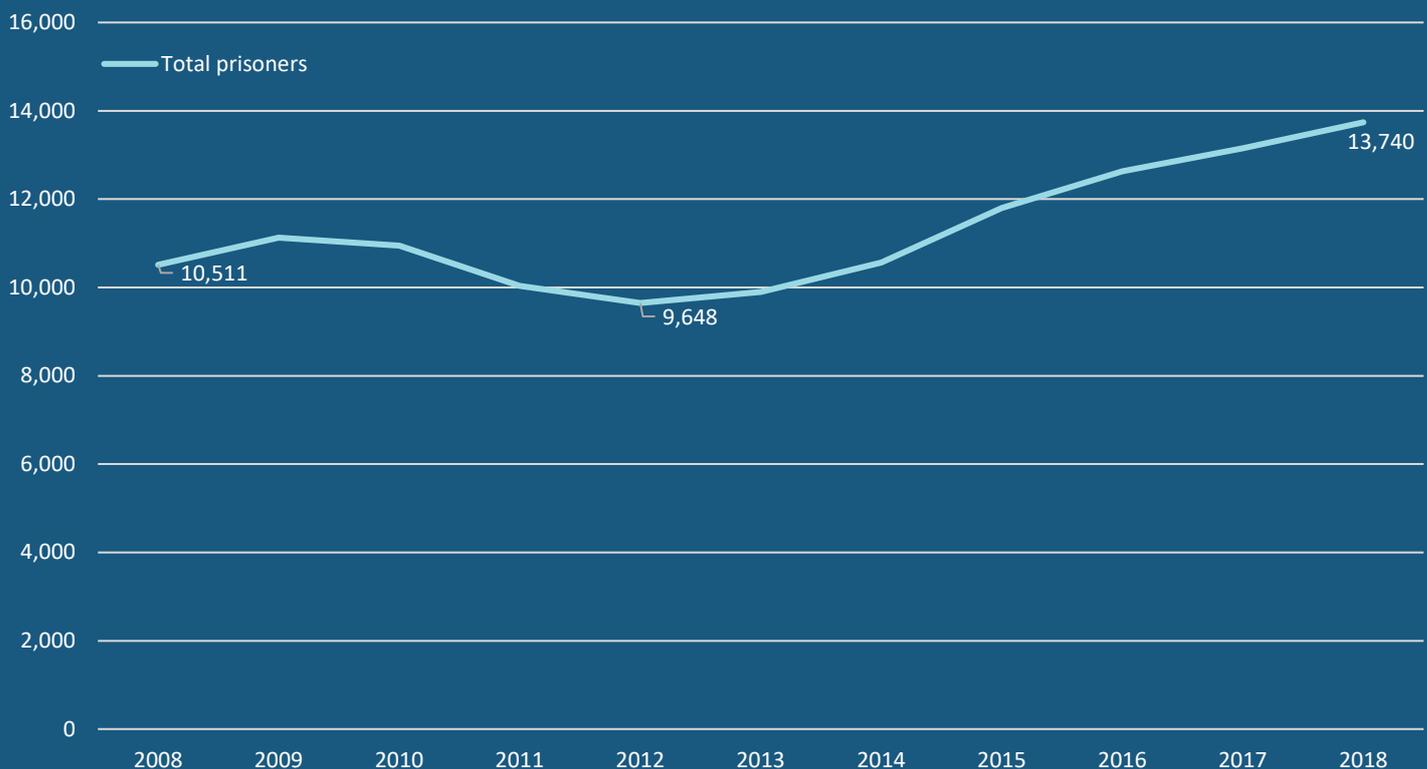
Prisoner characteristics

According to the latest ABS data, prisoners in NSW are primarily male (92.2%); with females accounting for 7.8% of the population (up from 6.9% in 2013). The average age of prisoners is 37.2 years (36.1 years in 2013). Half of the NSW prison population (51.5%) had previously been in prison.

Indigenous imprisonment

While Indigenous persons are 2.9% of the NSW population [For further information see **Indigenous peoples**], they comprise 24.3% of the prison population (up from 23.2% in 2013). In 2018, the age standardised Indigenous imprisonment rate in NSW was 2,137.2 prisoners per 100,000. This is 11.6 times higher than the non-Indigenous rate (183.7). The level of indigenous overrepresentation in prison has increased over the past decade. In 2008, the Indigenous imprisonment rate in NSW was 1,623.1 prisoners per 100,000 – a figure which was 10 times higher than the non-Indigenous rate (162.3).

BOCSAR analysed the upward trend in Indigenous imprisonment in NSW between 2012 and 2016 and identified four contributing factors. These were:

1. refusal of bail;
2. conviction under specific criminal offences such as Stalking/intimidation, Breaching an AVO/Bond;
3. receiving a prison sentence for Stalking/Intimidation; and
4. an increase in the length of time being spent on remand by Indigenous defendants refused bail.

In response, BOCSAR has highlighted the use of Intensive Correction Orders as a mechanism for reducing Indigenous imprisonment.

