

EQUITY ECONOMICS

THE SOCIAL SECTOR IN NSW

CAPITALISING ON THE POTENTIAL FOR GROWTH



MARCH 2021



A POTENTIAL FOR GROWTH



The NSW Social Sector provides essential care and support to over **1 million people** each year – including those impacted by poverty, homelessness, domestic violence, mental health challenges, disability or other complex issues.



In the five years before the COVID-19 pandemic, **1 in 8 jobs** created in NSW was in the Social Sector.¹



The NSW Social Sector employs over **230,000 people**, with annual economic output worth **\$15.4 billion**.



4 out of 5 workers in the Social Sector in NSW are women.



Over 7,800 organisations operate in the Social Sector in NSW.




Volunteers in the Social Sector perform **1.7 million hours** of work per week, contributing the equivalent of **\$4.4 billion in economic value** per year in NSW.



The Social Sector will demand an additional **62,000 jobs** by 2030, including **27,000 in regional 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.

 In this report we define the NSW Social Sector as covering the provision of aged care, early childhood education and care, community mental health services, disability care, child protection, housing and homelessness services, community mental health, and domestic violence.

CHALLENGES MEETING THE POTENTIAL FOR GROWTH

Workforce shortages are emerging, with vacancies in key occupations including care and welfare workers increasing by over 2.6 times in regional NSW over the past five years.

Many workers face job instability and low pay: half of the state's Social Sector workers are employed in fixed-term or casual positions.

Significant rising demand and unmet need is driving chronic stress and mental health concerns for Social Sector workers and undermining service quality.

REALISING THE POTENTIAL FOR GROWTH

While the NSW Social Sector plays an important and growing role in the economy and society, it faces a number of challenges particularly in attracting and retaining the workforce it needs to support the people of NSW.

TO REALISE THE ECONOMIC POTENTIAL OF THE SOCIAL SECTOR, THIS REPORT RECOMMENDS:

- The NSW Government review its planning and 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, which addresses:
 - Strategies to make the Social Sector an attractive career
 - Retaining existing staff and volunteers
 - Quality and productivity within the Social Sector
 - Planning to ensure an appropriately skilled workforce of the future
- Immediate investment in supporting and addressing the mental health needs of the NSW Social Sector workforce.