

MEDIA RELEASE

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LANDMARK REPORT: NSW SOCIAL SERVICES SECTOR AT A TIPPING POINT

The NSW social services sector, which employs more than 230,000 people, and provides care to more than 1 million people per year, has reached a crossroads according to an alarming new report.

The report from Equity Economics, commissioned by NCOSS and other NSW peak bodies with sponsorship from HESTA, identifies the job creation potential of the sector, with another 62,000 employees needed by 2030 to cater to increased demand.

It highlights that an investment of one billion dollars will yield a return of \$10 billion in additional jobs and through the increased participation in the labour market of people currently providing informal care.

While the report "*The NSW Social Sector: Capitalising on the potential for growth*" underlines the opportunities arising from investing in the sector, it points to rising demand and unmet need as disturbing trends impacting the workforce, service quality and outcomes, and future capability if left unaddressed.

According to the report, in 2019/20:

- More people needing crisis accommodation from homelessness services did not receive it (21,790) compared to those who did (17,157).
- There were more than 94,000 mental health related emergency department presentations in NSW, a 76 per cent increase from 2004-05 to 2017-18.
- Some 32,660 people in NSW were waiting for approved home care packages in January 2021.
- 51,000 people are on the public housing waiting list in NSW, including 5,308 in priority groups.
- Only 40 per cent of domestic violence is currently reported in NSW.

Concerningly, workforce shortages are already emerging, with vacancies in key occupations including care and welfare workers increasing by over 260 per cent in regional NSW over the past five years.

Additionally, low wages, insecure work and lack of career paths for the largely female workforce, combined with a stressful work environment, are impacting wellbeing and the ability to attract and retain staff.

NCOSS CEO Joanna Quilty said the report was a defining moment for the social services sector in NSW.

"This report outlines the right path for the NSW social services sector to grow in response to demand and contribute to our state's economic recovery at a time when we have high unemployment and a need to create jobs," Ms Quilty said.

"In a nutshell, the NSW Government can invest and obtain a ten-fold multiplier in terms of jobs and productive capacity, or not invest and risk a sub-standard service system for the growing population who will require support into the future.

"We need to reimagine the social services sector and see it for what it really is: a vital industry that is crucial to our economic prosperity and social wellbeing.

“Governments regularly stand with other industries to champion their contribution and support their development through industry plans, roadmaps and investment, we now need our elected leaders to champion the social services sector and the essential role that it plays.”

Homelessness NSW CEO, Katherine McKernan said: “Our sector does the heavy lifting across NSW – ensuring the most vulnerable are supported, helping people get back on their feet, contributing to both economic and social wellbeing.

“We are calling on the NSW Government to reform the planning and funding mechanism for the social services sector so that it takes a population-based approach that reflects underlying demand.”

DVNSW CEO, Delia Donovan said: “Without decent and considered investment into the social services sector we will see more vulnerable people slip through the net, worsening social and economic outcomes.

“The impacts on the workforce’s mental health are significant as it is. They simply cannot keep up at this pace.

“We can't keep shifting service delivery from the public service onto NGOs, not provide sufficient resources and then expect positive outcomes for all those in need.”

Ms Quilty said: “The outcomes of under-resourcing and systemic neglect were clear to see in the devastating findings of the Aged Care Royal Commission and continue to play out in the Disability Royal Commission. Sticking with ‘business-as-usual’ means we will see further such royal commissions unless we act now.”

To seize these opportunities and prevent a potentially catastrophic failure of care, the report recommends that:

- The NSW Government review its funding mechanisms to reflect population demand, identify the mix and level of services that are needed at a local, regional and statewide level, and ensure a systematic and evidence-based approach to investment.
- The NSW Government provide greater industry stewardship through supporting the development of a NSW Social Sector Growth Strategy.
- Immediate investment to address significant mental health needs and support for the Social Sector workforce.

Other key findings of the report include:

- In the five years to before the COVID-19 pandemic, one in 8 jobs created in NSW was in the Social Sector, up from one in 20 jobs prior to this.
- Four out of five workers in the Social Sector in NSW are women.
- Overall, the Sector generates annual economic output worth \$15.4 billion.
- Through the Social Sector, volunteers provide 1.7 million hours of work per week, equating to \$4.4 billion in economic value per year in NSW.
- \$1 billion net investment in care industries by governments could lift economic activity in NSW by \$10 billion per year through direct generation of jobs and freeing up informal carers to participate in the labour market.

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