Ratio of Indigenous to non-Indigenous prisoners, 2008-2018
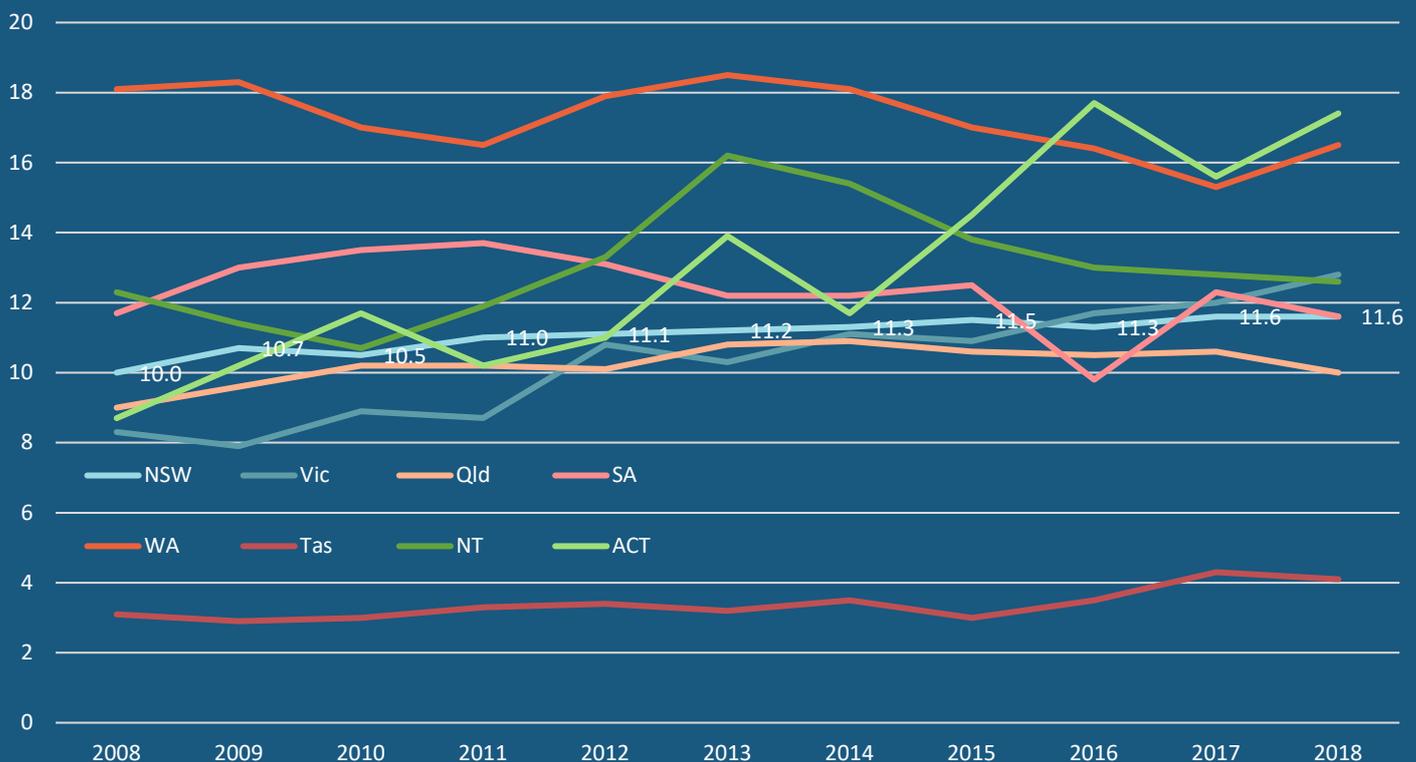
Interstate comparisons

In 2018, the NSW male imprisonment rate of 416.1 per 100,000 adult population is the third highest of the six States. Overall, Western Australia (617.8) had the highest male imprisonment rate, followed by Queensland (419.5), then NSW and South Australia (414.4) with similar rates. Victoria and Tasmania (288.3 and 286.7 respectively) had the lowest male imprisonment rates nationally.

An interstate comparison of the female imprisonment rate revealed the same State rankings observed for males. In 2018, Western Australia (73.5) had the highest rate of female imprisonment of the six States. NSW (34) had the third highest and Victoria and Tasmania (21.9 and 16.5 respectively) had the lowest. A 2018 BOSCAR study examined the 50% increase in the female custody population in NSW between 2011 and 2017, concluding that prior offending history was a key factor in explaining this recent rise in the NSW female prison population.

How much does NSW spend on prisoners?

The Productivity Commission's *2019 Report on Government Services* shows that the daily cost (2017-18 dollars) of keeping a prisoner in a NSW prison decreased from $194.56 in 2013-14 to $181.85 in 2017–18.

Recent NSW policy developments in the NSW prison sector

The *Reducing Reoffending* strategy is a NSW State Priority. The reforms being implemented under this strategy will enhance the likelihood that offenders will undergo supervision and case management and increase their opportunities to engage in rehabilitative interventions.

Male imprisonment rate, 2008-2018
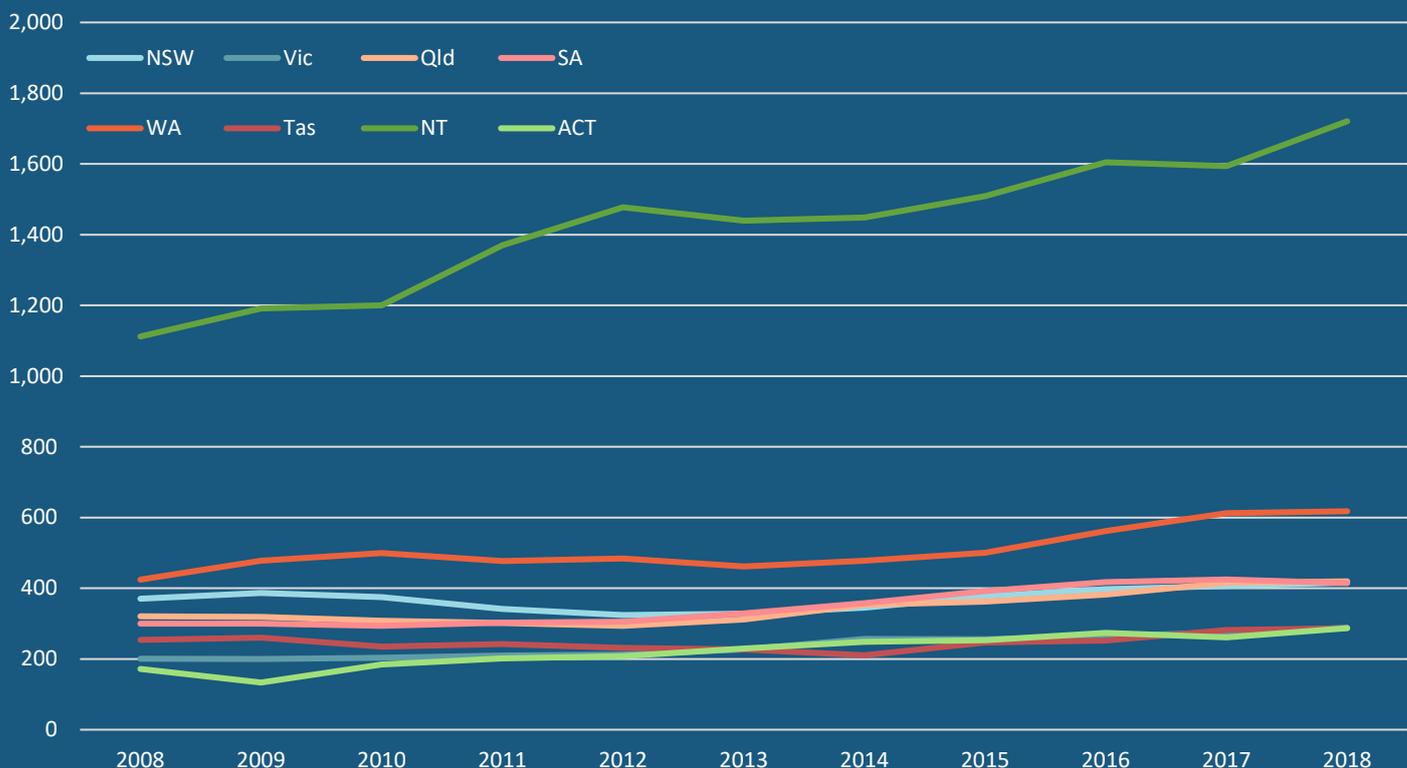
Reflecting the strategy reforms, the NSW Government announced the Better Prisons program of investment in fit-for-purpose prisons in March 2016. The program includes:

- New and upgraded prisons;
- Benchmarking; and
- Education and vocational training for inmates.

The Better Prisons program provides:

> …a new Clarence Correctional Centre south of Grafton, expected to open in 2020. Clarence has been designed in partnership with the private sector to serve as the corrective services hub for northern NSW. [Other projects include:]…two new 'rapid build' maximum-security prisons at Cessnock and Wellington, a new maximum-security centre for women at Lidcombe, and new minimum-security facilities at Berrima, Unanderra and Nowra.

Key documents

Gotsis T and Dobson M, *A statistical snapshot of crime and justice in New South Wales*, Statistical Indicators 05/2018

Female imprisonment rate, 2008-2018
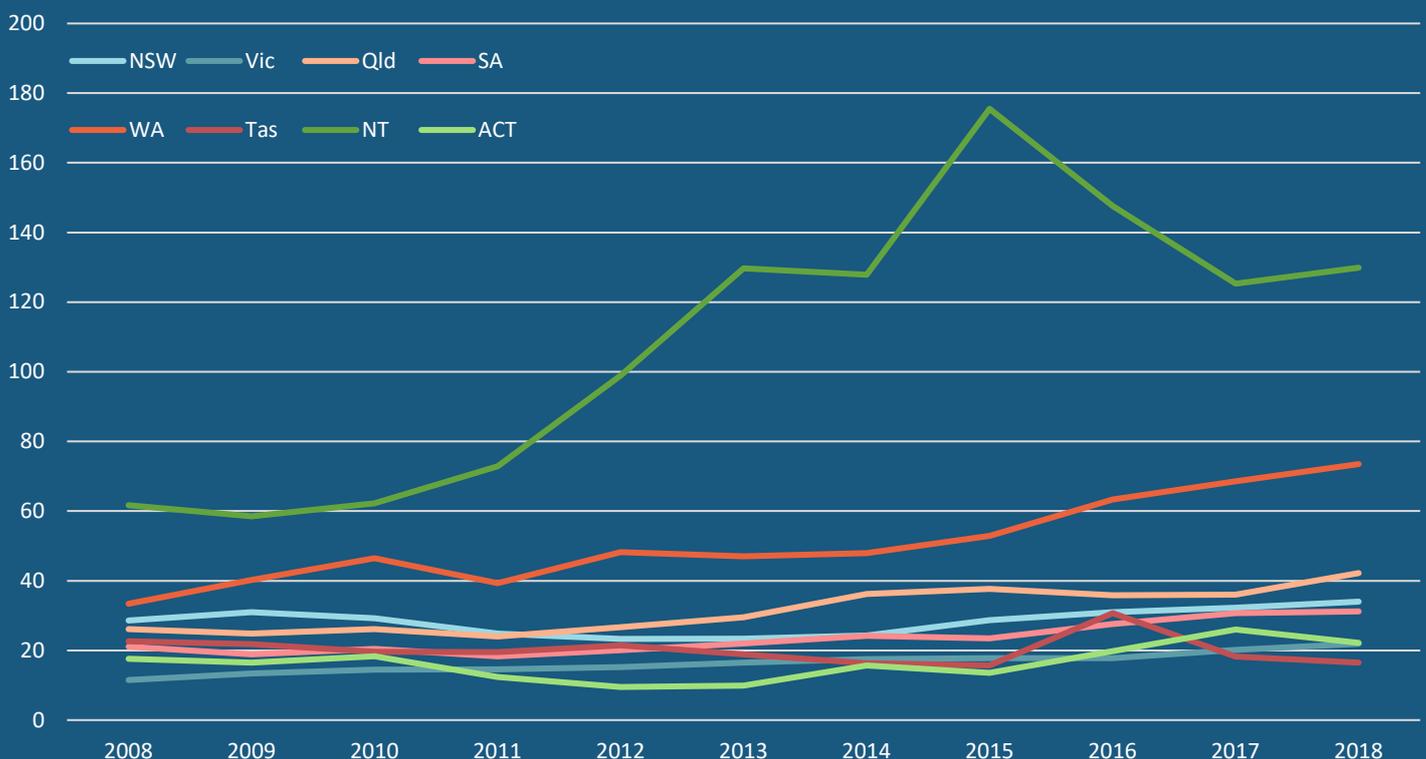
Parole

Tom Gotsis

NSW's parole system was the subject of public scrutiny in November 2018, following the sexual assault of a seven year old girl by a parolee in Kogarah. In the aftermath of that sexual assault, the NSW Government announced tougher conditions for paroled sex offenders. The NSW Opposition Leader called for a public inquiry into the operation of the NSW parole system.

A brief overview of parole in NSW

Parole in NSW is governed by the *Crimes (Administration of Sentences) Act 1999*. It is a form of conditional release from custody that seeks to facilitate offender rehabilitation while maintaining community safety. Offenders who are released on parole continue to serve their sentence under parole conditions. Parole ends when the sentence expires or if the parole is revoked by the State Parole Authority (SPA).

To be eligible for parole, an offender must be serving a sentence for which a non-parole period has been set, have served the non-parole period of that sentence, and not be subject to any other sentence. The offender must also not be a NSW post sentence inmate or Commonwealth post sentence terrorism inmate.

Two categories of parole exist, depending upon sentence length:

- Offenders serving *a sentence of 3 years or less* for which a non-parole period has been set are deemed to be the subject of a statutory parole order (previously a court parole order) and, subject to the approval of parole conditions by the Department of Corrective Services, will be released from custody at the expiration of the non-parole period.

- For offenders serving *a sentence of more than 3 years* for which a non-parole period has been set, it is the SPA that considers whether the offender should be released on parole. The Serious Offenders Review Council provides reports and advice to the State Parole Authority concerning the release of a serious offender on parole.

The conditions that attach to parole are designed both to promote rehabilitation and protect the community. Supervision is a mandatory condition of parole. Other parole conditions include restrictions on travel and visiting specific places and individuals, being of good behaviour, and attending treatment programs. Following the November 2018 sexual assault, all breaches of sex or violent offenders' parole conditions that are not minor administrative breaches will be automatically reported to the SPA. Additionally, sex offenders who are released on parole and meet the criteria under the *Crimes (High Risk Offenders) Act 2006* will be subject to electronic monitoring.

2017 reforms

The 2017 reforms implemented key recommendations of a 2015 NSW Law Reform Commission report on parole. They were introduced by the *Parole Legislation Amendment Act* 2017, which:

- Replaced the pre-existing public interest test for release on parole, under which community safety was one of a range of factors to be taken into account by the SPA, with a community safety test under which community safety became "the primary focus of the State Parole Authority's decision-making".
- Introduced a reintegration home detention scheme, as an intermediate step between custody and parole for eligible offenders.
- Replaced the pre-existing system of court-based parole with statutory parole.
- Made supervision a mandatory parole condition.
- Introduced a framework of sanctions for parole breaches.
- Amended the Victims Register so that registered victims can remain informed about offenders being considered for parole and make submissions to the SPA.
- Introduced miscellaneous reforms to improve the operation of the parole system.
- Introduced a separate system of juvenile parole administered by the Children's Court under Part 4C of the *Children (Detention Centres) Act 1987*.

Additional restrictions on the availability of parole for terrorism offenders were introduced by the *Terrorism Legislation Amendment (Police Powers and Parole) Act 2017*.

NSW parole releases, revocations and refusals

In 2017, 8,308 inmates were released on parole. Of those, 85% were automatically released and 15% were granted parole by the SPA. The SPA refused parole in 210 cases and revoked 2,859 parole orders. From 2013 to 2017, parole releases increased by 49%, from 5,574 to 8,308. The number of SPA parole releases increased by 28.6% and the number of statutory/court ordered parole releases increased by 53.4%.

NSW parole releases, revocations and refusals, 2013-17
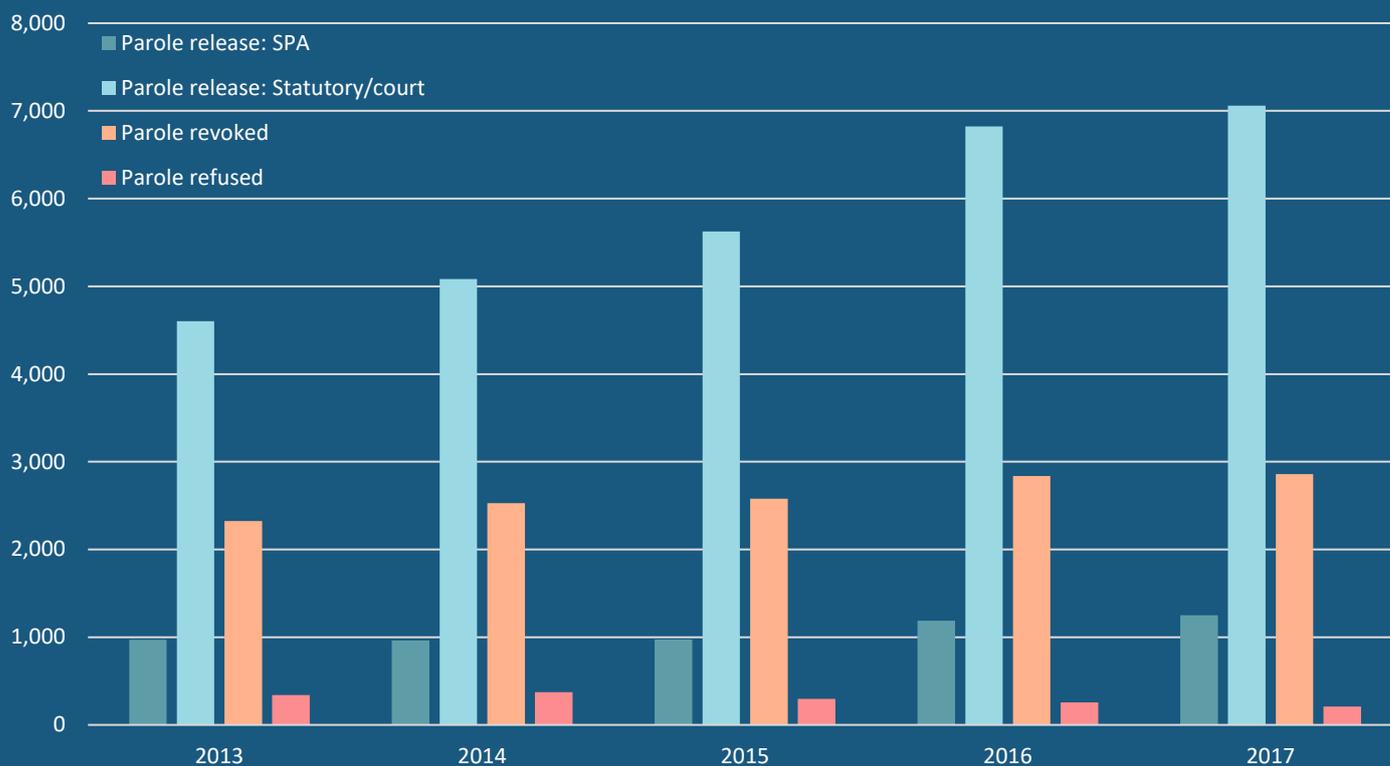
Recidivism

Rowena Johns

Reoffending rates

The rate of adults released from prison in 2015-16, who returned to prison with a new sentence within two years in 2017-18 was 50.8% in NSW, according to the Productivity Commission. This figure exceeded the national average of 45.6% and was second only to the Northern Territory (55.9%).

The percentage of juveniles exiting detention in 2017 who were reconvicted of another offence within 12 months was 64.7%, according to statistics from the NSW Bureau of Crime Statistics and Research. The percentage of juveniles convicted in 2017 and sentenced to a penalty other than detention who were reconvicted of another offence within 12 months was 44.3%.

Strategy to reduce reoffending

In August 2016, the NSW Government announced additional funding of $237 million for Corrective Services NSW to reduce reoffending. The funding targeted high-risk offenders and inmates serving short sentences who often missed out on rehabilitation programs. The custodial and community components of the strategy to reduce reoffending include:

- Priority offenders: Local Coordinated Multiagency offender management (LCM) is funded for four years (2016 to 2020) to operate in ten sites across NSW. Four agencies are involved in managing services for priority offenders who are selected: Community Corrections (part of Corrective Services NSW), NSW

Adults released from prison who returned within two years
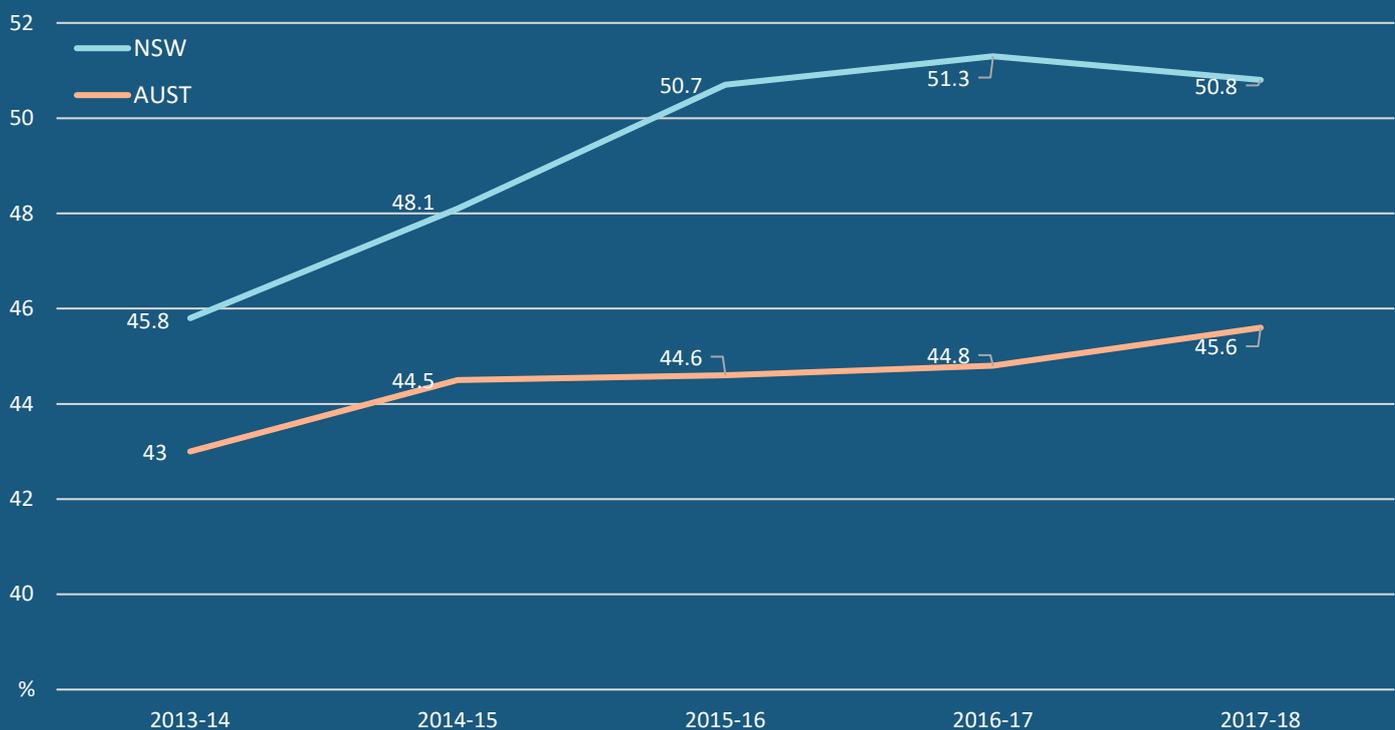
Police, NSW Health, and Family and Community Services. LCM aims to reduce reoffending through police monitoring and coordinating services to help stabilise offenders.

- EQUIPS: In 2015, Corrective Services replaced various programs with a set of four therapeutic programs, known as EQUIPS, to address general offending, addiction, aggression and domestic abuse. EQUIPS targets those offenders identified as a medium to high risk of reoffending, and aims to help them understand the factors that led to their offending and to develop skills to reduce the risk of reoffending.

- HIPU: Ten High Intensity Program Units located in seven correctional centres around NSW focus on offenders serving short sentences of six months or less, who have traditionally not had access to programs.

- Custodial case management: In 2017-18, Case Management Units were introduced in NSW prisons. Individualised case plans are developed for eligible inmates serving sentences of more than three months. Input from all stakeholders is consolidated into a central plan which will follow the inmate into community supervision, supporting a reduction in reoffending.

- Enhanced supervision: Practical measures include improving the capacity and capability of managers to deliver cognitive behaviour therapy as part of one-on-one interventions with offenders under supervision. A new Practice Guide for Intervention contains exercises that can be undertaken with offenders.

- Parole: Community Corrections manages parolees in the community. Reintegration reforms for parolees include a new mentoring service and individualised support through the "On Tracc" program (see Table). Relevant legislative reforms are dealt with in **Parole**.

In addition to the reoffending strategy, one of the Premier's 12 Priorities announced in September 2018 is to reduce the proportion of domestic violence perpetrators reoffending by 25% by 2021.

Sentencing law reform

Significant changes to sentencing law commenced in September 2018 when the *Crimes (Sentencing Procedure) Amendment (Sentencing Options) Act 2017* amended the *Crimes (Sentencing Procedure) Act 1999*. The reforms strengthen community-based options and supervision, and are expected to reduce reoffending.

Community correction orders (CCOs) and conditional release orders (CROs) were introduced to replace community service orders (s 8) and good behaviour bonds (s 9) respectively, while intensive correction orders (ICOs, s 7) were restructured. A court may request an assessment report on the offender before making an ICO, CCO or CRO. The assessment report advises courts about offenders' risks, needs, suitability for work and so on. The matters to be addressed by the report include the offender's risk of re-offending: cl 12A(1) of the *Crimes (Sentencing Procedure) Regulation 2017*.

A BOCSAR report in 2017 found a reduced rate of reoffending by offenders sentenced to an ICO compared to those who received a prison sentence of less than two years.

Summary of recent programs

The NSW Government provides and funds a range of programs to rehabilitate offenders – some are court-based intervention programs, while others are delivered in prison/detention or in the community. This table focusses on programs that were recently introduced or evaluated. Not included are longstanding programs without significant developments in recent years. Examples are the Local Court MERIT program which commenced in 2000 for adults with substance abuse problems (positively evaluated in its first decade); and the CUBIT sex offender program operating in prison since 1999 (see BOCSAR report in 2016).

Summary of recent programs: Adult offenders

	Availability	Eligibility	Evaluation
Life on track (Pre-sentence program; now ceased)	August 2013 to December 2016. Seven urban and regional locations through Local Courts.	Medium to high risk of reoffending; non-sexual offender; bail granted or likely; motivated to address problems. Program primarily focused on access to support services.	Departmental review (see Manual, p 62)
Extra Offender Management Service (Replaced Life on Track)	Five locations from June 2017. Closure of four sites was announced in June 2018. Service at last site due to end in December 2019.	Repeat offender who was issued with court attendance notice or left custody without supervision order. Medium to high risk of reoffending. Case manager develops plan to address underlying causes.	Departmental review. Did not meet performance targets (Media release and update).
Local Coordinated Multiagency offender management	Commenced in September 2017 at Liverpool, Dubbo and Parramatta. More locations added in 2018-2019.	History of offending; at risk of reoffending; multiple needs involving more than one government agency. Case worker develops a plan.	Service review in May 2018 was positive.
Violent Offender Treatment Program (12 months in a separate unit within prison; also community-based VOTP Maintenance and Outreach for graduates)	Since 2003	High risk males serving more than two years in custody.	BOCSAR in 2018 found prisoners who started the program were less likely to reoffend within two years of release than those referred to the program but not treated.
What's Your Plan? (Pilot program)	Seven court locations; expanded in 2017-2018 to 48 locations.	Indigenous defendants who are subject to an Apprehended Domestic Violence Order meet with a support officer to understand order's conditions and devise a strategy for compliance.	BOCSAR to evaluate.
On TRACC (A "social impact bond" implemented by NGOs: Australian Community Support Organisation and Arbias)	Since July 2016, across Sydney Metropolitan region. Anticipated to run for five years.	Parolees with a medium to high risk of reoffending. Intensive support provided, especially for 16 weeks after release.	BOCSAR to assess whether or not it is effective in reducing the rate of re-incarceration in the 12 months after release.

Summary of recent programs: Juvenile offenders

	Availability	Eligibility	Evaluation
Youth on track	Blacktown, Mid-North Coast and Newcastle-Hunter from 2013. More regional locations added in 2015 and 2016. Riverina to join in July 2019.	Police and schools refer 10-17 year olds at medium to high risk of offending to a support service with multi-agency involvement. Majority of participants are males and Indigenous.	Snapshot 2014-2017 found majority of participants decreased their risk of offending. See also BOCSAR's evaluation plan.
Intensive Supervision Program	From May 2008 in Newcastle and Western Sydney.	Aged 10-16.5 years; received a supervised community order or court-ordered youth justice conference. Assessed as medium to high risk; primary offence not sexual; have a primary caregiver who is willing to participate. Program aims to improve family relationships, school attendance and establish positive peer associations.	BOCSAR report found the program to be no more effective in reducing juveniles' re-offending than placing them on a traditional supervised order, but those who completed it spent significantly fewer days in custody during their treatment program.
Youth Koori Court (Pre-sentence)	Since 2015 at Parramatta Children's Court. Expanded in 2018 to Surry Hills.	Aged 10-17 years; pleaded guilty or found guilty; not sexual offence. Court has powers of Children's Court but more informal, with Elders involved in developing a support plan. Six months to complete plan, which is taken into account at sentencing.	Review of the Parramatta pilot by Western Sydney University indicated it is an effective tool in reducing reoffending. Average participant spent less time in custody during program than before.

Key documents

Gotsis T and Dobson M, *A statistical snapshot of crime and justice in New South Wales*, Statistical Indicators 5/2018, 2018

Roth L, *Reducing adult reoffending*, Briefing Paper 2/2015, 2015

Demographics

Economics

Transport

Planning

Environment

Visualising NSW

Education

Health

Housing

Social Issues

Crime & Justice

Political Issues

Women in Parliament: NSW Legislative Assembly

Talina Drabsch

2019 Election Results

Following the New South Wales (NSW) election on 23 March 2019, 33 women were elected as Members of the Legislative Assembly. As a result, there are six additional female Members of the 57th Parliament compared to the 56th Parliament. Female Members of Parliament (MPs) currently represent 35.5% of electorates in NSW, the highest proportion ever in the Legislative Assembly.

The Labor Party is getting close to achieving equal gender representation with 47.2% of its elected MPs being women (17 out of 36 MPs). This compares to 28.6% and 23.1% of the Liberal and National MPs respectively. It should be noted that Labor's voluntary gender quota increased to 50% in 2015. As in the previous Parliament, two of the three Greens MPs are female. Three MPs were elected from the Shooters, Fishers and Farmers Party, of which one is a woman.

All of the parties represented in the Legislative Assembly either increased or maintained the proportion of its MPs that are women between the 56th and 57th Parliaments.

Members of the NSW Legislative Assembly, March 2019

	Female MPs	Male MPs	Total MPs	% of party MPs that are women
ALP	17	19	36	47.2%
LIB	10	25	35	28.6%
NATS	3	10	13	23.1%
GRN	2	1	3	66.7%
SFF	1	2	3	33.3%
IND	0	3	3	0%
Total	33	60	93	35.5%

Percentage of female MPs by Political Party, NSW Legislative Assembly
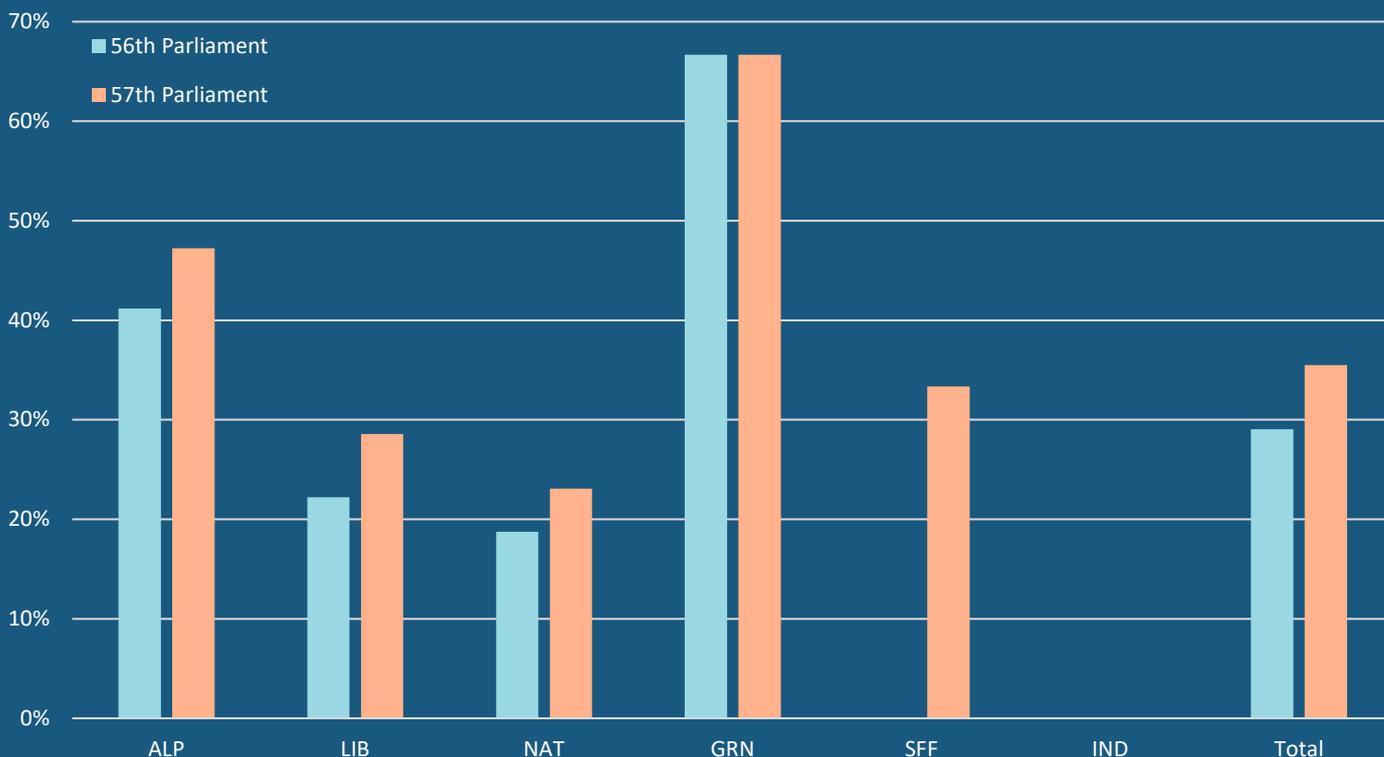
Candidates in the 2019 election

One-third of the 935 candidates in the NSW election were women – 34% of candidates for the Legislative Assembly and 37% of candidates for the Legislative Council. However, the parties noticeably differed in the proportion of their candidates that were female. The table compares the proportion of female candidates for the Legislative Assembly for the parties who fielded candidates in at least 20 electorates.

Candidates in the 2019 election

	% of candidates that were women
Animal Justice Party	63%
Labor	46%
Greens	43%
Sustainable Australia	36%
Liberals/Nationals	24%
Keep Sydney Open	24%
Shooters, Fishers and Farmers	15%
Christian Democratic	10%

Cabinet

The 2019 election represented an historic moment for NSW as Gladys Berejiklian became the first *elected* female Premier of New South Wales (having succeeded Mike Baird as Premier following his resignation in 2017). She is also noteworthy for having been the first female Treasurer of NSW (appointed in 2015).

Women were appointed as five of the 24 Ministers in the Liberal/Nationals Cabinet (20.8%) following the March 2019 election:

- Premier – Gladys Berejiklian
- Minister for Education and Early Childhood Learning – Sarah Mitchell
- Minister for Water, Property and Housing – Melinda Pavey
- Minister for Local Government – Shelley Hancock
- Minister for Mental Health, Regional Youth and Women – Bronwyn Taylor

NSW consequently has the lowest proportional representation of women of any State cabinet. In contrast, there are equal numbers of male and female Cabinet Ministers in the Queensland and Victorian Labor governments.

Key documents,

Ismay L, *Women in Parliament*, Briefing Paper No 3/2018, 2018

Treaty with Indigenous peoples

Lenny Roth

In contrast to other nations such as New Zealand, Canada and United States, Australian governments have not historically entered into treaties with Indigenous peoples. In recent years, Victoria, the Northern Territory and South Australia commenced a process to negotiate a treaty with Indigenous peoples. Western Australia has also concluded a native title settlement that has been described as a treaty. In NSW, the Labor Party has announced that it would establish a treaty process.

Victoria

In March 2016, the Andrews Government announced that it was working towards self-determination for Aboriginal people. In July 2016, an Aboriginal Treaty Interim Working Group (ATIWG) was established to consult with Aboriginal communities to develop options for a representative body. In April 2017, the government committed funding of $28.5 million to prepare for treaty negotiations.

In January 2018, a Treaty Advancement Commission commenced operations. In March 2018, the ATIWG presented its final design for the Aboriginal Representative Body to the Treaty Advancement Commissioner. In June 2018, the Victorian Parliament enacted the *Advancing the Treaty Process with Aboriginal Victorians Act 2018*. The Act requires:

- the Minister, on the recommendation of the Treaty Advancement Commissioner, to declare an entity to be the Aboriginal Representative Body;

- the Aboriginal Representative Body and the State to work together to establish the Treaty Authority. The Treaty Authority will, amongst other things, oversee and facilitate treaty negotiations.

- the Aboriginal Representative Body, the State, and the Treaty Authority to act in accordance with the five guiding principles set out in the Act;

- the Aboriginal Representative Body and the State to work together to establish the Treaty negotiation framework. The framework must, amongst other things, recognise historic wrongs, and address ongoing injustices; and

- the Aboriginal Representative Body and the State to work together to establish a self-determination fund.

In September 2018, the Treaty Advancement Commission released a proposed model for the Aboriginal Representative Body. The Representative Body will initially consist of 28 representatives selected by a combination of state-wide elections (17 seats) and seats reserved for formally recognised Traditional Owner groups (11 seats).

Northern Territory

In September 2016, the newly elected Chief Minister, Michael Gunner, set up a subcommittee on Aboriginal affairs to progress public discussions on a treaty. On 8 June 2018, the government and four Land Councils signed a Memorandum of

Understanding (the Barunga Agreement). It provides for a consultation process to be led by a Treaty Commissioner. The Treaty Commissioner is to provide the Chief Minister with a final report within two and a half years on the outcomes of the consultation process and a proposed framework for Treaty negotiations.

South Australia

In December 2016, the Weatherill Government announced that it would commence treaty discussions with Aboriginal peoples. The government set aside $4.4 million over five years to support the treaty process. In February 2017, the government appointed Dr Roger Thomas as Treaty Commissioner. In February 2018, the government signed an agreement with the Narungga Nation, which was seen as a significant milestone towards a treaty. In April 2018, the new South Australian Premier, Steven Marshall, said that he had "paused" treaty negotiations, and that his government would focus on "practical outcomes" over "symbolic action". In June 2018, the Premier ended the treaty process.

Western Australia

On 8 June 2015, the Barnett Government entered into Indigenous Land Use Agreements (ILUAs) with six Noongar Native Title Agreement Groups. The government stated that this was "the largest and most comprehensive agreement to settle Aboriginal interests over land in Australia". The settlement resolves all native title agreements in the South-West in exchange for $1.3 billion in land and other benefits. In October 2018, the six ILUAs were registered with the Native Title Tribunal. The settlement has been described as Australia's first treaty between Indigenous peoples and the State. The Aboriginal Affairs Minister, Ben Wyatt, has said that he is hoping to get treaty discussions happening throughout the state. He has also proposed a new statutory office for advocacy and accountability in Aboriginal affairs.

Commonwealth

The Commonwealth Government has been focused on the constitutional recognition of Indigenous people. The Referendum Council's June 2017 report recommended that a referendum be held on amending the Constitution to provide a representative body that gives First Nations a Voice to the Parliament. This reflected the views of Aboriginal leaders in the May 2017 *Uluru Statement from the Heart*. That statement also called for the establishment of a Makarrata Commission to supervise a process of agreement-making between governments and First Nations and truth-telling about Indigenous history.

The Coalition Government rejected the Referendum Council's recommendation. However, Indigenous Affairs Minister Nigel Scullion indicated that the government supported the proposal for a Makarrata Commission.

A November 2018 report of the Joint Select Committee on constitutional recognition recommended that the government consider the legislative, executive and constitutional options to establish a First Nations Voice.